

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



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**August 2012**

# *Presentation Summary*



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

**Pakistan's GSP exports to the U.S.**

**How to increase Pakistan'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 3,500 products from Pakistan and 127 other countries
- \$18.5 billion in total U.S. GSP imports (2011)
- GSP program authorized through July 2013



# ***GSP Program: Eligible Products***

## **Eligible**

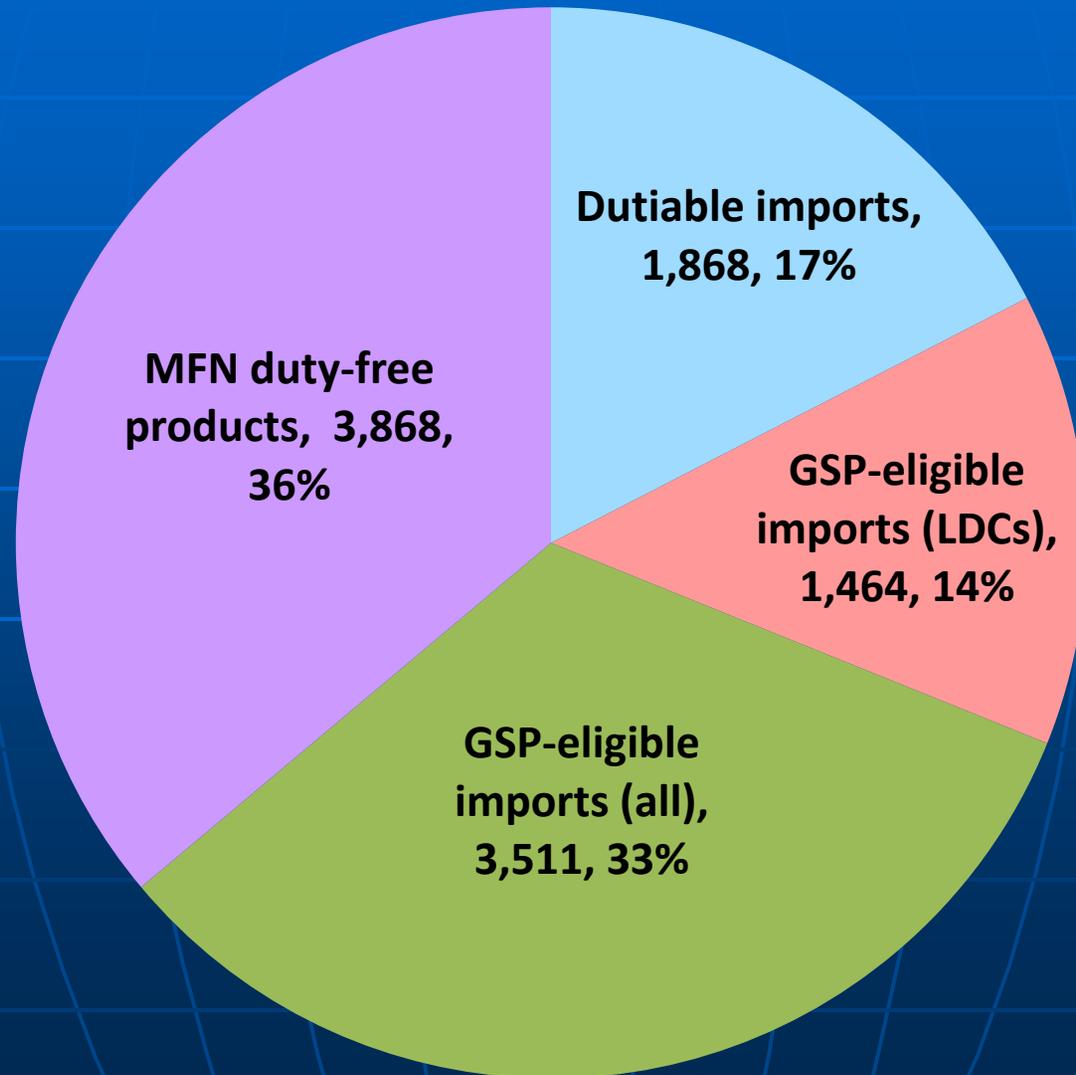
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

## **Ineligible**

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



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



# *U.S. and Pakistan Trade in 2011*

- **U.S. imports from Pakistan: \$3.8 billion**
- **GSP imports: \$131 million (3% of total imports)**
- **Overall GSP utilization rate: 82%**

# Pakistan's Top GSP Exports in 2011

HTS chapter & description	MFN tariff	Total GSP Value
39 – Plastics in primary forms & semi-finished & finished products	Up to 6.5%	\$17.9m
82 – Tools & cutlery made of base metals	Up to 19%	\$15.2m
17 – Sugars & sugar confectionery	Up to 5.6%	\$15.0m
63 – Textile articles, used textiles, & rags	Up to 5.8%	\$13.6m
42 – Leather goods	Up to 5.5%	\$8.9m
71 – Gemstones, precious metals, & jewelry	Up to 11%	\$8.7m

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

**Must be a GSP-eligible product**

**Must be a product or growth of Pakistan**

**If using non-Pakistani 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](http://dataweb.usitc.gov/scripts/tariff_current.asp)

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

- <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-program-i-0>

Go to: [http://dataweb.usitc.gov/scripts/tariff\\_current.asp](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

### Trade Data Reports

▶ Trade Data Reports  
▶ Graphs of Trends  
▶ Trade Shifts  
▶ Certain Steel Products  
▶ Sub-Saharan Africa  
▶ Trade by Geographic Regions  
▶ Trade by Partner Country  
▶ AVE Duties 1891-2010  
▶ Principal Supplier Analysis

### :: 2012 U.S. Tariff and Trade Data for a specific product

Tariff data current through February 3, 2012. 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"

Glucose

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 Tariff Database - Windows Internet Explorer

http://dataweb.usitc.gov/scripts/tariff\_current.asp

USITC Home > DataWeb > USITC Tariff Database

**Contact US**

- DataWeb Assistance

**Tariff and Trade DataWeb**

- Trade DataWeb Login
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**Classification Systems**

- Tariff Search Tool
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**Trade Data Reports**

**Tariff Database**

- HTS Online Reference Tool
- Tariff Database
- Tariff Programs
- Tariff DataBase Tables 1997-2012
- Future Tariffs Lookup
- World Tariff Sources

**Other External Links**

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

17023022 Glucose & glucose syrup nt containing or containing in dry state less than 20% fructose; blended, see gen. note 15 of the schedule & prov. (Begin Effect Date: 05/28/2012)

17023022 (Expired) Glucose & glucose syrup nt containing or containing in dry state less than 20% fructose; blended, see gen. note 15 of the schedule & prov. (Begin Effect Date: 05/15/2012)

17023022 (Expired) Glucose & glucose syrup nt containing or containing in dry state less than 20% fructose; blended, see gen. note 15 of the schedule & prov. (Begin Effect Date: 03/15/2012)

17023022 (Expired) Glucose & glucose syrup nt containing or containing in dry state less than 20% fructose; blended, see gen. note 15 of the schedule & prov. (Begin Effect Date: 02/01/2009)

17023024 Glucose & glucose syrup nt containing or containing in dry state less than 20% fructose; blended, see add'l U.S. note 9 (chap. 17) & Prov. (Begin Effect Date: 02/01/2009)

17023028 Glucose & glucose syrup not containing or containing in dry state less than 20% fructose; blended syrups (chap 17-note 4), nesoi (Begin Effect Date: 03/15/2012)

17023028 (Expired) Glucose & glucose syrup not containing or containing in dry state less than 20% fructose; blended syrups (chap 17-note 4), nesoi (Begin Effect Date: 01/01/2012)

17023040 Glucose and glucose syrup, not containing fructose or in the dry state less than 20 percent by weight of fructose, nesi (Begin Effect Date: 03/15/2012)

17023040 (Expired) Glucose and glucose syrup, not containing fructose or in the dry state less than 20 percent by weight of fructose, nesi (Begin Effect Date: 03/15/2012)

17023040 (Expired) Glucose and glucose syrup, not containing fructose or in the dry state less than 20 percent by weight of fructose, nesi (Begin Effect Date: 01/01/2012)

17024040 Glucose in solid form & glucose syrup, containing in dry state at least 20% but less than 50% by weight of fructose, nesoi (Begin Effect Date: 05/15/2012)

17024040 (Expired) Glucose in solid form & glucose syrup, containing in dry state at least 20% but less than 50% by weight of fructose, nesoi (Begin Effect Date: 03/15/2012)

17024040 (Expired) Glucose in solid form & glucose syrup, containing in dry state at least 20% but less than 50%

2. Click the "Detail" button

1. Choose your product from the list

USITC DataWeb: USITC Tariff Database - Windows Internet Explorer

http://dataweb.usitc.gov/scripts/tariff\_current.asp

USITC DataWeb: USITC Tariff Database

### 2012 U.S. Tariff and Trade Data for a specific product

#### 2012 Tariff and Most Recent Annual U.S. Import Information

HTS Number	17023040	
Brief Description	Glucose and glucose syrup, not containing fructose or in the dry state less than 20 percent by weight of fructose, nesl	
<b>Customs value of recent U.S. imports for consumption</b>		
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)	2011 imports (thousand dollars) \$73,380.2	
<b>Tariff Treatment</b>		
Beginning Effective Date (most recent date any part of this HTS item's tariff treatment changed)	05/15/2012	
Ending Effective Date (date any part of this HTS item is next scheduled for tariff treatment change)	12/31/2012	
1st Unit of Quantity (Q1)	Kilograms	
2nd Unit of Quantity (Q2)		
2012 Normal Trade Relations (NTR) duty rate (formerly known as the Most Favored Nation (MFN) duty rate)	MFN Text Rate	2.2 cents/kg
	Duty calculation	(Specific rate) times (Q1)
	<i>Ad Valorem</i> (percent of value) component	0%
	Specific (per unit) component	\$0.022
"Column 2" (non-NTR) duty rate (Applies to imports from a small number of countries that do not enjoy NTR duty status)	Other duty component	\$0
	Binding Status	Bound in World Trade Organization
	COL2 Text Rate	4.4 cents/kg
	Duty calculation	(Specific rate) times (Q1)
Other duty component	<i>Ad Valorem</i> (percent of value) component	0%
	Specific (per unit)	\$0.044
	Other duty component	\$0
<b>Preferential (duty-free or reduced rate) tariff program applicability to this HTS item</b>		
GSP (Generalized System of Preferences)	Status	Eligible: code "A" ✓
	Countries Excluded from GSP eligibility on this item	

Check if code "A" is listed for your product

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

USITC DataWeb: USITC Tariff Database - Windows Internet Explorer

http://dataweb.usitc.gov/scripts/tariff\_current.asp

USITC DataWeb: USITC Tariff Database

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	Duty calculation	(Specific rate) times (Q1)
	Ad Valorem (percent of value) component	0%
	Specific (per unit) component	\$0.044
Other duty component	\$0	
<b>Preferential (duty-free or reduced rate) tariff program applicability to this HTS item</b>		
GSP (Generalized System of Preferences)	Status	Eligible: code "A"
	Countries Excluded from GSP eligibility on this item	
Civil Aircraft Agreement Preference		Not eligible

**Tariff Database**

- HTS Online Reference Tool
- Tariff Database
- Tariff Programs
- Tariff DataBase Tables 1997-2012
- Future Tariffs Lookup
- World Tariff Sources

**Other External Links**

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

- Trade Suffixes
- Certain Steel Products
- Sub-Saharan Africa
- Trade by Geographic Regions
- Trade by Partner Country
- AVE Duties 1891-2010
- Principal Supplier Analysis

Import detail for HTS Item (8-digit) - Windows Internet Explorer

http://dataweb.usitc.gov/scripts/details.asp?Phase=HTS8&HTS8=17023040&DESC=

Import detail for HTS Item (8-digit)

**USITC Trade Database--Web Access**

**US imports for consumption at Customs value for HTS8 17023040:**

by sources, in descending value of 2011 imports

Source	2009	2010	2011		2012		Percent change YTD2011- YTD2012
	--thousand dollars--		Percent of total	January-May --thousand dollars--			
All sources	\$51,511.7	\$57,695.7	\$73,380.2	100.0%	\$31,384.3	\$29,226.2	-6.9%
Canada	\$22,148.2	\$24,627.7	\$24,000.0	32.7%	\$14,000.0	\$12,117.5	-14.0%
Pakistan	\$8,935.4	\$11,697.7	\$14,322.9	19.5%	\$7,063.4	\$7,750.1	9.7%
Mexico	\$2,183.9	\$3,814.0	\$5,511.0	7.5%	\$1,821.9	\$2,208.2	20.5%
Thailand	\$2,100.7	\$3,635.9	\$3,846.4	5.2%	\$590.0	\$1,021.0	73.1%
France	\$1,144.9	\$2,246.0	\$2,640.3	3.6%	\$1,229.2	\$566.7	-53.9%
Colombia	\$2,572.9	\$2,685.9	\$2,457.8	3.3%	\$1,244.7	\$75.5	-93.9%
Austria	\$1,818.0	\$1,448.8	\$2,217.2	3.0%	\$901.3	\$1,511.4	67.7%
Germany	\$4,040.4	\$2,695.9	\$1,902.0	2.6%	\$1,307.6	\$870.7	-33.4%
Italy	\$219.7	\$941.7	\$1,895.1	2.6%	\$708.8	\$509.1	-28.2%
China	\$611.2	\$1,006.3	\$1,612.6	2.2%	\$629.9	\$563.1	-10.6%
Belgium	\$637.0	\$737.1	\$935.6	1.3%	\$441.9	\$343.9	-22.2%
Hungary	\$1,451.9	\$207.0	\$845.3	1.2%	\$180.4	\$309.5	71.6%
Netherlands	\$828.2	\$509.7	\$811.9	1.1%	\$429.8	\$421.5	-1.9%
Indonesia	\$458.9	\$694.0	\$547.9	0.7%	\$107.0	\$283.9	165.3%
Philippines	\$149.5	\$319.4	\$476.1	0.6%	\$114.2	\$109.5	-4.1%
Switzerland	\$58.0	\$48.3	\$379.3	0.5%	\$81.5	\$113.7	39.5%
Turkey	\$0.0	\$2.7	\$210.9	0.3%	\$210.9	\$0.0	-100.0%
Korea, Republic of	\$77.6	\$122.3	\$185.9	0.3%	\$68.3	\$67.6	-1.0%

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# *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 Pakistan is exporting to other markets**

**Consider products with a GSP advantage**

# *GSP-Eligible Imports: Underutilized in 2011*

<b>Product</b>	<b>MFN Tariff</b>	<b>Total Imports</b>	<b>GSP Utilization Rate</b>
<b>Polyethylene terephthalate (PET)</b> (HTS 3907.60.00)	6.5%	\$20.3 m	76%
<b>Miscellaneous motor vehicle parts and accessories</b> (HTS 8708.99.81)	2.5%	\$2.8m	17%
<b>Other plastic packing articles</b> (HTS 3923.90.00)	3%	\$1.7 m	54%
<b>Worked marble slabs</b> (HTS 6802.91.05)	2.5%	\$1.6 m	70%
<b>Certain cotton fabrics coated with plastic (HTS 5903.90.10)</b>	2.7%	\$1.5m	0%

# *Export home décor and craft items duty-free under GSP*

- Wood statues, bowls, boxes, furniture & tableware (3.2-10.9% duty)
- Ceramic bowls and ornamental articles (6-9.8% duty)
- Woven baskets and bags (6.6% duty)
- Drawn & blown glass (6.4% duty)
- Carpets and rugs (6% duty)
- Brass, beaded, silver & other jewelry (5-11% duty)
- String & wind musical instruments (2.9-8.7% duty)
- Wall-hangings & pillow/cushion covers (3.8% duty)



# 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 Success Story

HTS: 0910.99.60 Miscellaneous Spices



# GSP Success Story

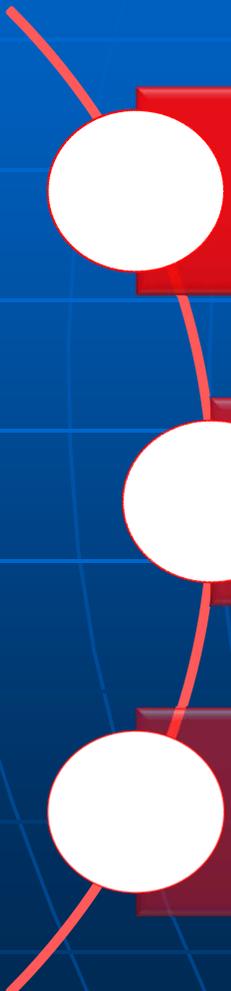
HTS: 0804.10.40 Packs of Fresh or Dried Dates



# Identifying & Developing Potential U.S. Buyers

- **Depends on size, sector, experience**
- **Are you export-ready?**
- **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  
(deadline for 2012 Review: October 5, 2012)**

**Provide the information required by the regulations**

# *For Further Information*

## **GSP General Information:**

- <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preference-gsp>

## **Lists of GSP-eligible Products:**

- <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-program-i-0>

# *For Further Information*

## **U.S. Tariff Schedule:**

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

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

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

# *For Further Information*

## **U.S Consumer Product Safety Commission:**

- <http://www.cpsc.gov/businfo/faq.html>

## **U.S. Food and Drug Administration:**

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

## **U.S. Embassy/Consulate Contact:**

- [PakistanGSP@state.gov](mailto:PakistanGSP@state.gov)

*Thank you!*

