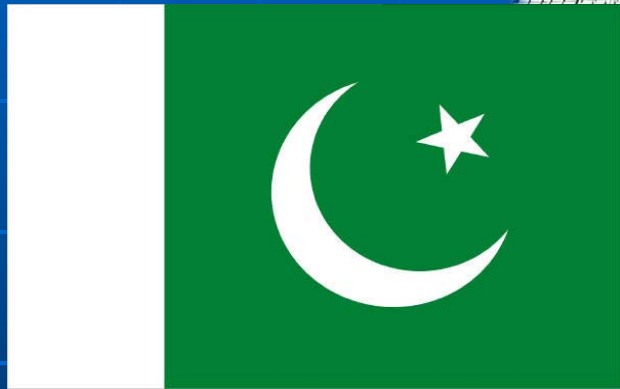


Expanding Pakistan's Exports through the Generalized System of Preferences (GSP) Program



Bill Jackson
Office of the U.S. Trade Representative
Executive Office of the President
June 2016

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 121 other countries
- \$17.4 billion in total U.S. GSP imports (2015)
- GSP program authorized through December 2017



GSP Program: Eligible Products

Eligible

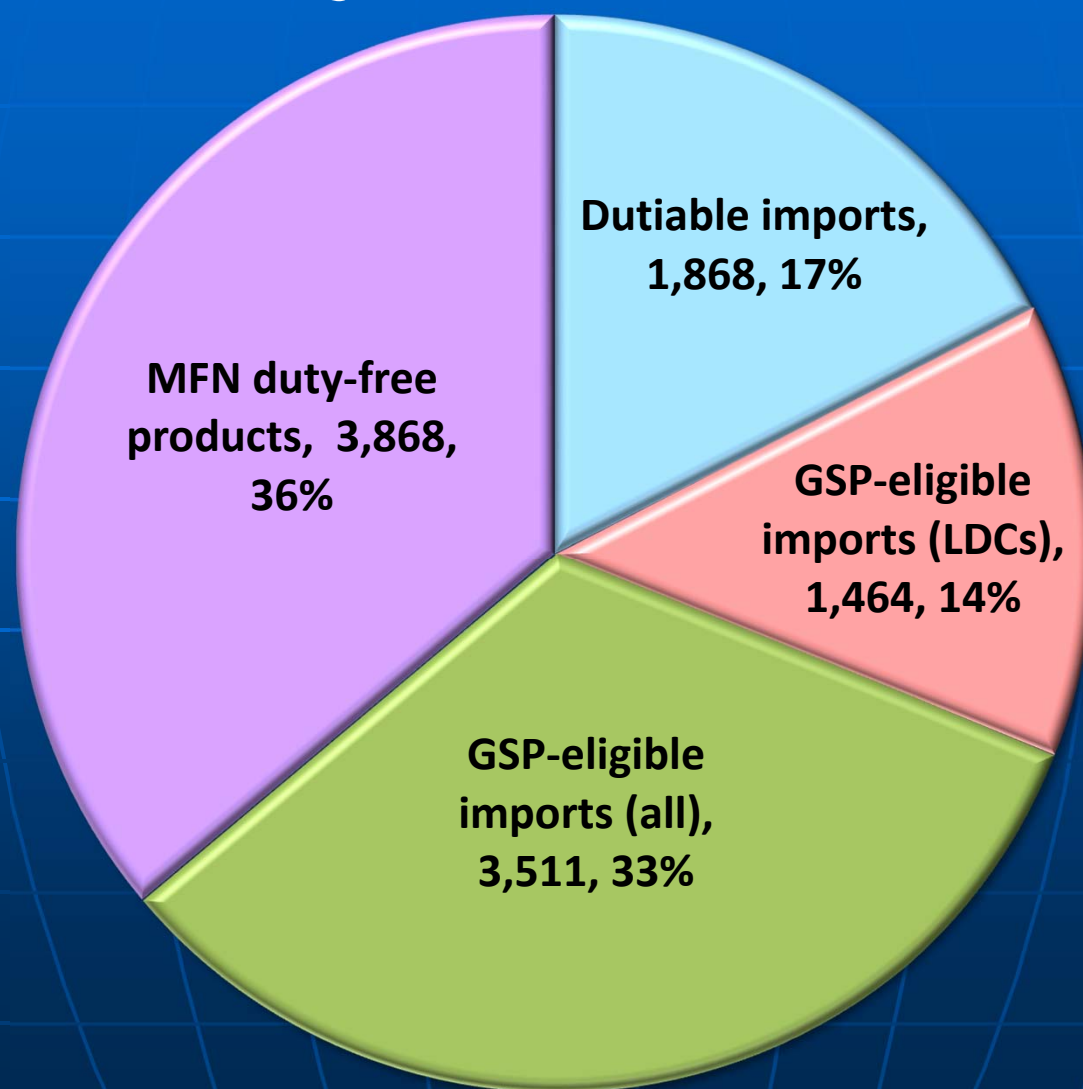
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

Ineligible

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



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



U.S. and Pakistan Trade in 2015

- **U.S. imports from Pakistan: \$3.7 billion**
- **GSP imports: \$179 million (5% of total imports)**
- **Overall GSP utilization rate: 88%**

Top GSP imports from Pakistan in 2015

HTS chapter & Product description	GSP tariff advantage	Total GSP Value
17 – Sugars & sugar confectionery	Up to 5.6%	\$30.8 m
39 – Plastics in primary forms & semi-finished & finished products	Up to 6.5%	\$26.8 m
71 – Precious and semiprecious jewelry	Up to 11%	\$16.0 m
82 – Tools & cutlery made of base metals	Up to 19%	\$15.1 m
63 – Textile articles, used textiles, & rags	Up to 5.8%	\$14.3 m
09 – Spices	Up to 6.4%	\$11.0 m

How to Qualify for Duty-Free Treatment under GSP



- Must be a GSP-eligible product**

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

- If using non-Pakistani or non-SAARC 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

USITC DataWeb: USITC T x

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

The screenshot shows the USITC DataWeb interface. At the top is the USITC logo and the text "United States International Trade Commission". Below this is a breadcrumb trail: "USITC Home > DataWeb > USITC Tariff Database". The main content area is titled "2015 U.S. Tariff and Trade Data for a specific product". It contains a text input field with the word "Jewelry" entered, and a button labeled "List_items" which is circled in red. To the left of the main content are three sidebar sections: "Contact US" with a link to "DataWeb Assistance"; "Tariff and Trade DataWeb" with links to "Trade DataWeb Login", "DataWeb FAQ", and "DataWeb How To"; and "Classification Systems" with links to "Tariff Search Tool", "Classification Systems", "Commodity Translation Wizard", and "Description Lookup". At the bottom of the page, there are two blue boxes with red text and arrows pointing to the input field and the "List_items" button respectively.

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"

Jewelry **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



United States International Trade Commission

USITC Home > DataWeb > USITC Tariff Database

Contact US

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Trade Data Reports

Regions
Country
15

HTS Online Reference Tool
Tariff Database
Tariff Programs
Tariff DataBase Tables 1997-2016
Future Tariffs Lookup
World Tariff Sources

Other External Links

Customs Rulings (CROSS)

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

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

Detail

- ☐ 44209045 Wooden jewelry boxes, silverware chests, microscope, tool or utensil cases, similar boxes, cases and chests, not lined with textile fabrics (*Begin Effect Date: 01/01/2016*)
- ☐ 44209065 Wooden jewelry boxes, silverware chests, microscope, tool or utensil cases, similar boxes, cases and chests, lined with textile fabrics (*Begin Effect Date: 01/01/1999*)
- ☐ 71039910 Precious or semiprecious stones, nesoi, cut but not set and suitable for use in the manufacture of jewelry (*Begin Effect Date: 01/01/1999*)
- ☐ 71049010 Synthetic or reconstructed precious or semiprecious stones, cut but not set & suitable for use in the manufacture of jewelry (*Begin Effect Date: 01/01/1999*)
- ☐ 71131110 Silver rope, curb, etc. in continuous lengths, whether or not plated/clad with other precious metal, suitable for jewelry manufacture (*Begin Effect Date: 10/31/2012*)
- ☐ 71131120 Silver articles of jewelry and parts thereof, nesoi, valued not over \$18 per dozen pieces or parts (*Begin Effect Date: 10/31/2012*)
- ☐ 71131150 Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts (*Begin Effect Date: 10/31/2012*)
- ☐ 71131910 Precious metal (o/than silver) rope, curb, etc. in continuous lengths, whether or not plated/clad precious metal, for jewelry manufacture (*Begin Effect Date: 10/31/2012*)
- ☒ 71131950 Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi (*Begin Effect Date: 10/31/2012*)
- ☐ 71132010 Base metal clad w/precious metal, rope, curb & like articles in continuous lengths, suitable for use in jewelry manufacture (*Begin Effect Date: 10/31/2012*)
- ☐ 71132050 Base metal clad w/precious metal articles of jewelry and parts thereof, nesoi (*Begin Effect Date: 10/31/2012*)
- ☐ 71162005 Jewelry articles of precious or semiprecious stones, valued not over \$40 per piece (*Begin Effect Date: 10/31/2012*)
- ☐ 71162015 Jewelry articles of precious or semiprecious stones, valued over \$40 per piece (*Begin Effect Date:*

2. Click the
"Detail" button

1. Choose
your product
from the list

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

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

Tariff Database

- HTS Online Reference Tool
- Tariff Database
- Tariff Programs
- Tariff DataBase Tables 1997-2016
- Future Tariffs Lookup
- World Tariff Sources

Check if code
"A" is listed for
your product

2016 U.S. Tariff and Trade Data for a specific product**2016 Tariff and Most Recent Annual U.S. Import Information**

HTS Number		71131950
Brief Description		Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal.nesoi
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) \$ 4,688,098.0
Tariff Treatment		
Beginning Effective Date (most recent date <i>any</i> part of this HTS item's tariff treatment changed)		10/31/2012
Ending Effective Date (date <i>any</i> part of this HTS item is next scheduled for tariff treatment change)		12/31/2050
1st Unit of Quantity (Q1)		No units collected
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	5.5%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	5.5%
	Specific (per unit) component	\$0
	Other duty component	\$0
"Column 2" (non-NTR) duty rate (Applies to imports from a small number of countries that do not enjoy NTR duty status)	Binding Status	Bound in World Trade Organization
	COL2 Text Rate	80%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	80%
	Specific (per unit) component	\$0
	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*" (Certain Countries Excluded) ✓
	Countries Excluded from GSP eligibility on this item	India Thailand Turkey
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%
		\$0

Contact US

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

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

2016 Tariff and Most Recent Annual U.S. Import Information

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Tariff concession on Dyes		Not eligible
CBI or CBERA (Caribbean Basin Initiative) Preference	Status	Eligible: code "E"
	Ad Valorem Rate	0%
Specific Rate		\$0

Tariff Database

- ▶ HTS Online Reference Tool
- ▶ Tariff Database
- ▶ Tariff Programs
- ▶ Tariff DataBase Tables 1997-2016
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Other External Links

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

by sources, in descending value of 2015 imports

Source	2013	2014	2015		2016		Percent change YTD2015- YTD2016
	--thousand dollars--			Percent of total	January-March		
					--thousand dollars--		
All sources	\$ 4,342,526.7	\$ 4,521,416.4	\$ 4,688,098.0	100.0%	\$ 998,111.0	\$ 1,055,191.2	5.7%
India	\$ 1,109,713.8	\$ 1,121,443.6	\$ 1,245,278.6	26.6%	\$ 247,551.7	\$ 305,988.4	23.6%
China	\$ 761,715.1	\$ 753,787.4	\$ 744,284.7	15.9%	\$ 153,062.9	\$ 150,976.8	-1.4%
France	\$ 418,292.4	\$ 536,402.2	\$ 492,456.5	10.5%	\$ 83,318.8	\$ 111,961.2	34.4%
Italy	\$ 270,662.1	\$ 353,584.9	\$ 343,677.9	7.3%	\$ 59,996.0	\$ 74,357.3	23.9%
Thailand	\$ 251,394.2	\$ 265,941.0	\$ 285,966.0	6.1%	\$ 58,643.2	\$ 65,560.0	11.8%
Mexico	\$ 241,812.4	\$ 263,315.4	\$ 235,285.6	5.0%	\$ 58,351.0	\$ 34,023.8	-41.7%
Hong Kong	\$ 259,131.0	\$ 224,059.7	\$ 213,007.0	4.5%	\$ 41,002.0	\$ 74,133.2	80.8%
Oman	\$ 183,015.3	\$ 187,786.3	\$ 182,844.3	3.9%	\$ 42,884.4	\$ 35,082.3	-18.2%
Dominican Republic	\$ 150,006.1	\$ 140,897.8	\$ 140,115.2	3.0%	\$ 28,471.1	\$ 24,927.9	-12.4%
Switzerland	\$ 136,467.3	\$ 142,745.9	\$ 139,068.3	3.0%	\$ 37,607.6	\$ 21,252.2	-43.5%
Qatar	\$ 3.8	\$ 0.0	\$ 77,490.0	1.7%	\$ 77,490.0	\$ 0.0	-100.0%
Canada	\$ 69,602.7	\$ 59,153.1	\$ 65,581.2	1.4%	\$ 12,560.4	\$ 17,689.1	40.8%
Israel	\$ 49,726.6	\$ 48,641.8	\$ 57,684.4	1.2%	\$ 9,698.5	\$ 20,014.2	106.4%
Singapore	\$ 44,599.2	\$ 58,622.8	\$ 53,600.8	1.1%	\$ 14,240.4	\$ 17,231.6	21.0%
Spain	\$ 54,341.4	\$ 53,320.7	\$ 53,098.6	1.1%	\$ 12,277.5	\$ 11,572.3	-5.7%
Turkey	\$ 28,755.2	\$ 43,406.8	\$ 45,015.0	1.0%	\$ 9,237.3	\$ 12,404.0	34.3%
United Kingdom	\$ 36,525.2	\$ 34,328.6	\$ 38,328.6	0.8%	\$ 5,211.6	\$ 7,460.5	43.2%
Indonesia	\$ 42,422.4	\$ 27,904.1	\$ 34,652.9	0.7%	\$ 6,493.7	\$ 10,443.6	60.8%
Germany	\$ 17,774.3	\$ 24,037.1	\$ 24,013.9	0.5%	\$ 3,946.8	\$ 2,873.4	-27.2%
Bolivia	\$ 22,221.4	\$ 20,122.8	\$ 22,046.5	0.5%	\$ 4,737.0	\$ 3,799.1	-19.8%
Jordan	\$ 12,860.8	\$ 19,917.8	\$ 21,976.5	0.5%	\$ 3,819.7	\$ 4,768.4	24.8%
Vietnam	\$ 13,914.2	\$ 15,466.3	\$ 20,197.0	0.4%	\$ 3,694.9	\$ 4,732.7	28.1%
Korea, Republic of	\$ 16,557.5	\$ 16,371.9	\$ 18,285.9	0.4%	\$ 3,507.8	\$ 4,424.3	26.1%
Belgium	\$ 16,222.8	\$ 15,271.7	\$ 18,197.6	0.4%	\$ 2,300.3	\$ 1,631.9	-29.4%
Pakistan	\$ 30,757.5	\$ 4,098.9	\$ 14,429.1	0.3%	\$ 386.1	\$ 10,004.4	2,491.1%
Lebanon	\$ 14,684.8	\$ 1,819.9	\$ 10,858.0	0.2%	\$ 482.8	\$ 4,512.2	815.8%
Japan	\$ 7,772.0	\$ 6,929.9	\$ 10,198.5	0.2%	\$ 2,036.8	\$ 3,412.7	67.6%

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 2015

Product description	MFN Tariff	Total Imports	GSP Utilization Rate
Leather sports gloves, mittens, and mitts (HTS 4203.21.80)	4.9%	\$ 11.1 m	64%
Articles of cutlery, nesoi, and base metal parts of cutlery, nesoi (HTS 8214.90.90)	5.48%	\$1.4 m	2%
Metal instruments for manicure or pedicure purposes, and base metal parts thereof (HTS 8214.20.30)	4%	\$ 3.4 m	64%
Certain athletic articles and equipment and parts thereof (HTS 9506.91.00)	4.6%	\$2.8 m	73%
Certain non-cotton pillows, cushions and similar furnishings (HTS 9404.90.20)	6%	\$ 1.6 m	69%



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 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 0910.91.00: Mixtures of spices



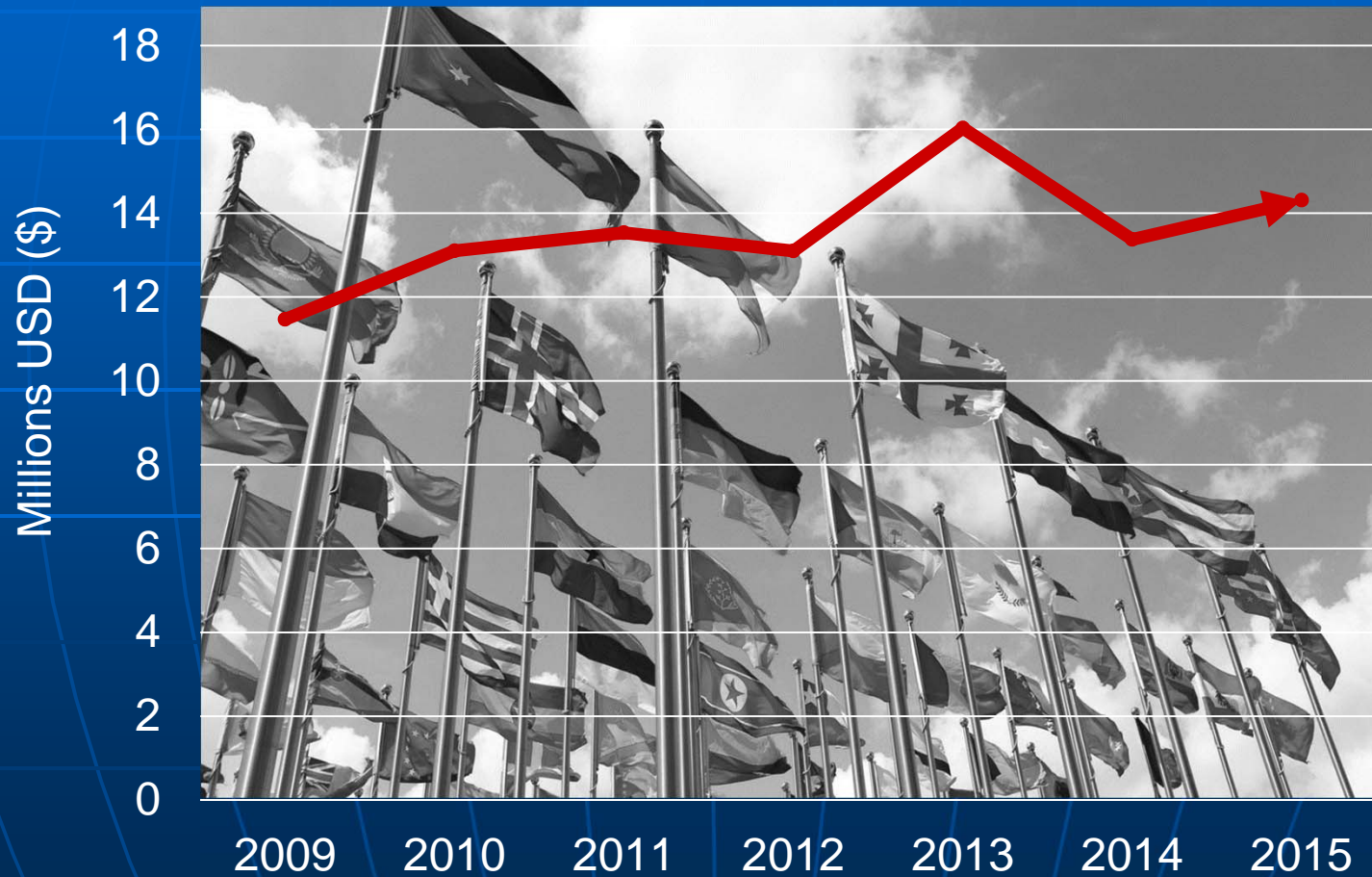
GSP Success Story

HTS: 1702.30.40 Certain glucose and glucose syrup with no fructose or, in the dry state, less than 20 percent of fructose



GSP Success Story

HTS 6307.90.98: National flags and other made-up articles of textile materials



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

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 + 1-202-395-2974

Thank you!

