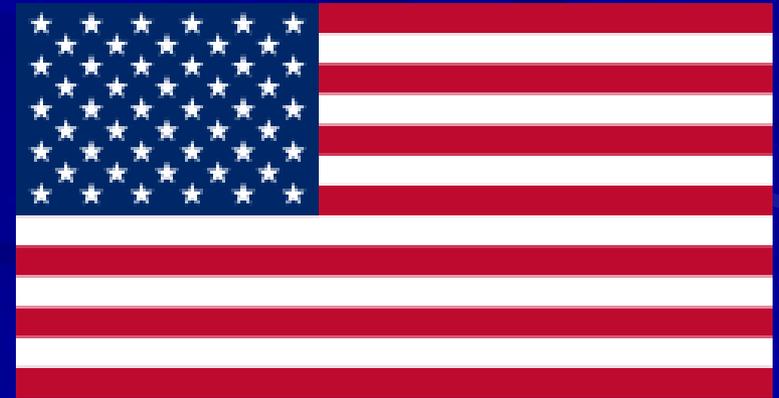
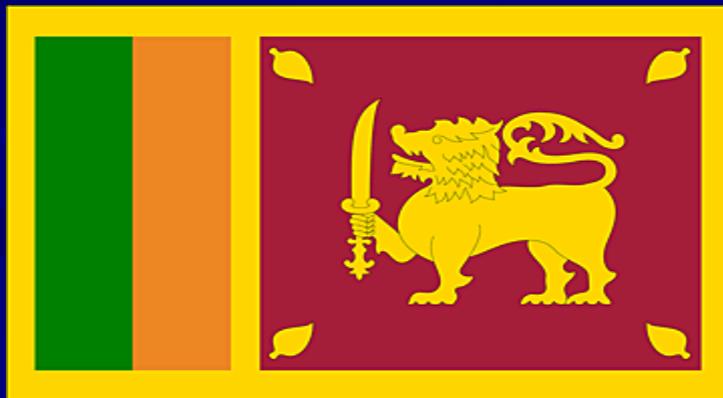


# *Expanding Sri Lanka's Exports under the GSP Program*

Marideth Sandler

Office of the U.S. Trade Representative  
Executive Office of the President

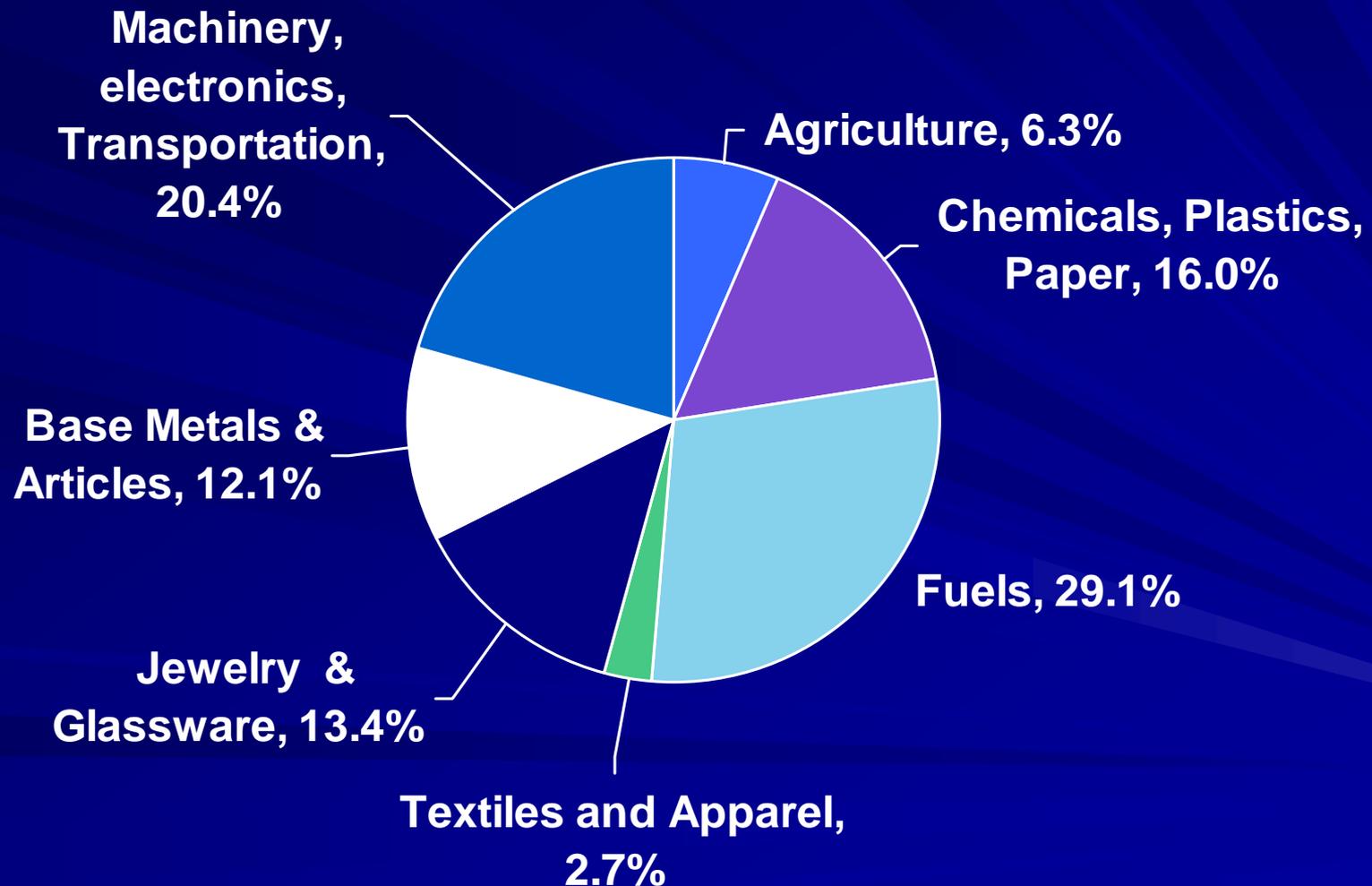
May 2008



# *Today's presentation*

- **U.S. GSP Imports from Sri Lanka**
- **Increases seen in 2007 and again in first quarter of 2008 → what products are increasing**
- **U.S. jewelry imports from Sri Lanka: how to grow them?**

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



# *Products NOT eligible for GSP*

- **Most textile and apparel articles**
- **Most watches**
- **Footwear, handbags, and luggage**
- **Flat goods (kitchen and bed linens)**
- **Work gloves**
- **Most leather wearing apparel**
- **Import-sensitive electronic, steel, and semi-manufactured and manufactured glass products**

# ***U.S. Imports from Sri Lanka Under GSP***

- **Increased in 2007 over 2006:**
  - **2007: \$153.2 million (2006: \$143.6 million)**
    - **An increase of 6.7%**
- **Even larger increases in first quarter 2008:**
  - **Q1 2008: \$40.2 million (Q1 2007: \$35.2 million)**
    - **An increase of 14.2%**
- **Despite decrease in overall U.S. imports from Sri Lanka:**
  - **Overall: 2007: 2.06 billion (2006: \$2.14 billion)**
  - **Q1 2008: \$536.1 million (Q1 2007: \$567 million)**

# ***U.S. Imports from Sri Lanka Under GSP in 2007***

- **18<sup>th</sup> top user of GSP benefits**
- **GSP: 7.4% of \$2.1 billion total U.S. imports (up from 6.8% in 2006)**
- **255 (7.5%) of 3406 GSP-eligible product types claimed (up from 160 in 2006)**
- **Importers saved \$6.1 million in duties (2006 through first quarter 2008)**

# *Top U.S. Imports from Sri Lanka (by trade) under GSP in 2007*

- Rubber tires: \$38 million (3.4-4% duty)
- Plastic sacks & bags: \$19.3 million (3%)
- Rubber gloves: \$16 million (3%)
- Activated carbon: \$11.2 million (4.8%)
- Weighing machine weights: \$6.6 million (2.8%)
- Gold jewelry: \$5.2 million (5.5%)
- Porcelain/china household ware: \$7.6m (6-8%)
- Rubber floor coverings: \$4.1 million (2.7%)

# ***Top GSP imports (by growth) (Q1 2007 to Q1 2008)***

- **Liquid Crystal Devices: \$1.7 million in Q1 2008**
  - 200-fold increase from Q1 2007
  - 4.5% duty saved
- **Sports Gloves: \$1.1 million**
  - 100-fold increase
  - 2.8% duty saved
- **Silk Blend (>70% silk) Dresses: \$268,000**
  - 238% increase
  - 6.9% duty saved
- **Rubber Gloves: \$175,000**
  - 7-fold increase
  - 3% duty saved

# ***Top U.S. imports from Sri Lanka by duties saved***

- **Porcelain/china kitchenware in sets not over \$56: 26% duty**
- **Silk blend ponytail ties & headbands: 14.6% duty (21% of eligible imports unclaimed in 2007, up from 1% unclaimed in 2006)**
- **Silver and imitation jewelry: 11-13.5% duty**
- **Gemstones: 10%**
- **Brooms & brushes of twigs or vegetable materials: 10%**
- **National flags: 7% (48% of eligible imports unclaimed in 2007, up from 32% unclaimed in 2006)**

# *How to continue increasing imports under GSP*

- **Ensure Customs forms are properly marked to avoid paying duties.**
- **Increase exports of GSP-eligible textile and apparel products.**
- **Increase U.S. jewelry imports**

**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. I.T. 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		32. A. Entered Value B. CHGS C. Relationship	
29. A. HTSUS No. B. AD/CVD Case No.		30. A. Gross Weight B. Manifest Qty.		31. Net Quantity in HTSUS Units	
M W465000914		H B08CER1369LY		NOT RELATED	
01		INVOICE 00001		51840	
A		DISPOSBL SEAMLES RUBBER GL		FREE	
		C15.19.1010 16940 112500 DPR		0.00	
		HARBOR MAINTENANCE FEE		0.125%	
		MERCHANDISE PROCESSING FEE		0.21%	
				64.80	
				108.86	
				<b>AS ENTERED</b>	
Other Fee Summary for Block 39		35. Total Entered Value		CBP USE ONLY	
MPT 489 108.86 EMP 501 64.86		\$ 51,840.00		A. LIQ CODE 359	
		Total Other Fees		B. Ascertained Duty	
		\$ 173.66		C. Ascertained Tax	
36. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT		REASON CODE		D. Ascertained Other	
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 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.		E. Ascertained Total		39. Other	
I will immediately furnish to the appropriate CBP officer any information showing a different statement of facts.				173.66	
41. DECLARANT NAME		TITLE		DATE	
				10/12/2006	
42. Broker/Filer Information (Name, address, phone number)		43. Broker/Importer File No. 6841			

# ***Ensure GSP-eligible products get GSP duty-free treatment***

- **\$170.2 million of GSP-eligible imports from Sri Lanka in 2007 (up from \$162.7 million in 2006) entered under GSP**
- **90% of these imports entered duty-free (2007), but there is still room for improvement (\$17 million in imports)**

# *Extra Duties Paid on...*

- 167 types of U.S. imports not claimed
- \$4.6 million in rubber gaskets and seals (2.5% tariff = \$211,000 duties paid)
- \$3.2 million in plastic hangars (3% tariff = \$259,000 duties paid)
- \$1.6 million in national flags (7% tariff = \$241,000 duties paid)

# ***Other products not claimed under GSP***

- **Other items with 5% duty or higher:** artificial flowers/leaves/fruit (9%), plastic clothing (5%), fishing casts (5.6%) hats of vegetable material (6%), worked precious or semi-precious stones (10.5%)
- **Products with less than 5% duty:** fish hooks (4.8%), parachutes (4%), fluorescent lamps (2.4%), dried papayas (1.8%), ground ginger (1 cent/kg.)

# ***Goal: To increase jewelry imports***

- **Most U.S. jewelry imports have increased (Q1 2007 to 2008):**
  - **Gold & platinum jewelry (not necklaces): 145%**
  - **Gold and platinum jewelry (necklaces): -31%**
  - **Silver jewelry: 217%**
  - **Jewelry clasps: 49,000%<sup>1</sup>**
  - **Stones: 2%**
  - **Imitation jewelry (not plastic): 48%**
- **Seek to work together to grow this industry**

<sup>1</sup>Imports went from \$0 in Q1 2007 to \$49,000 in Q1 2008.

# ***Untapped Textile and Apparel Opportunities under GSP***

## **■ 2007 imports:**

- \$4.3m in hats, silk blend headbands, headgear, national flags, wall hangings, sports gloves, silk blend women's apparel**
- tariff savings: up to 14.6%**

## **■ Untapped potential:**

- Silk and silk blend: fabrics, shawls, men's apparel, handkerchiefs, kitchen linen**
- Other: carpets, apparel and accessories of plastic**

# *Marketing consumer items*

- Look at U.S. design trends (online catalogs). U.S. consumers want items that are:
  - “natural”
  - “sustainable”
- Attach a story about you, your product, your company, or your community
- Make a short video and post it on YouTube or elsewhere on the internet

# ***For Additional Information***

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

- **GSP guidebook, GSP-eligible & ineligible products, notices**

[http://www.ustr.gov/Trade\\_Development/Preference\\_Programs/GSP/Section\\_Index.html](http://www.ustr.gov/Trade_Development/Preference_Programs/GSP/Section_Index.html)

## **Agricultural Export Requirements**

- <http://www.fas.usda.gov/itp/ofsts/SPS.html>
- [http://www.fsis.usda.gov/regulations\\_&\\_policies/port\\_of\\_entry\\_procedures/index.asp](http://www.fsis.usda.gov/regulations_&_policies/port_of_entry_procedures/index.asp)

# ***For Additional Information***

## **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>
- <http://www.customs.treas.gov/xp/cgov/toolbox/publications/>

# *Sthuthi!*

