

Mongolia's Export Opportunities through GSP

**Office of the U.S. Trade
Representative**

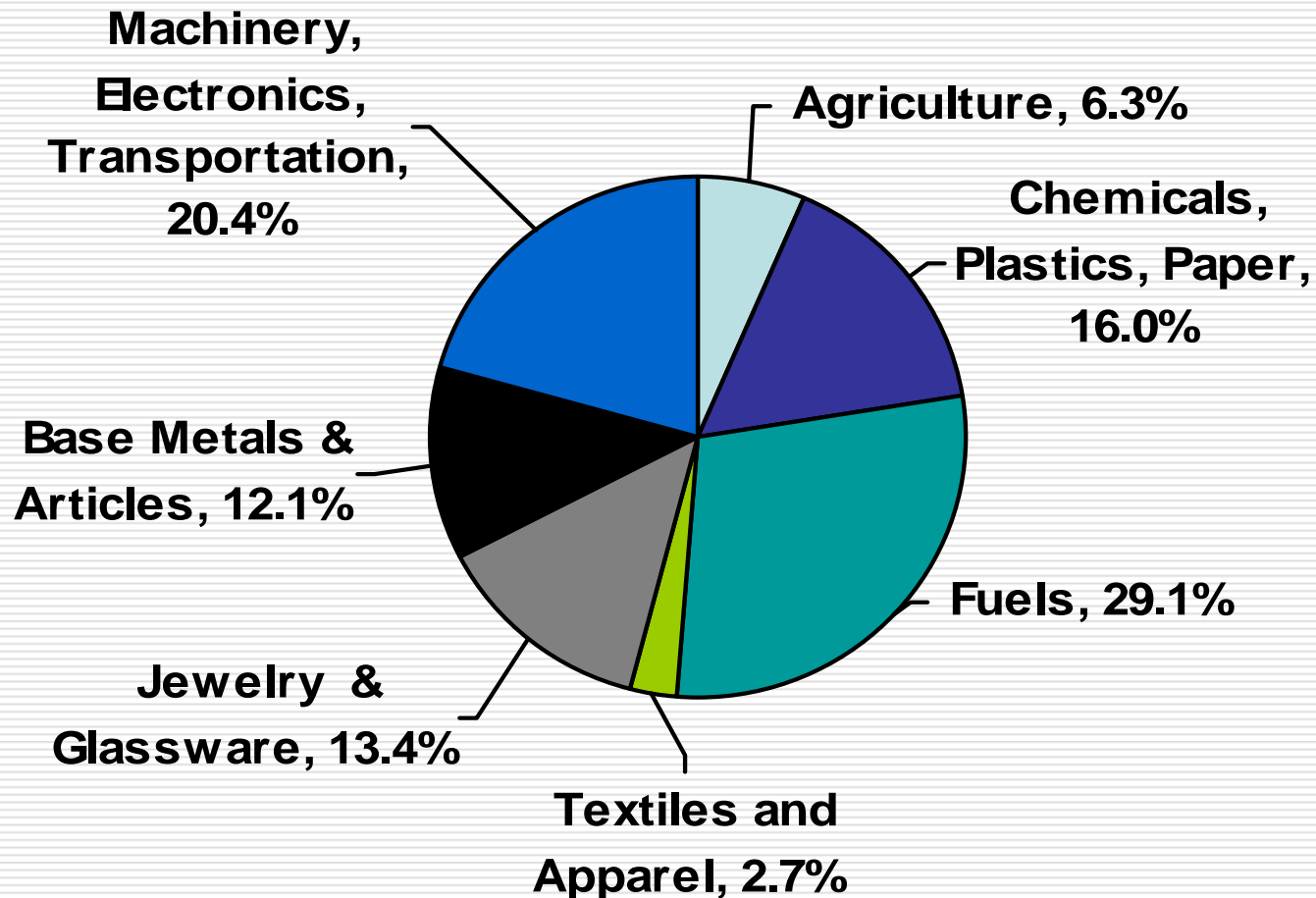
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GSP Program

- Created by Congress in 1974
- Creates opportunities in 132 (131 as of February 1, 2009) countries, while providing cheaper imports for U.S. industries and consumers
- Provides duty-free treatment for 3,400 products
- Major U.S. import program: GSP imports in 2007: \$30.8 billion

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



Mongolia's Exports to the U.S. under GSP in 2007

- \$906,485 out of \$84m in total exports**
- This made up only 1% of total exports to the U.S.!**

Mongolia's Exports to the U.S. under GSP in 2008

- Mongolia's use of GSP significantly increased through November 2008: \$5.6m of \$51.5m total exports entered the U.S. duty-free!**
- That is an over 500% increase of GSP use from the same period of 2007!**

Which Products are Eligible for Duty-Free GSP Treatment?

- Eligible:** most dutiable manufactures and inputs for manufactured items; certain agricultural, fishery, and primary industrial products (metals, chemicals, derivatives).
- Not eligible:** certain textiles, watches, certain footwear and handbags, luggage, flat goods not made of silk, work gloves, and certain leather apparel.

How to Qualify for Duty-Free Treatment under GSP

- 1. Must be a GSP-eligible product**
- 2. Must be exported into the U.S. directly from Egypt or pass through another country on a through bill of lading**
- 3. Must be a product or growth of Egypt; or...**
- 4. If the product includes imported input, the cost of the local content and processing must equal 35% of the product's price.**

Is my product eligible for duty-free treatment under GSP?

- The easiest way to find out is to go to:

http://dataweb.usitc.gov/scripts/tariff_current.asp

- Fill in the blank with:
 - Any part of a product description. For example, "jam" OR
 - The tariff number (four, six, or eight numbers). For example, 2007, 200799, or 20079925
- Then click on "List Items"

Claiming GSP Duty-Free Treatment

- ❑ U.S. importer MUST REQUEST duty-free treatment for the import**
- ❑ How? Importer writes an “A” before the tariff number on Customs entry form 7501**
- ❑ If importer forgets: can apply to U.S. Customs for refund**

Job of the Exporter?

- Remind the U.S. importer that your product is eligible for duty-free entry under GSP and to mark “A” on U.S. Customs Entry Form**
- Keep good records (cost of production; where produced; if using imported components – where they are from and their cost)**

Phyto-sanitary & Sanitary Requirements

- ❑ **U.S. Food and Drug Administration (FDA)** regulates all food (except most beef and poultry), cosmetics, biologics, drugs & some electronics.
- ❑ **Product requirements:** pure & wholesome; safe to eat; produced under sanitary conditions; informative & truthful labels in English
- ❑ **Importer files notice and bond to Customs, which contacts FDA:** FDA will then decide if test is needed
- ❑ **Bioterrorism Act:** registry of foreign facilities with FDA, including producers, that export food

Increasing Use of GSP Benefits

- 1. Ensure products get GSP duty-free treatment when eligible.**
- 2. Increase exports of GSP-eligible textile and apparel products, including those using fur, cashmere, and felt.**
- 3. Identify Mongolia's exports to other countries that are GSP-eligible in U.S.**
- 4. Export GSP-eligible minerals and industrial products.**
- 5. Use the recently signed certified handicraft arrangement (so that wall hangings and pillow covers can enter the U.S. duty-free).**

For Further Information

- **Office of the U.S. Trade Representative Website, GSP guidebook and lists of GSP eligible and ineligible products:**
 - http://www.ustr.gov/Trade_Development/Preference_Programs/GSP/Section_Index.html

- **Department of Homeland Security: Customs & Border Protection:**
<http://www.customs.gov/xp/cgov/import/>
 - **CUSTOMS FORM 7501:**
<https://forms.customs.gov/customsrf/getformharness.asp?formName=cf-7501-form.xft>
 - <http://www.customs.treas.gov/xp/cgov/toolbox/publications/>

For Further Information

□ U.S. Tariff Schedule:

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

□ U.S. Department of Commerce Trade Information Center:

- <http://www.trade.gov/td/tic/>
- Email counseling: tic@ita.doc.gov

For Additional Information

Agricultural Products:

- ❑ U.S. Country of Origin Labeling (COOL) requirements that Tunisian exporters of agricultural and seafood products need to satisfy when export to the U.S. market: www.ams.usda.gov/cool
- ❑ Sanitary certifications:
 - <http://www.foodlabels.com/q&a.htm>
 - http://www.aphis.usda.gov/import_export/plant_s/manuals/ports/downloads/fv.pdf
 - http://www.aphis.usda.gov/plant_health/permits/index.shtml
 - http://www.aphis.usda.gov/import_export/plant_s/plant_imports/index.shtml
 - <http://www.cfsan.fda.gov/list.html>

Other GSP Programs

go to <http://www.unctad.org> and type in "GSP" in the search window in the top right corner of the home page

Tand ikh bayarlalaa!

