

**U.S. – PANAMA
FREE TRADE AGREEMENT:
BENEFITS TO THE U.S. SPIRITS INDUSTRY**
(September 2009)

The Distilled Spirits Council of the United States, Inc., a national trade association representing U.S. producers, marketers and exporters of distilled spirits products, strongly supports the U.S.-Panama Trade Promotion Agreement (TPA). DISCUS member companies export spirits products to more than 130 countries worldwide, including Panama.

The U.S.-Panama TPA will open the market immediately for U.S. exports.

- Panama currently assesses a tariff of 15% *ad valorem* on imported spirits. Under the U.S.-Panama TPA, all tariffs on U.S.-origin spirits will be eliminated immediately, significantly improving the competitiveness of U.S. distilled spirits.

The U.S.-Panama TPA secures important protection for Bourbon and Tennessee Whiskey.

- Panama has agreed to recognize Bourbon and Tennessee Whiskey as distinctive products of the United States. This recognition provides the industry with an important anti-counterfeiting tool because it will ensure that only spirits produced in the United States, in accordance with the laws and regulations of the United States, may be sold as Bourbon or Tennessee Whiskey in Panama. Bourbon and Tennessee Whiskey are by far the leading U.S. spirits exports worldwide.

The Agreement will streamline documentation requirements.

- The spirits industry welcomes the separate U.S.-Panama Agreement Regarding Certain Sanitary and Phytosanitary Measures and Technical Standards Affecting Trade in Agricultural Products. The Agreement streamlines documentation requirements for imported processed foods, including distilled spirits.

The Agreement solidifies Panama as one of the top markets for U.S. spirits in Latin America.

- The U.S.-Panama TPA will spur the continued growth of U.S. spirits exports to Panama. In 2008, Panama ranked as the fourth largest market in Latin America for U.S. spirits, behind Mexico, Chile and the Dominican Republic. U.S. spirits exports to Panama reached \$5.4 million in 2008, down 20% from 2007 export values.

