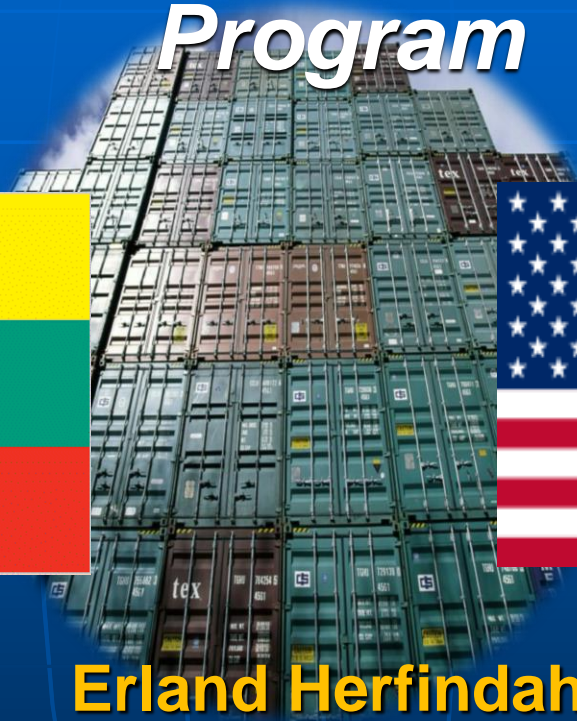
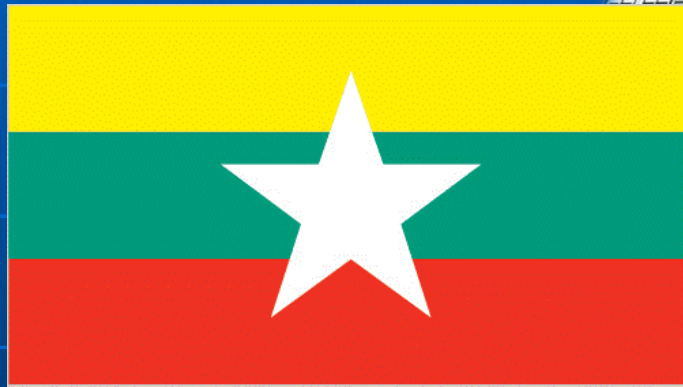


# *Expanding Myanmar's Exports through the Generalized System of Preferences (GSP) Program*



**Erland Herfindahl**  
**Deputy Assistant U.S. Trade Representative**  
**Office of the U.S. Trade Representative**  
**Executive Office of the President**  
**December 2016**

# ***Presentation Summary***



**Overview of the U.S. GSP Program**

**Myanmar's GSP-eligible exports to the U.S.**

**How to increase Myanmar's use of duty-free opportunities**

# *GSP Program*

- Enhanced access to U.S. market
- Expanded choices for U.S. industries & consumers
- Provides duty-free treatment for about 5,000 products from Myanmar and 122 other countries
- \$17.7 billion in total U.S. GSP imports (2015)
- GSP program authorized through December 2017



# GSP Program: Eligible Products

## Eligible

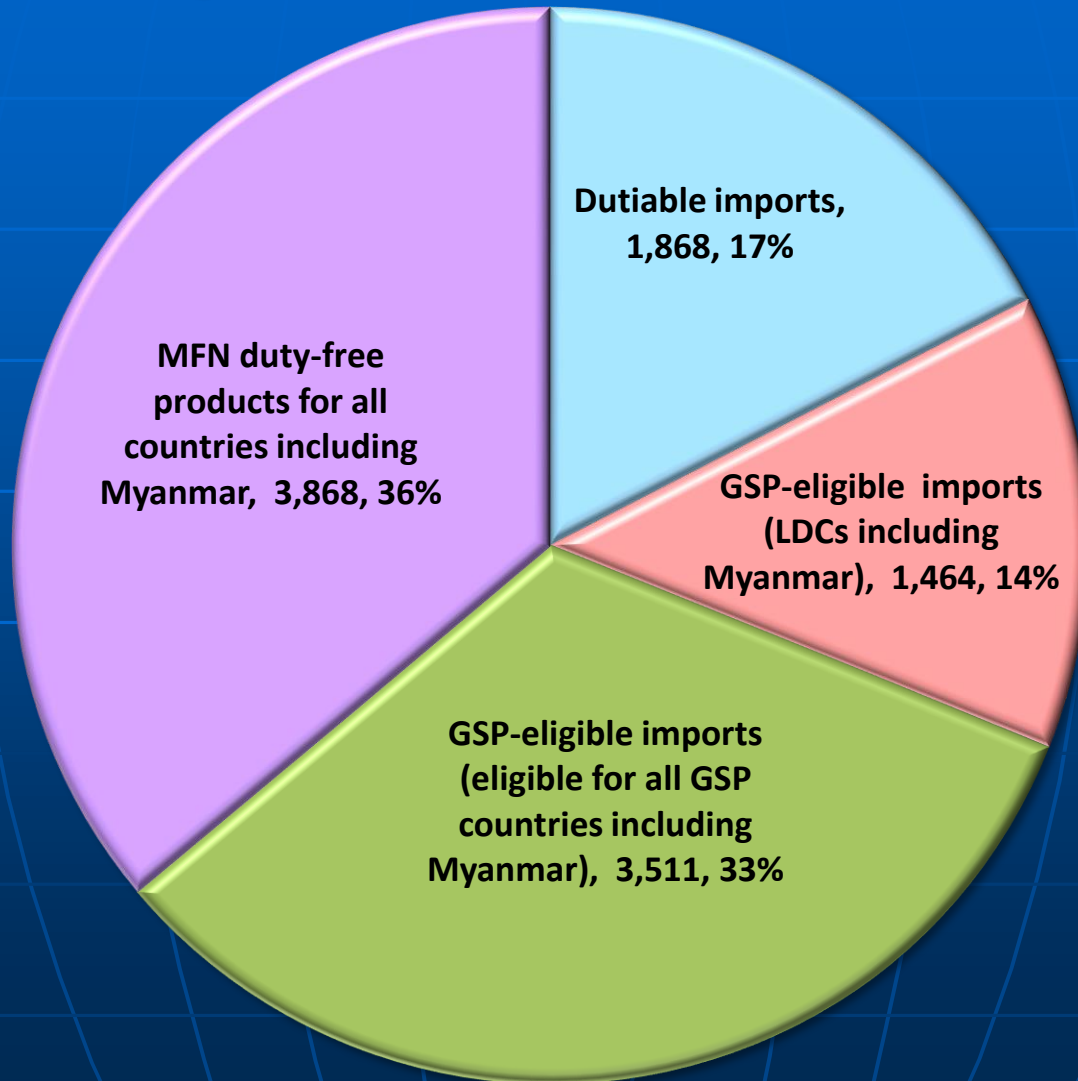
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Travel Goods:  
Luggage, handbags, backpacks, wallets, pocket goods
- Carpets

## Ineligible

- Most textiles & apparel
- Watches
- Footwear
- Some gloves & leather goods



# *How many products are eligible for duty-free treatment?*





# History of Myanmar GSP



- Myanmar was designated a GSP beneficiary in 1976 when the program was created.
- The US suspended Myanmar from GSP on July 1, 1989.
- Myanmar requested reinstatement in the GSP program in 2013.
- The US determined that Myanmar has made sufficient progress to be eligible for restoration of GSP benefits.
- Myanmar needs to remain in compliance with all GSP criteria, including worker rights, to maintain GSP eligibility.

# ***U.S. and Myanmar Trade in 2015***

- **U.S. imports from Myanmar:**
- **GSP eligible imports: \$37 million (26% of total \$142 million imports);**
- **This is in addition to MFN duty free: \$50 million (35% of imports)**

# Top GSP eligible imports by Harmonized Tariff Schedule chapter from Myanmar in 2015

HTS chapter & Product description	Maximum GSP tariff advantage	Total GSP Value
Chapter 42-Travel goods, handbags, pocket goods	20.00%	\$26,974,852
Chapter 7-Dried beans, lentils and peas	4.9 cents/kg	\$4,898,908
Chapter 4-Honey	1.9 cents/kg	\$2,672,431
Chapter 20-Preserved fruits and vegetables	22.00%	\$552,482
Chapter 76-Articles of aluminum	2.50%	\$527,466



# *How to Qualify for Duty-Free Treatment under GSP*

**Must be a GSP-eligible product**

**Must be a product or growth of Myanmar according to US Customs Rules**

**If using inputs from another country (other than GSP ASEAN members), local content & processing must be  $\geq 35\%$  of the value**

**Must import directly into the U.S. w/o entering commerce of another country**

**Benefit must be claimed by importer**

**Keep production/accounting records to assist importer to verify GSP claim**

# 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](http://dataweb.usitc.gov/scripts/tariff_current.asp)

**List of GSP-eligible products at:**

- <https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-program-i-0>

### Contact US

DataWeb Assistance

### Tariff and Trade DataWeb

DataWeb Login  
DataWeb FAQ  
DataWeb How To

### Classification Systems

Tariff Search Tool  
Classification Systems  
Commodity Translation Wizard  
Description Lookup

### Trade Data Reports

Graphs of Trends  
Sub-Saharan Africa  
Trade by Geographic Regions  
Trade by Partner Country  
Trade Duties 1891-2015

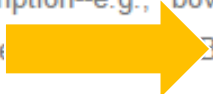
### Tariff Database

US Online Reference Tool  
Tariff Database

## :: 2016 U.S. Tariff and Trade Data for a specific product

Tariff data current through February 25, 2016. This site includes planned and tariff reductions (where applicable) and year-to-date import data!

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" or "BoVinE" are the same as for "bovine".



**User note:** While the USITC publishes the HTS, the U.S. Customs Service interprets it. Contact the Customs Service for questions about how potential importations should be classified.

In the brief item descriptions, the abbreviation "NESOI" means not otherwise specified or included.



## Contact US

▸ DataWeb Assistance

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▸ Trade by Partner Country  
▸ AVE Duties 1891-2015

## Tariff Database

▸ HTS Online Reference Tool

Now select ONE item for which you want tariff and trade information.

Click the "Detail" button when you have made your selection

Detail

- 07082010 Lima beans, fresh or chilled, shelled or unshelled, if entered November 1 through the following May 31, inclusive (*Begin Effect Date: 10/31/2012*)
- 07082090 Beans nesi, fresh or chilled, shelled or unshelled (*Begin Effect Date: 01/01/2016*)
- 07102210 Lima beans, uncooked or cooked by steaming or boiling in water, frozen, not reduced in size, entered Nov. 1 through the following May 31 (*Begin Effect Date: 10/31/2012*)
- 07102215 Lima beans, frozen, entered June 1 - October 31 (*Begin Effect Date: 01/01/2016*)
- 07102225 Frozen string beans (snap beans), not reduced in size (*Begin Effect Date: 10/31/2012*)
- 07102237 Frozen beans nesi, not reduced in size (*Begin Effect Date: 10/31/2012*)
- 07102240 Beans nesi, uncooked or cooked by steaming or boiling in water, frozen, reduced in size (*Begin Effect Date: 01/01/2016*)
- 07133110 Seeds of beans of a kind used for sowing (*Begin Effect Date: 10/31/2012*)
- 07133120 Dried beans, shelled, if entered May 1 through August 31, inclusive, in any year (*Begin Effect Date: 01/01/1989*)
- 07133140 Dried beans, shelled, if entered September 1 through the following April 30, or withdrawn for consumption at any time (*Begin Effect Date: 10/31/2012*)
- 07133210 Seeds of small red (adzuki) beans of a kind used for sowing (*Begin Effect Date: 10/31/2012*)
- 07133220 Dried beans, if entered September 1 through the following April 30, or withdrawn for consumption at any time (*Begin Effect Date: 10/31/2012*)

US imports for consumption at Customs value for HTS8 07133140:

by sources, in descending value of 2015 imports

Source	2013	2014	2015		2016		Percent change YTD2015- YTD2016
	--thousand dollars--			Percent of total	January-September		
					--thousand dollars--		
All sources	\$ 14,028.4	\$ 16,067.3	\$ 17,343.3	100.0%	\$ 10,252.1	\$ 11,810.5	15.2%
China	\$ 4,952.2	\$ 4,267.8	\$ 4,629.9	26.7%	\$ 3,075.0	\$ 3,642.9	18.5%
Thailand	\$ 3,962.7	\$ 4,564.1	\$ 4,544.8	26.2%	\$ 2,490.9	\$ 2,588.1	3.9%
India	\$ 2,188.7	\$ 2,618.6	\$ 3,764.3	21.7%	\$ 2,056.1	\$ 2,406.8	17.1%
Australia	\$ 1,470.1	\$ 1,706.2	\$ 1,748.9	10.1%	\$ 1,087.0	\$ 554.5	-49.0%
Burma	\$ 508.5	\$ 1,022.9	\$ 1,721.9	9.9%	\$ 941.6	\$ 1,894.5	101.2%
United Arab Emirates	\$ 398.1	\$ 696.2	\$ 359.4	2.1%	\$ 303.2	\$ 312.0	2.9%
Sri Lanka	\$ 16.7	\$ 93.8	\$ 152.3	0.9%	\$ 0.0	\$ 245.6	
Mexico	\$ 73.3	\$ 812.4	\$ 117.5	0.7%	\$ 117.5	\$ 0.0	-100.0%
Canada	\$ 3.3	\$ 56.1	\$ 83.9	0.5%	\$ 33.0	\$ 15.7	-52.4%
Tanzania	\$ 132.0	\$ 41.2	\$ 33.8	0.2%	\$ 21.5	\$ 0.0	-100.0%
Singapore	\$ 38.3	\$ 0.0	\$ 32.9	0.2%	\$ 32.9	\$ 13.1	-60.2%
Argentina	\$ 67.0	\$ 61.4	\$ 32.1	0.2%	\$ 13.3	\$ 30.2	127.1%
Hong Kong	\$ 28.6	\$ 24.9	\$ 28.8	0.2%	\$ 19.8	\$ 16.2	-18.2%
Greece	\$ 32.1	\$ 31.2	\$ 28.7	0.2%	\$ 15.3	\$ 40.3	163.4%
Nicaragua	\$ 0.0	\$ 0.0	\$ 24.3	0.1%	\$ 24.3	\$ 0.0	-100.0%
Ukraine	\$ 0.0	\$ 0.0	\$ 7.2	0.0%	\$ 7.2	\$ 0.0	-100.0%
Taiwan	\$ 7.3	\$ 11.1	\$ 6.2	0.0%	\$ 6.2	\$ 2.4	-61.3%

US uses "Burma" in statistics



### Customs value of recent U.S. imports for consumption

Click for more detail on imports by source country or imports by tariff program or imports by U.S. Customs district of entry or imports by statistical suffix (HTS10)

2015 imports  
(thousand dollars)  
**\$ 17,343.3**

### Tariff Treatment

Beginning Effective Date (most recent date *any* part of this HTS item's tariff treatment changed)

10/31/2012

Ending Effective Date (date *any* part of this HTS item is next scheduled for tariff treatment change)

12/31/2050

1st Unit of Quantity (Q1)

Kilograms

2nd Unit of Quantity (Q2)

2016 Normal Trade Relations (NTR) duty rate (formerly known as the Most Favored Nation (MFN) duty rate)

MFN Text Rate 0.3 cents/kg

Duty calculation (Specific rate) times (Q1)

*Ad Valorem* (percent of value) component 0%

Specific (per unit) component \$0.003

Other duty component \$0

Binding Status Bound in World Trade Organization

"Column 2" (non-NTR) duty rate (Applies to imports from a small number of countries that do not enjoy NTR duty status)

COL2 Text Rate 6.6 cents/kg

Duty calculation (Specific rate) times (Q1)

*Ad Valorem* (percent of value) component 0%

Specific (per unit) component \$0.06

Other duty component \$0

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

GSP (Generalized System of Preferences)

Status Eligible: code "A"

Countries Excluded from GSP eligibility



# ***GSP Eligible Textiles and Apparel***

Silk fabrics and apparel including dresses, women's suits, scarves,

Hand-loomed cotton fabrics

Many types of gloves and mittens

National flags

Hand-loomed and hand-hooked carpets



# GSP Eligible Travel Goods

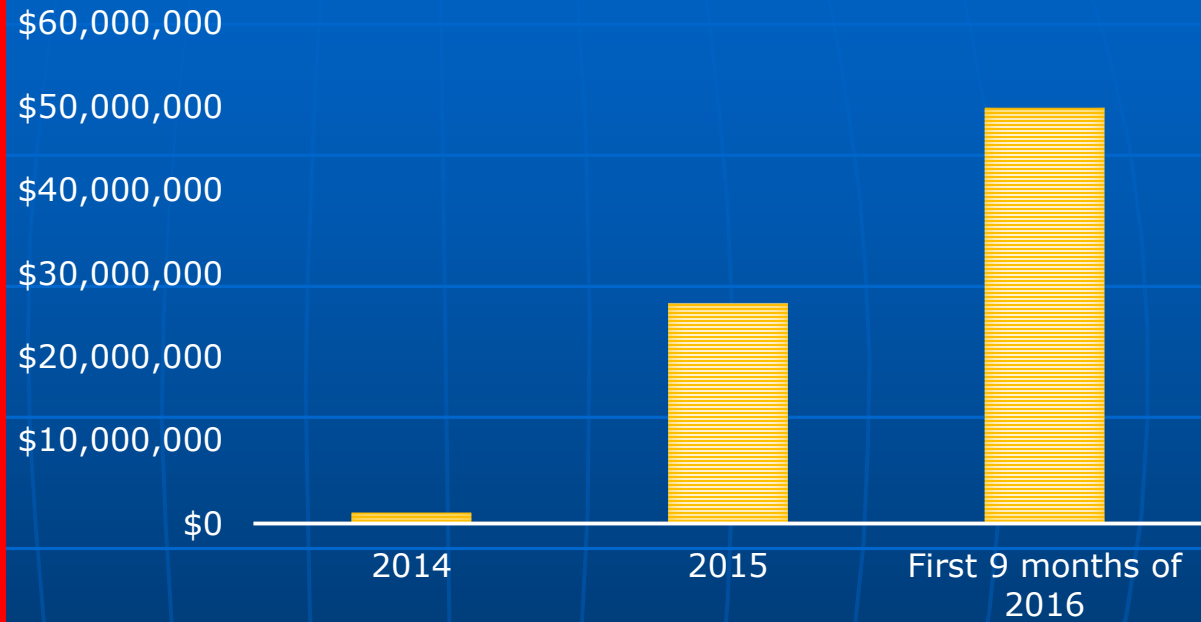
- 23 HTS lines were added for Least Developed Countries on July 1, 2016. Your exports have been growing rapidly!



## HTS - 42029245: Travel, sports and similar bags with outer surface of plastic sheeting

Country	2014	2015	YTD 9/15	YTD 9/16
	In Actual Dollars			
<b>China</b>	417,579,059	392,790,812	294,918,190	283,328,000
<b>Vietnam</b>	70,790,477	65,560,231	53,189,230	43,786,668
<b>France</b>	41,625,451	37,470,626	23,628,171	42,964,095
<b>Philippines</b>	8,720,811	25,097,003	18,945,871	30,165,426
<b>Italy</b>	4,758,052	7,061,399	3,746,083	8,142,136
<b>Cambodia</b>	1,778,384	5,833,294	4,387,873	5,905,663
<b>Burma (Myanmar)</b>	<b>280,741</b>	<b>5,274,859</b>	<b>2,608,949</b>	<b>5,714,817</b>
<b>Mexico</b>	5,413,100	4,551,171	3,501,101	2,866,480
<b>Bangladesh</b>	2,774,639	3,953,575	2,385,876	5,568,769
<b>Indonesia</b>	4,593,666	3,734,169	2,640,517	5,676,959
<b>Spain</b>	8,149,199	2,828,157	1,555,072	2,552,371
<b>Hong Kong</b>	1,629,739	2,815,630	2,251,699	2,226,974
<b>Taiwan</b>	1,436,514	934,304	676,949	701,280
<b>Costa Rica</b>	330,674	639,974	438,813	239,504
<b>Korea</b>	298,169	612,521	239,431	564,867
<b>United Kingdom</b>	305,679	513,201	328,800	172,280
<b>Malaysia</b>	10,443	465,097	464,829	1,186

## MYANMAR TRAVEL GOODS EXPORTS TO THE U.S.



TOTAL	2014	2015	First 9 months of 2016
TOTAL	\$1,339,178	\$26,427,926	\$49,822,640

## Beyond Duty savings:

Exports from any country need to be ***competitive***:

- Quality control
- Rapid order fulfillment
- Able to adjust to new requirements quickly
- High Labor Standards



# How to Increase Duty-Free Imports into the U.S.



Use GSP as a marketing tool

Ensure that GSP treatment is claimed

Identify GSP-eligible products that you are exporting to other markets

Consider products with a GSP advantage



# 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

# Petition Process to Add New Products



**Product must not be excluded by statute (e.g., apparel)**

**Submit petition during Annual Review**

**Provide the information required by the regulations**

# For Further Information

## **GSP General Information:**

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

## **U.S. Department of Homeland Security: Customs and Border Protection (CBP):**

- <http://www.cbp.gov>

# For Further Information

## U.S. Tariff Schedule:

- <http://usitc.gov/tata/hts/bychapter/index.htm>
- See esp. General Note 4.

## U.S. Tariff Databases:

- [http://www.usitc.gov/tariff\\_affairs/tariff\\_databases.htm](http://www.usitc.gov/tariff_affairs/tariff_databases.htm)

# For Further Information

## U.S. Food and Drug Administration:

- <http://www.fda.gov/ForIndustry/FDABasicsforIndustry/default.htm>

## Questions on GSP?

- USTR contact: [gsp@ustr.eop.gov](mailto:gsp@ustr.eop.gov) or + 1-202-395-2974

# *Thank you!*

