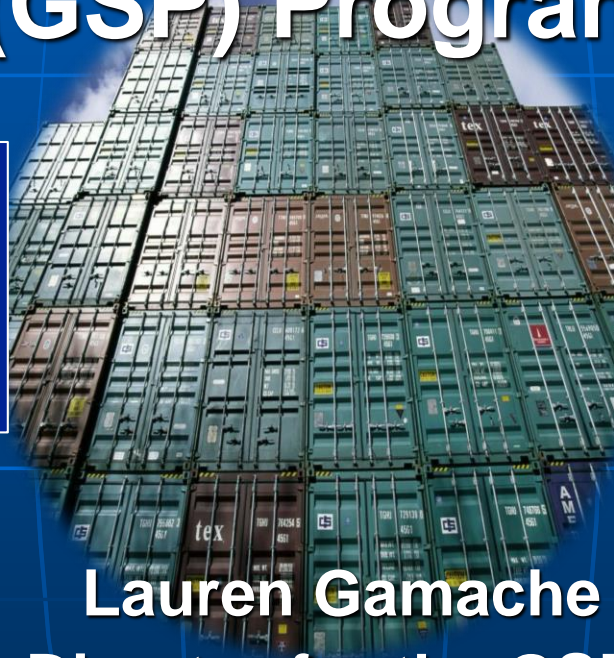


Bosnia and Herzegovina and the Generalized System of Preferences (GSP) Program



**Lauren Gamache
Director for the GSP**

**Office of the United States Trade Representative
Executive Office of the President
May 2019**

Presentation Summary



Overview of USTR and the U.S. GSP Program

GSP Exports and Benefits Review for Bosnia and Herzegovina

How to increase use of duty-free opportunities

Role of USTR

(United States Trade Representative)

- Cabinet-level agency which coordinates U.S. trade policy
 - Acts as lead negotiator, administrator of preference programs, and represents U.S. at WTO
- Led by Ambassador Robert Lighthizer
- Office of Trade Policy and Economics administers GSP

GSP Program Overview

- Enhanced access to U.S. market
 - Provides duty-free treatment for almost 3,500 products from Bosnia and Herzegovina
- Expanded choices for U.S. industries and consumers
- \$23.5 billion in total U.S. GSP imports in 2018
- GSP program currently authorized through December 2020



U.S. tariff schedule

- Total of **11,083** products
- **4,084** MFN-zero products
 - Includes cartridges and empty cartridge shells, toys, upholstered wooden chairs and other wooden furniture, and roasted coffee
- **3,743** products are subject to permanent tariffs (and excluded from GSP)
 - Includes most clothing, shoes, and automobiles
- **3,256** products are eligible for GSP benefits
 - Includes silicon, engine filters, hardware for lighting, furniture handles and knobs, and hinges

Country eligibility

- Income under \$12,055 per capita
- Expropriation/Arbitral Awards
- Taking steps to protect internationally recognized worker rights, including stopping child labor
- Market Access for U.S. exports
- U.S. Intellectual Property Rights protected
- **Full description and list in Guidebook**

<https://ustr.gov/sites/default/files/The%20GSP%20Guidebook.pdf>

Product eligibility

Eligible

- Many manufactured items and inputs
- Travel goods (e.g. backpacks, purses)
- Jewelry
- Some agricultural products
- Many chemicals
- Many minerals

Ineligible

- Most textiles and apparel
- Watches
- Footwear
- Some gloves and leather goods
- Many agricultural products



How to Qualify for Duty-Free Treatment under GSP

- **GSP-eligible product**
 - **Product or growth of the GSP Country**
 - **Local content must be $\geq 35\%$ of the value**
 - **Can't enter commerce of another country**
 - **Benefit claimed by importer**
- **Keep records to verify GSP claim**

GSP exports from Bosnia and Herzegovina to the United States, 2018

- Exports under GSP accounted for 25% of Bosnia and Herzegovina's exports to U.S.
 - Total exports were \$101 million in 2018, \$25.5 million of which were under GSP
 - Exports under GSP increased by 21% from 2017-18
- Top GSP products, 2018:
 - Silicon (\$20 million)
 - Tools for tapping or threading (\$914 thousand)
 - Aluminum, doors, windows and their frames (\$563 thousand)
- In 2018, about 65% of eligible products were imported under GSP

Examples of duty savings on exports from Bosnia and Herzegovina, 2018

HTS description	MFN rate, or non-GSP rate	Imports for consumption (U.S. dollars)	Share of eligible imports using GSP (percent)	Duty savings (U.S. dollars)	Potential additional savings (U.S. dollars)
Silicon	5.3%	\$20,500,000	100%	\$1,000,000	\$0
Bags, cases with outer surface of textile materials	17.6%	\$40,000	0%	\$0	\$7,000
Garden umbrellas	6.5%	\$350,000	80%	\$18,500	\$4,000
Chandeliers and other ceiling and wall lighting fixtures	7.6%	\$15,000	20%	\$1,000	\$5,000

Example: GSP advantage for Bosnia and Herzegovina's pickled cucumber exports

- HTS 2001.10.00
- MFN (non-GSP) duty rate of 9.6%
- Importers pay 9.6% duty when importing from many competitors, including Germany, Poland, and Bulgaria
- Importers pay 0% on GSP imports from Bosnia and Herzegovina
- Buyers would save \$9.60 per \$100 in pickled cucumber exports

How to Increase Duty-Free Exports to the U.S.



How to determine if a product is GSP eligible

Visit <https://hts.usitc.gov>

Feedback

Q beans Search Download Chapter Guide

Heading/ Subheading	Stat Suf fix	Article Description	Unit of Quantity	General	1
0708.20		Beans (<i>Vigna</i> spp., <i>Phaseolus</i> spp.):			
0708.20.10	00	Lima beans, if entered during the period from November 1 in any year to the following May 31, inclusive	kg	2.3¢/kg	Free (A, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)
0708.20.20		Cowpeas (other than black-eye peas)		Free	
	05	Yard-long beans (<i>Vigna unguiculata</i> subsp., <i>Sesquipedalis</i>)	kg		Free (A+ AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)
	10	Other	kg		
0708.20.90		Other		4.9¢/kg	
	05	Other beans of the genus <i>Vigna</i>	kg		
	10	Other	kg		
0708.90		Other leguminous vegetables:			
0708.90.05	00	Chickpeas (garbanzos)	kg	1¢/kg	Free (A* AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)

"A" = eligible for all BDCs
"A+" = eligible for LBDCs only
"A*" = some countries are excluded

For more detailed product information

Visit <https://dataweb.usitc.gov/tariff/database>

The screenshot shows the USITC Tariff Database website. At the top, there is a navigation bar with the URL "dataweb.usitc.gov". Below it, a breadcrumb trail reads "Home → Tariff → Tariff Database". The main heading is "USITC Tariff Database". A sub-heading states "Tariff data current through March 19, 2019." and a note says "This site has data for individual tariff lines." Below this, instructions for searching are provided: "Enter either the first part of an HTS category number up to 8 digits — e.g., '8501' or '850110', or any part of a product description — e.g., 'bovine', or 'articho' (without the 'quotes'). The search is not case-sensitive, so the results for 'Bovine' will be the same as for 'BoVinE'." A search input field contains the text "07089030", which is circled in red. To the right of the input field is a dark green button labeled "List Items". Below the search field, there is a link: "Download Annual Tariff Data (1997-2019)". Underneath, the text reads "Select an item for which you want tariff and trade information:". A table with three columns is displayed: "HTS", "Name", and "Begin Effect Date". The table contains one row with the following data: HTS: 07089030, Name: Pigeon peas, fresh or chilled, shelled or unshelled, if entered Oct. 1 through the following June 30, inclusive, and Begin Effect Date: 10/31/2012.

dataweb.usitc.gov

Home → Tariff → Tariff Database

USITC Tariff Database

Tariff data current through March 19, 2019.
This site has data for individual tariff lines.

Enter either the first part of an HTS category number up to 8 digits — e.g., "8501" or "850110", or any part of a product description — e.g., "bovine", or "articho" (without the "quotes"). The search is not case-sensitive, so the results for "Bovine" will be the same as for "BoVinE".

07089030 List Items

[Download Annual Tariff Data \(1997-2019\)](#)

Select an item for which you want tariff and trade information:

HTS	Name	Begin Effect Date
07089030	Pigeon peas, fresh or chilled, shelled or unshelled, if entered Oct. 1 through the following June 30, inclusive	10/31/2012

For more detailed product information

Visit <https://dataweb.usitc.gov/tariff/database>

2018 Normal Trade Relations (NTR) duty rate (formerly known as the Most Favored Nation (MFN) duty rate)

MFN Text Rate:	0.8 cents/kg
Duty calculation:	(Specific rate) times (Q)
Ad Valorem (percent of value) component:	0%

Preferential (duty-free or reduced rate) tariff program applicability to this HTS item

GSP (Generalized System of Preferences)

Status:	Eligible: code "A*" (Certain Countries Excluded)
Countries Excluded from GSP eligibility on this item:	Ecuador

GSP decision-making process to add or remove countries and products

Country-specific

- Petitions submitted by interested parties

or

- U.S. government self-initiates a review following the triennial country assessment process

Product-specific

- Petitions submitted by interested parties
- 2018 examples:
 - Redesignate ammonium perrhenate for Kazakhstan
 - Removal of tart cherry juice for Turkey



Identifying & Developing Potential U.S. Buyers

- Depends on size, sector, experience
- Understanding the US market
- What kind of relationship: agent, distributor, partner, joint venture
- Best leads: your own network!
- Trade shows



Questions on GSP?

U.S. Generalized System of Preferences GUIDEBOOK



Office of the United States Trade Representative
Executive Office of the President
Washington, D.C.

April 2018

USTR Contacts

- Email: gsp@ustr.eop.gov
- Phone: +1 (202) 395-2974

- Website: <https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp>

Thank you!

