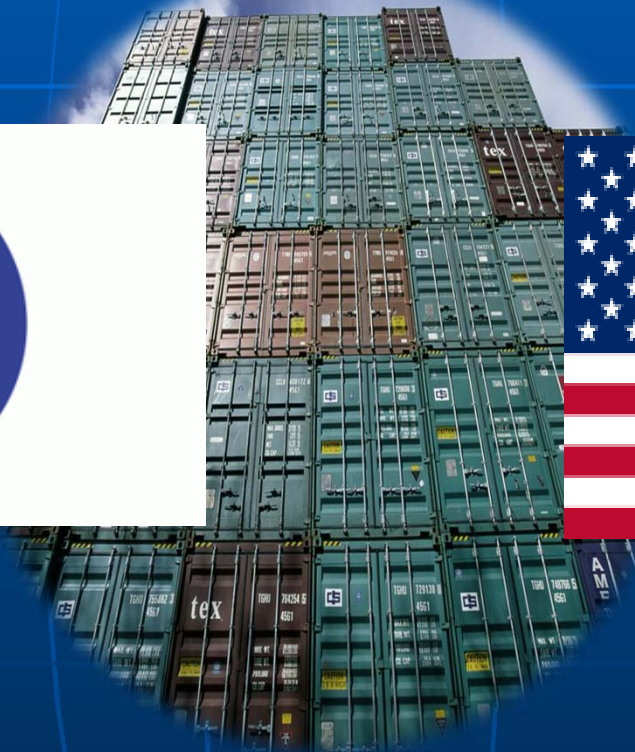


Expanding Pacific Island Country Exports through the Generalized System of Preferences (GSP) Program



Bill Jackson
Office of the U.S. Trade Representative
Executive Office of the President
August 19, 2015

Presentation Summary



Overview of the U.S. GSP Program

Regional GSP exports to the U.S.

How to increase 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 up to 5,000 products from the PIF countries that are eligible for GSP.
- \$17.4 billion in global U.S. GSP imports (2014)
- GSP program authorized through December 2017



Refunds of Duties Paid

- June 2015: GSP was renewed retroactively to July 31, 2013
- U.S. Customs (CBP) will reimburse U.S. importers for tariffs paid on eligible products during the gap period (July 31, 2013 to July 29, 2015).
- In July 2015, CBP issued a notice providing further guidance on the renewal and how to obtain a refund.
- For more information: <http://www.cbp.gov/trade/priority-issues/trade-agreements/special-trade-legislation/generalized-system-preferences>

GSP Program: Eligible Products

Eligible

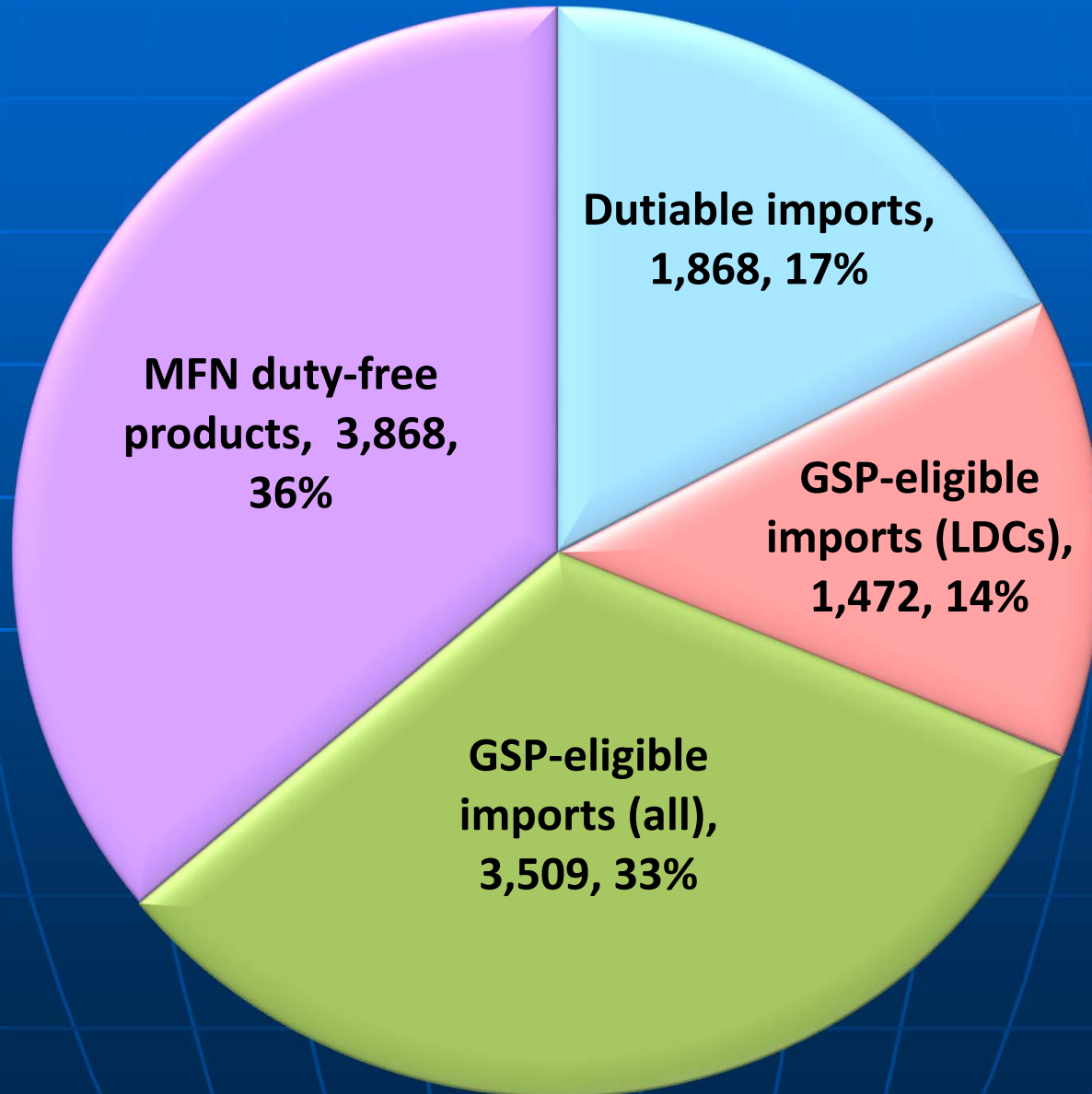
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

Ineligible

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



How many products are eligible for GSP duty-free treatment?



U.S. and PIF: 2014 Trade with GSP beneficiaries

- **U.S. total imports: \$306 million**
- **GSP imports: \$16 million**
(5% of total imports)
- **Regional utilization rate: 80%**



Top GSP imports from PIF Beneficiaries in 2014

HTSUS & Product description	Country from	MFN tariff (%/AVE)	Total GSP Value (million USD)
1604.14.40: Tunas and skipjack , not in airtight containers or oil, in bulk or in immediate containers (over 6.8 kg)	Solomon Islands	0.23%	\$6.4
1701.14.10: Other cane sugar, raw , in solid form, w/o added flavoring or coloring, subject to add. US 5 to Ch.17	Fiji	3.05%	\$4.7
2006.00.30: Ginger root, preserved by sugar (drained, glace or crystallized)	Fiji	2.4%	\$1.0
0714.90.10: Fresh or chilled dasheens , whether or not sliced or in the form of pellets	Fiji	2.3%	\$1.0

How to Qualify for Duty-Free Treatment under GSP

Must be a GSP-eligible product

Must be a product or growth of your country

If using non-domestic inputs, 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

List of GSP-eligible products at:

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

Look-Up Tool

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

United States International Trade Commission

USITC Home > DataWeb > USITC Tariff Database

Contact US

- DataWeb Assistance

Tariff and Trade DataWeb

- Trade DataWeb Login
- DataWeb FAQ
- DataWeb How To

Classification Systems

- Tariff Search Tool
- Classification Systems
- Commodity Translation Wizard
- Description Lookup

:: 2015 U.S. Tariff and Trade Data for a specific product

Tariff data current through January 15, 2015. This site includes planned staged tariff reductions (where applicable) and 3-year (plus 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" will be the same as for "BoVinE"

Cassava **List items**


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

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

1. Type the name of your product

2. Click the "List items" button

USITC DataWeb: USITC Ta x
dataweb.usitc.gov/scripts/tariff_current.asp

 United States International Trade Commission

USITC Home > DataWeb > USITC Tariff Database

Contact US

Classification Systems

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Trade Data Reports

- Graphs of Trends
- Trade Shifts
- Sub-Saharan Africa
- Trade by Geographic Regions
- Trade by Partner Country
- AVE Duties 1891-2014

The "Trade Shifts" report has been suspended until further notice.

Now select ONE item for which you want tariff and trade information.
Click the "Detail" button when you have made your selection

1. Choose your product from the list

2. Click the "Detail" button

Detail

- 07141010 Cassava (manioc), frozen, whether or not sliced or in the form of pellets (*Begin Effect Date: 10/31/2012*)
- 07141020 Cassava (manioc), fresh, chilled or dried, whether or not sliced or in the form of pellets (*Begin Effect Date: 10/31/2012*)
- 11081400 Cassava (manioc) starch (*Begin Effect Date: 01/01/1989*)
- 11081900 Starches other than wheat, corn (maize), potato or cassava (manioc) starches (*Begin Effect Date: 01/01/1990*)
- 19030020 Tapioca and substitutes prepared from arrowroot, cassava or sago, in the form of flakes, grains, pearls, siftings or in similar forms (*Begin Effect Date: 01/01/1995*)

USITC Home > DataWeb > USITC Tariff Database

2015 U.S. Tariff and Trade Data for a specific product
 2015 Tariff and Most Recent Annual U.S. Import Information

Contact US

- DataWeb Assistance

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Tariff Database

- HTS Online Reference Tool
- Tariff Database
- Tariff Programs
- Tariff DataBase Tables 1997-2015
- Future Tariffs Lookup
- World Tariff Sources

HTS Number	07141010	
Brief Description	Cassava (manioc), frozen, whether or not sliced or in the form of pellets	
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)	2014 imports (thousand dollars) \$ 26,440.8	
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)		
2015 Normal Trade Relations (NTR) duty rate (formerly known as the Most Favored Nation (MFN) duty rate)	MFN Text Rate	7.9%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	7.9%
	Specific (per unit) component	\$0
	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	35%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	35%
	Specific (per unit) 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 on this item	
Civil Aircraft Agreement Preference	Not eligible	
Tariff concession on Dyes	Not eligible	
CBI or CBERA (Caribbean Basin Initiative) Preference	Status	Eligible: code "E"
	Ad Valorem Rate	0%

Check if code "A" is listed for your product

2015 U.S. Tariff and Trade Data for a specific product
 2015 Tariff and Most Recent Annual U.S. Import Information

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Brief Description	Cassava (manioc), frozen, whether or not sliced or in the form of pellets	
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	Ad Valorem Rate	0%

More detail can be found by clicking on the links here. For example, click on "imports by source country"



- Trade by Geographic Regions
- Trade by Partner Country
- AVE Duties 1891-2014

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- World Tariff Sources

Other External Links

- Customs Rulings (CROSS)
- Order Data from Census
- Schedule B for Exports
- International Trade Data System

USITC Trade Database--Web Access

US imports for consumption at Customs value for HTS8 07141010:

by sources, in descending value of 2014 imports

Source	2012	2013	2014		2015		Percent change YTD2014- YTD2015
	--thousand dollars--			Percent of total	January-June		
					--thousand dollars--		
All sources	\$ 21,883.9	\$ 22,828.6	\$ 26,440.8	100.0%	\$ 11,392.3	\$ 12,315.1	8.1%
Costa Rica	\$ 18,789.6	\$ 18,924.4	\$ 21,027.5	79.5%	\$ 9,068.0	\$ 10,594.2	16.8%
Ecuador	\$ 582.0	\$ 896.4	\$ 1,236.5	4.7%	\$ 643.3	\$ 343.2	-46.7%
Philippines	\$ 883.7	\$ 871.7	\$ 897.4	3.4%	\$ 398.0	\$ 473.3	18.9%
Honduras	\$ 26.3	\$ 131.1	\$ 814.3	3.1%	\$ 92.1	\$ 7.6	-91.7%
Colombia	\$ 457.8	\$ 540.3	\$ 608.0	2.3%	\$ 225.3	\$ 217.9	-3.3%
Indonesia	\$ 28.5	\$ 397.2	\$ 521.1	2.0%	\$ 377.7	\$ 144.1	-61.8%
Vietnam	\$ 276.2	\$ 181.9	\$ 367.4	1.4%	\$ 80.6	\$ 109.9	36.4%
Fiji	\$ 389.8	\$ 359.9	\$ 213.5	0.8%	\$ 130.8	\$ 106.2	-18.8%
Dominican Republic	\$ 22.0	\$ 24.1	\$ 148.0	0.6%	\$ 33.6	\$ 28.4	-15.5%
Thailand	\$ 129.6	\$ 144.6	\$ 132.4	0.5%	\$ 71.0	\$ 97.7	37.6%
India	\$ 139.8	\$ 174.2	\$ 130.7	0.5%	\$ 56.9	\$ 38.4	-32.5%
Nicaragua	\$ 0.0	\$ 76.1	\$ 129.2	0.5%	\$ 129.2	\$ 88.7	-31.3%
Guatemala	\$ 57.2	\$ 23.5	\$ 54.5	0.2%	\$ 23.5	\$ 0.0	-100.0%
Tonga	\$ 47.3	\$ 34.3	\$ 49.1	0.2%	\$ 19.7	\$ 34.0	72.6%
Cote d'Ivoire	\$ 16.9	\$ 28.4	\$ 40.4	0.2%	\$ 17.3	\$ 0.0	-100.0%
The Gambia	\$ 0.0	\$ 0.0	\$ 29.3	0.1%	\$ 18.7	\$ 16.1	-13.9%

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

GSP-Eligible Imports: Underutilized in 2014

HTSUS & Product description	Country	MFN Tariff (AVE)	Total Imports	GSP Utilization Rate
2306.50.00: Oilcake and other solid residues of coconut or copra , resulting from the extraction of vegetable fats or oils	Papua New Guinea	1.56%	\$237,000	4.2%
6307.90.98: National flags and other made-up articles of textile materials, nesoi	Fiji	7%	\$229,000	37.5%
4418.90.46: Builders' joinery and carpentry of wood , nesoi	Solomon Islands	3.2%	\$30,000	0%

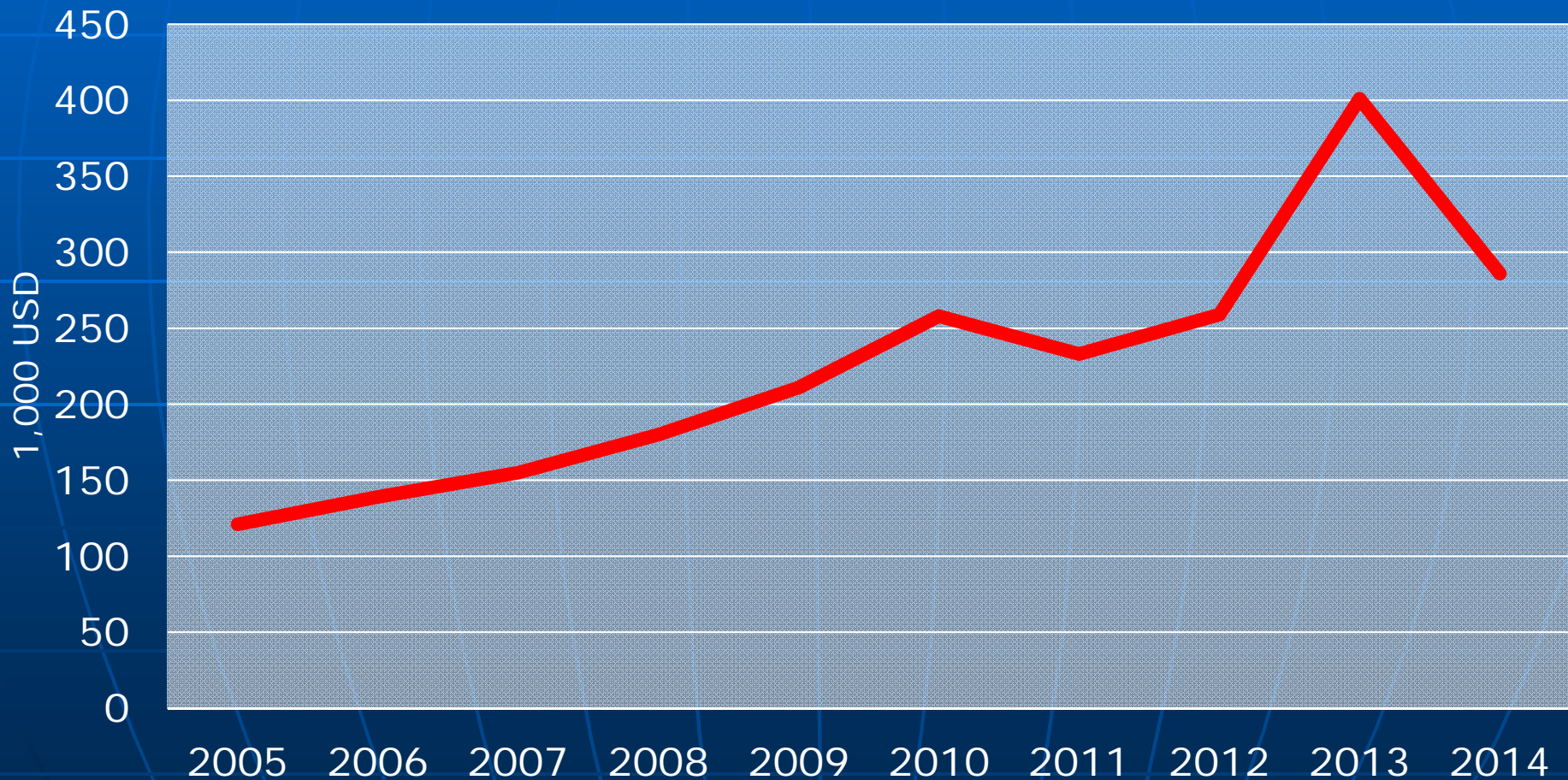
Export home décor and craft items duty-free under GSP

- Wood statues, bowls, boxes, furniture & tableware (3.2-10.9% MFN duty)
- Ceramic bowls and ornamental articles (6-9.8% MFN duty)
- Woven baskets and bags (3.5-10% MFN duty)
- Drawn & blown glass (up to 7.2% MFN duty)
- Carpets and rugs (2.7-6.8% MFN duty)
- Brass, beaded, silver & other jewelry (5-11% MFN duty)
- String & wind musical instruments (2.9-8.7% MFN duty)
- Wall-hangings & pillow/cushion covers (3.8% MFN duty)

GSP Success Story

1905.90.90 (from Fiji)

Bakers' wares communion wafers, empty capsules suitable for pharmaceutical use, sealing wafers, rice paper and similar products, nes



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
(next review begins August 19, 2015)**

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

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 or + 1-202-395-6971

Thank you!

