

Expanding Kyrgyzstan's Exports under the GSP Program



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Summary of Presentation

- **Introduction to the U.S. Generalized System of Preferences (GSP) Program**
GSP Program
- **U.S. imports from Kyrgyzstan through the U.S. GSP Program**
- **Many items pay duties unnecessarily:
Claim the available U.S. GSP benefits!**

GSP Program

- **Kyrgyzstan became a GSP beneficiary on December 29, 1993**
- **GSP provides duty-free treatment to 3,400 types of exports from Kyrgyzstan**
- **Gives Kyrgyzstan exports an advantage in U.S. market – lower cost to U.S. importers**
- **GSP is a major source of U.S. imports: \$30.8 billion in 2007**

U.S. Imports from Kyrgyzstan Under GSP

- **\$30,000 in 2007; 2006: \$20,000**
- **Kyrgyzstan is 99th largest user of GSP benefits (2007)**
- **1.6 percent of all U.S. imports from Kyrgyzstan enter under GSP**
- **Just 9 product types entered from Kyrgyzstan under GSP in 2006 & 2007**

Top U.S. Imports from Kyrgyzstan under GSP

- **Sunglasses (\$14,000 imported since 2006) – \$281 in duties saved (2%) since 2006**
- **Silk Blend Jackets and Blazers for Women and girls (\$12,300) – \$123 in duties saved (1%)**
- **National Flags (\$4,800) – \$336 in duties saved (7%)**
- **Silk Blend Dresses for Women and Girls (\$4,750) - \$328 in duties saved (6.9%)**

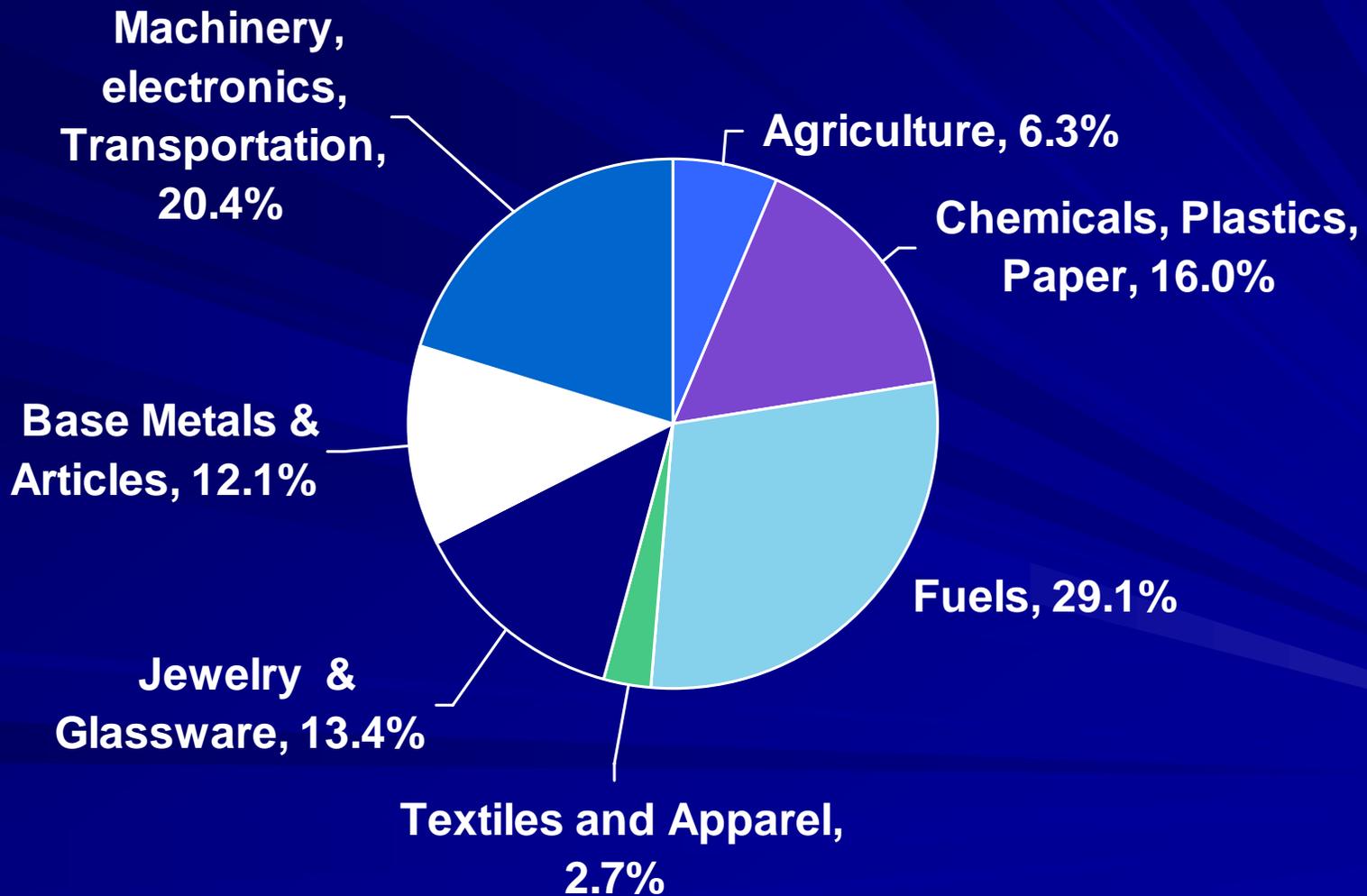
Other U.S. Imports from Kyrgyzstan under GSP

- **Plastic Hangers (\$7,000 imported since 2006) - \$200 in duties saved (3%) since 2006**
- **Artificial Flowers (\$900) - \$157 in duties saved (17%)**
- **Pillows (non-cotton) (\$1,700) - \$104 in duties saved (6%)**
- **Headgear (non-rubber, -plastic, or –furskin) (\$600 - \$51 in duties saved (8.5%))**
- **Silk Blend Shawls and Scarves (\$962) - \$12 in duties saved (1.2%)**

Which Products are Eligible for Duty-Free GSP Treatment?

- **Eligible**: manufactured items and inputs, jewelry, skins, many carpets, certain agricultural products, chemicals, marble, and minerals
- **Not eligible**: most textiles and leather goods, footwear, home décor textiles

Types of U.S. imports that received GSP duty-free treatment in 2007



How to Qualify for Duty-free Treatment under GSP

- (1) Product included in list of GSP-eligible articles***
- (2) Exported directly to U.S. or pass through another country under a “through bill of lading” to the U.S.**
- (3) Growth or product of Kyrgyzstan, or if imported input, local content & processing equal 35% of product value**
- (4) Importer must request duty-free treatment for item by writing an “A” on the U.S. Customs Entry Form (tariff refunds can be requested)**

*** A: GSP-eligible from all countries: A* one ore more countries no longer eligible; A+: only LDCs eligible**

Make sure importer marks an "A" before the tariff number on the form!

DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection
ENTRY SUMMARY

1. Filer Code/Entry No. AWC 000		2. Entry Type 01 ABI/A		3. Summary Date 10/04/2006	
4. Surety No.		5. Bond Type 8		6. Port Code 2704	
7. Entry Date 09/24/2006		8. Importing Carrier		9. Mode of Transport 11	
10. Country of Origin TR		11. Import Date 09/24/2006		12. b/L or AWB No.	
13. Manufacturer ID		14. Exporting Country TR		15. Export Date 08/30/2006	
16. I.T. No.		17. I.T. Date		18. Missing Docs	
19. Foreign Port of Lading 55735		20. U.S. Port of Unloading 2704		21. Location of Goods/G.O. No.	
22. Consignee No. SAME		23. Importer No.		24. Reference No.	
25. Ultimate Consignee Name and Address			26. Importer of Record Name and Address		
City State IN Zip			City State IN Zip		
27. Line No.		28. Description of Merchandise		29. A. HTSUS No. B. AD/CVD Case No.	
30. A. Gross Weight B. Manifest Qty.		31. Net Quantity in HTSUS Units		32. A. Entered Value B. CHGS C. Relationship	
33. A. HTSUS Rate B. AD/CVD Rate C. IRC Rate D. Visa No.		34. Duty and I.R. Tax Dollars Cents			
M W465000914 H B08CER1369LY		INVOICE 00001		NOT RELATED	
DISPOSBL SEAMLES RUBBER GL		01		2700 CASES	
A 015.19.1010 16940 112500 DPR		51840		FREE	
HARBOR MAINTENANCE FEE		C3959		0.00	
MERCHANDISE PROCESSING FEE		AS ENTERED		0.125% 64.80	
				0.21% 108.86	
Other Fee Summary for Block 39		35. Total Entered Value		CBP USE ONLY	
MPT 499 108.86		\$ 51,840.00		A. UIC CODE 359	
EMP 501 64.80		Total Other Fees		B. Ascertained Duty	
		\$ 173.66		C. Ascertained Tax	
36. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT		I declare that I am the <input type="checkbox"/> importer of record and that the actual owner, purchaser, or consignee for CBP purposes is as shown above, OR <input checked="" type="checkbox"/> owner or purchaser or agent thereof. I further declare that the merchandise <input checked="" type="checkbox"/> was obtained pursuant to a purchase or agreement to purchase and that the prices set forth in the invoices are true, OR <input type="checkbox"/> was not obtained pursuant to a purchase or agreement to purchase and the statements in the invoices as to value or price are true to the best of my knowledge and belief. I also declare that the statements in the documents herein filed fully disclose to the best of my knowledge and belief the true prices, values, quantities, rebates, drawbacks, fees, commissions, and royalties and are true and correct, and that all goods or services provided to the seller of the merchandise either free or at reduced cost are fully disclosed. I will immediately furnish to the appropriate CBP officer any information showing a different statement of facts.		REASON CODE NAJ S/PLM	
41. DECLARANT NAME		TITLE		SIGNATURE	
				DATE 10/12/2006	
42. Broker/Filer Information (Name, address, phone number)		43. Broker/Importer File No. 6841			
				CBP Form 501 (04/05)	

Claim the GSP Savings!

- **U.S. imported \$333,796 in GSP-eligible goods from Kyrgyzstan in 2007**
- **But \$305,845 of those imports were not claimed under GSP**

Claim the GSP Savings!

- **As a result, U.S. importers paid \$12,100 in duties unnecessarily in 2007**
- **In 2006, \$39,000 duties were paid unnecessarily**

Top GSP-eligible Imports by Duties Paid

- **Just 8.4% of GSP-eligible imports were claimed in 2007 (well below 88% average of all GSP beneficiaries):**
 - **Glaziers' putty: \$254,000 in trade since 2006 @ 3.7% duty = \$9,400 paid unnecessarily**
 - **Silicones: \$135,000 in trade @ 3% = \$4,000 paid unnecessarily**
 - **Aluminum doors and windows: \$149,000 in trade @ 5.7% duty = \$8,500 paid unnecessarily**

Other Unclaimed Imports

- **Dried fennel, ground fruits**
- **Paints, putties, polymers & silicones**
- **Rubber & plastic tubes, plates, & belts**
- **Handbags, belts, jackets, dresses, & scarves**
- **Iron, steel, copper, aluminum, lead & base metal items**

Questions?

Office of the U.S. Trade Representative

GSP Guidebook, lists of GSP-eligible and ineligible products, notices:

- http://www.ustr.gov/Trade_Development/Preference_Programs/GSP/Section_Index.html

U.S. Tariff Schedule

- <http://www.usitc.gov/tata/hts>

Department of Homeland Security:

Customs & Border Protection

- <http://www.customs.gov/xp/cgov/import/>
- Customs Entry Form 7501:
<https://forms.customs.gov/customsrf/getformharness.asp?formName=cf-7501-form.xft>

Spasibo!



Annex

Step-by-Step

How to Claim GSP Benefits

1) *GSP eligibility*

(1) Product must be included in U.S. tariff list of GSP-eligible articles: Free (A...) or Free (A+...) in last column on right

- Or use this lookup address on the web:
http://dataweb.usitc.gov/scripts/gsp/gsp_tariff.asp

6307.90.75	00	Toys for pets, of textile materials	No. kg	4.3%	Free (BH,CA, CL,E*,IL, J*,JO, MX, P,SG) 1.8% (MA) 3% (AU)
6307.90.85	00	Wall banners, of man-made fibers	kg	5.8% <u>1/</u>	Free (A,BH,CA, CL,E,IL,J, CL,IL,JO, MX, P,SG)

2) Imported directly

Product must be imported directly from Kazakhstan to the United States or pass through another country on a “through bill of lading” with a U.S. destination.

3) Product origin

- **Cost of local inputs and labor must equal 35% of product's FOB price to be from Kazakhstan**
- **If imported item, it must be “substantially transformed” in Kazakhstan and then used in product production**
- **“Substantially transformed” means the item's name, character, or use differs from when it was imported**

4) GSP must be requested

**U.S. importer (not exporter) MUST REQUEST
duty-free treatment for the item**

- **Is NOT automatic**
- **Importer writes an “A” before tariff number on Customs entry form 7501**
- **If importer makes a mistake and does not request GSP: can file a “Post-Entry Amendment” to U.S. Customs within 294 days**