

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



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**Office of the U.S. Trade Representative**  
**Executive Office of the President**  
**July 2012**

# *Presentation Summary*



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

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

**How to increase Serbia'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 up to 5,000 products from 128 countries
- \$18.5 billion in total U.S. GSP imports (2011)
- GSP program authorized through July 2013

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

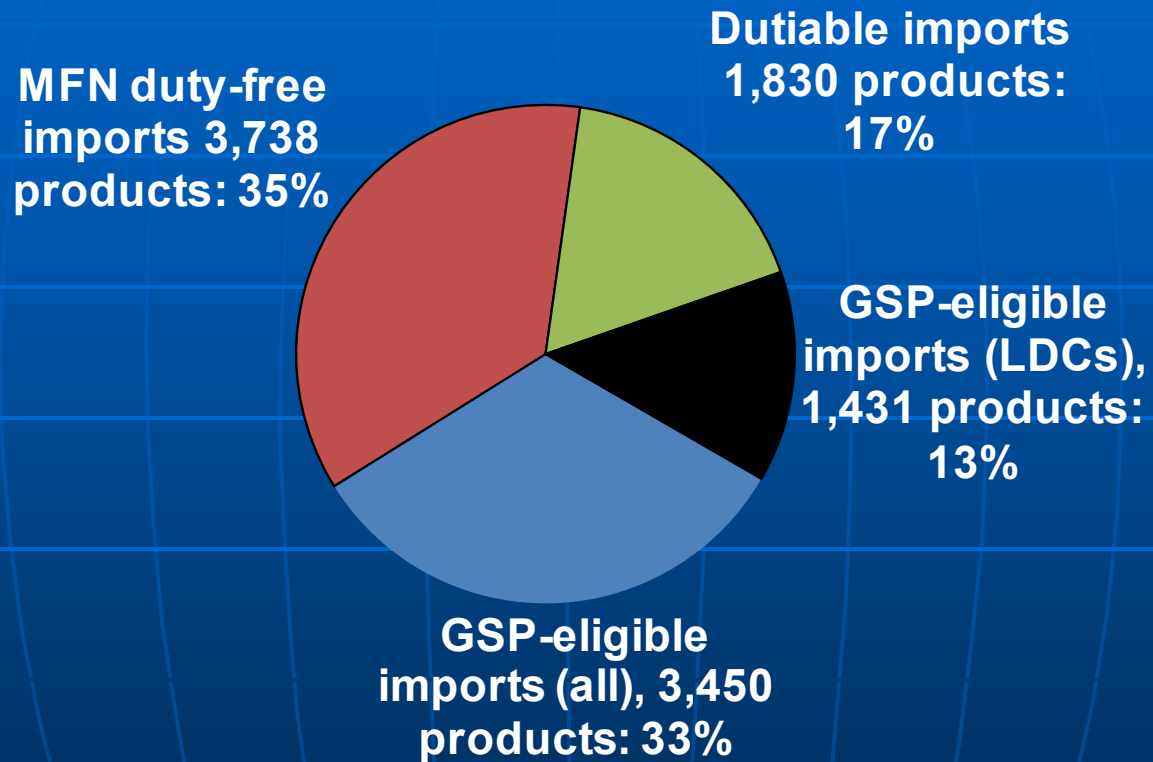
## **Eligible**

- Many manufactured items & inputs
- Most 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 Serbia Trade*

- 2011 U.S. imports from Serbia: \$ 132 million
- GSP imports: \$ 21m (16% of total imports)
- Top GSP imports in 2011:

<b>Product</b>	<b>MFN tariff</b>	<b>Total Value</b>
<b>Copper &amp; brass products</b>	1-2.2%	\$8.7m
<b>Frozen berries</b>	4.5-9%	\$3.0m
<b>Automotive parts</b>	2.5%	\$1.7m

- Overall GSP utilization rate: 37%

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

**Must be a GSP-eligible product**

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

**If using non-Serbian 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"

*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

United States International Trade Commission

USITC Home > DataWeb > USITC Tariff Database

Contact US  
DataWeb Assistance  
**Detail**

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 by Partner Country  
AVE Duties 1891-2010  
Principal Supplier Analysis

Tariff Database  
HTS Online Reference Tool  
Tariff Database

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

- 08102090 Raspberries and loganberries, fresh, if entered July 1 - August 31, inclusive; blackberries & mulberries, fresh, entered any time (*Begin Effect Date: 01/01/1989*)
- 08103000 Black, white or red currants and gooseberries (other than kiwifruit), fresh (*Begin Effect Date: 02/03/2012*)
- 08109026 (Expired) Black, white or red currants and gooseberries, berries and tamarinds, fresh (*Begin Effect Date: 01/01/2007*)
- 08112020 Raspberries, loganberries, black currants and gooseberries, frozen, in water or containing added sweetening (*Begin Effect Date: 05/15/2012*)
- 08112020 (Expired) Raspberries, loganberries, black currants and gooseberries, frozen, in water or containing added sweetening (*Begin Effect Date: 03/15/2012*)
- 08112020 (Expired) Raspberries, loganberries, black currants and gooseberries, frozen, in water or containing added sweetening (*Begin Effect Date: 01/01/2011*)
- 08112040 Blackberries, mulberries and white or red currants, frozen, in water or containing added sweetening (*Begin Effect Date: 05/15/2012*)
- 08112040 (Expired) Blackberries, mulberries and white or red currants, frozen, in water or containing added sweetening (*Begin Effect Date: 03/15/2012*)
- 08112040 (Expired) Blackberries, mulberries and white or red currants, frozen, in water or containing added sweetening (*Begin Effect Date: 01/01/2012*)

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2. Click the "Detail" button

1. Choose your product from the list

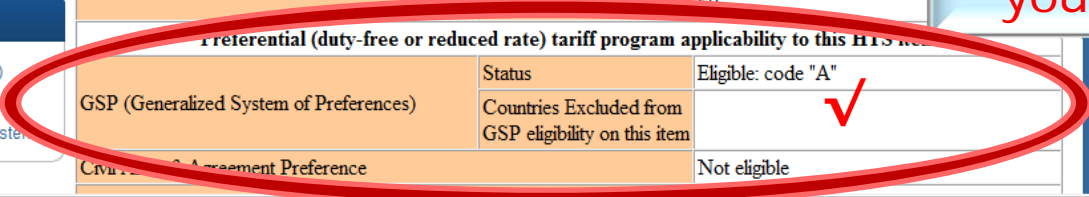
USITC DataWeb: USITC Tariff Database - Windows Internet Explorer  
 http://dataweb.usitc.gov/scripts/tariff\_current.asp

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	08112040	
Brief Description	Blackberries, mulberries and white or red currants, frozen, in water or containing added sweetening	
<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) \$17,730.7	
<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	9%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	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
<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	
Civilian Trade Agreement Preference	Not eligible	

Check if code "A" is listed for your product



USITC DataWeb: USITC Tariff Database - Windows Internet Explorer  
 http://dataweb.usitc.gov/scripts/tariff\_current.asp

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	Countries Excluded from GSP eligibility on this item	
Civil Aircraft Agreement Preference		Not eligible

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



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

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

http://dataweb.usitc.gov/scripts/details.asp?Phase=HTS8&HTS8=08112040&DESC=

USITC Trade Database--Web Access

**US imports for consumption at Customs value for HTS8 08112040:**  
**by sources, in descending value of 2011 imports**

Source	2009	2010	2011		2012		Percent change YTD2011- YTD2012
	--thousand dollars--		Percent of total	January-April --thousand dollars--			
All sources	\$8,712.4	\$10,832.9	\$17,730.7	100.0%	\$9,081.7	\$11,366.3	25.2%
Chile	\$7,111.7	\$6,258.2	\$13,713.4	77.3%	\$8,209.7	\$9,814.8	18.7%
Republic of Serbia	\$40.7	\$960.6	\$1,912.3	10.8%	\$203.5	\$552.2	171.4%
Mexico	\$405.0	\$691.8	\$919.7	5.2%	\$213.8	\$735.1	176.4%
China	\$444.0	\$308.9	\$651.0	3.7%	\$149.2	\$91.3	-38.8%
Bosnia-Herzegovina	\$23.0	\$93.2	\$155.2	0.9%	\$59.5	\$72.7	22.2%
Colombia	\$70.2	\$51.8	\$74.3	0.4%	\$16.4	\$10.0	-39.0%
Turkey	\$0.0	\$0.0	\$53.7	0.3%	\$53.7	\$0.0	-100.0%
Hungary	\$0.0	\$0.0	\$44.5	0.3%	\$0.0	\$0.0	
Poland	\$0.0	\$39.7	\$44.4	0.3%	\$44.4	\$36.5	-17.8%
Romania	\$0.0	\$0.0	\$32.8	0.2%	\$0.0	\$0.0	
Pakistan	\$0.0	\$0.0	\$22.5	0.1%	\$0.0	\$0.0	
Canada	\$284.1	\$116.2	\$19.6	0.1%	\$3.7	\$3.4	-8.1%
Ecuador	\$22.4	\$61.2	\$19.0	0.1%	\$4.8	\$13.3	177.1%
Guatemala	\$0.0	\$0.0	\$8.5	0.0%	\$0.0	\$0.0	
Philippines	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	
Byelarus	\$0.0	\$9.0	\$0.0	0.0%	\$0.0	\$0.0	
Costa Rica	\$0.0	\$4.5	\$0.0	0.0%	\$0.0	\$0.0	
Luxembourg	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	

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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 Serbia 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>Utilization Rate</b>
<b>Dried Berries</b>	1.4 cents/kg	\$3.1m	16%
<b>Parts for Motor Vehicles</b>	2.5%	\$900,000	21%
<b>Iron or Steel Articles</b>	2.9%	\$170,000	37%

# *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)
- Handmade paper & paperboard (MFN free)



# GSP Success Story

## HTS 39.20.2900 Plastic bags and sacks



# 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 (deadlines listed in *Federal Register*)**



**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. Embassy Contact:**

- **Dejan Gajic**
- +381-11-306-4745
- [gajicd@state.gov](mailto:gajicd@state.gov)

*Thank you*  
*Hvala puno*

