



May 17, 2013

FACT SHEET: U.S.-PANAMA ECONOMIC AND TRADE RELATIONSHIP

Panama has one of the fastest-growing economies in Latin America. The economy is forecasted to expand 9.0 percent in 2013 by the IMF's World Economic Outlook. Panama's merchandise imports from the world have grown by more than 300 percent from \$3.0 billion in 2002 to \$12.4 billion in 2012. The United States is the largest supplier to the Panamanian market, with U.S. imports comprising 24 percent of Panama's imports of goods in 2012. Other top Panamanian import markets include China, Costa Rica, and Mexico.



The completion of the U.S.-Panama Trade Promotion Agreement reduced barriers to U.S. exports, creating new opportunities for U.S. businesses and workers, thereby supporting more jobs for Americans. The total volume of trade between the U.S. and Panama continued to climb in 2012, reaching \$10.5 billion, which is an increase of 21 percent over 2011.

U.S. MERCHANDISE EXPORTS TO PANAMA

Total U.S. Exports to Panama: In 2012, U.S. merchandise exports to Panama totaled \$9.9 billion.

U.S. Export Growth: Between 1999 and 2012 U.S. goods exports to Panama grew by 470 percent, from \$1.7 billion in 1999 to \$9.9 billion in 2012.

- U.S. goods exports in 2012 were 20 percent higher than in 2011.
- Panama has grown from being the 45th largest market for U.S. goods exports in 2000 to become the 30th largest market in 2012.

Largest Merchandise Export Categories: In 2012, the largest U.S. merchandise export category to Panama was petroleum and coal products valued at \$5.2 billion.

- Other top export categories in 2012 included transportation equipment (\$781 million), computers and electronic products (\$640 million), and chemicals (\$635 million).

Merchandise Export Growth: Between 2011 and 2012, U.S. merchandise exports to Panama grew by \$1.7 billion, or 20 percent.

- Exports of petroleum and coal products increased by \$1.2 billion.

International Trade Administration

The International Trade Administration (ITA) is the premier resource for American companies competing in the global marketplace. ITA has 2,400 employees assisting U.S. exporters in more than 100 U.S. cities and 72 countries worldwide. For more information on ITA visit www.trade.gov.

- Other export categories showing high dollar growth were miscellaneous manufactured commodities (up \$139 million) and computers and electronic products (up \$132 million).

Manufactured Goods: Manufactured goods represented 94 percent of U.S. goods exports to Panama in 2012.

State Exports to Panama: Increasing exports to Panama has benefits at the local level as well as the national.

- In 2012, 10 states reported merchandise export shipments to Panama above \$100 million.
- In 2012, the largest state exporters of merchandise to Panama included Texas (\$2.6 billion), Mississippi (\$2.1 billion), and Florida (\$1.4 billion).

U.S. MERCHANDISE IMPORTS FROM PANAMA

Total Panama Exports to U.S.: In 2012, U.S. merchandise imports from Panama equaled \$542 million.

U.S.-PANAMA TRADE PROMOTION AGREEMENT (TPA)

On October 31, 2012, the U.S.-Panama Trade Promotion Agreement (TPA) entered into force, granting duty-free treatment to U.S. industrial exports under more than 2,400 tariff lines. Prior to the TPA's entry into force, the average Panamanian tariff rate on U.S. industrial goods was higher than 7 percent.

Additionally, immediately upon the agreement's implementation, the average Panamanian import tariff on U.S. industrial goods fell to about 3 percent. Since the agreement's implementation, Panama's average import tariff rate on industrial goods has fallen still further, and is now approximately 2.8 percent.

Export Growth: Since the TPA took effect in October 2012, U.S. exports to Panama have increased by \$770 million (up 20 percent) from November 2012– March 2013, compared to the same period the previous year.

Increased Imports from Panama: 2012 imports from Panama amounted to \$542 million, a 39 percent increase relative to 2011. Since the TPA took effect, U.S. goods imports from Panama increased by \$50 million (up 34 percent) from November 2012– March 2013, compared to the same period the previous year.

Information Technology Agreement: As part of the TPA with the United States, Panama joined the World Trade Organization's Information Technology Agreement, under which participants offer preferential treatment to imports of high-tech goods. Panama's participation in the Information Technology Agreement has been advantageous for U.S. exporters. In 2012, the United States exported some \$632.1

million in Information Technology Agreement goods to Panama, up from \$564.6 million in 2011.