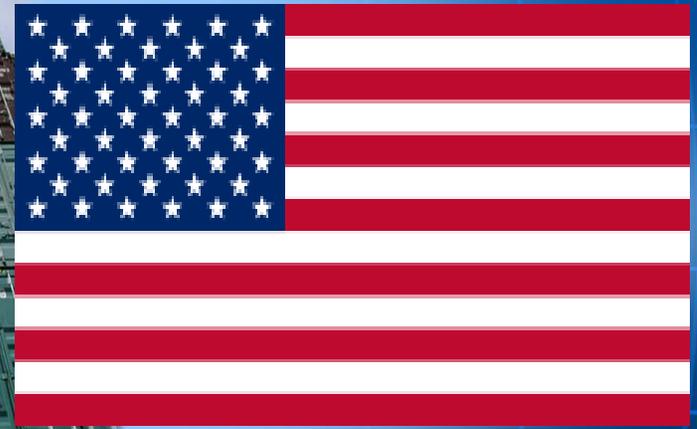
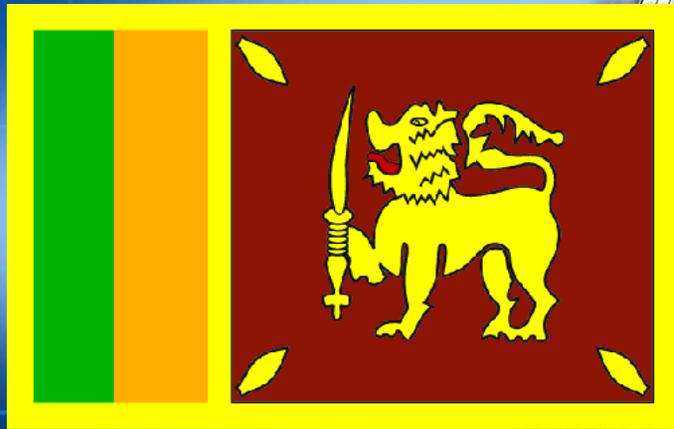


Expanding Sri Lanka's Exports through the U.S. Generalized System of Preferences (GSP) Program



July 2015

Presentation Summary



Overview of the U.S. GSP Program

Sri Lanka's GSP exports to the U.S.

How to increase Sri Lanka's use of duty-free opportunities

Trade and Investment Framework Agreement (TIFA)

- Primary forum for bilateral trade and investment discussions between Sri Lanka and U.S.
- Led by Ministry of Industry and Commerce and USTR
- Topics include market access, GSP, labor, trade promotion, IPR, sector-specific
- Next TIFA talks this fall.



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 Sri Lanka and 121 other countries
- \$19.9 billion in total U.S. GSP imports (2012)
- GSP program authorized through December 2017



Refunds of Duties Paid

- GSP was renewed retroactively to July 31, 2013
- CBP will reimburse U.S. importers for tariffs paid on eligible products during the gap period (July 31, 2013 to July 29, 2015).
- CBP issued a notice in the *Federal Register* on July 28 providing further guidance on the renewal and how to obtain a refund: <http://www.gpo.gov/fdsys/pkg/FR-2015-07-28/pdf/2015-18459.pdf>
- For more information: <http://www.cbp.gov/trade/priority-issues/trade-agreements/special-trade-legislation/generalized-system-preferences>

GSP Program: Eligible Products

Eligible

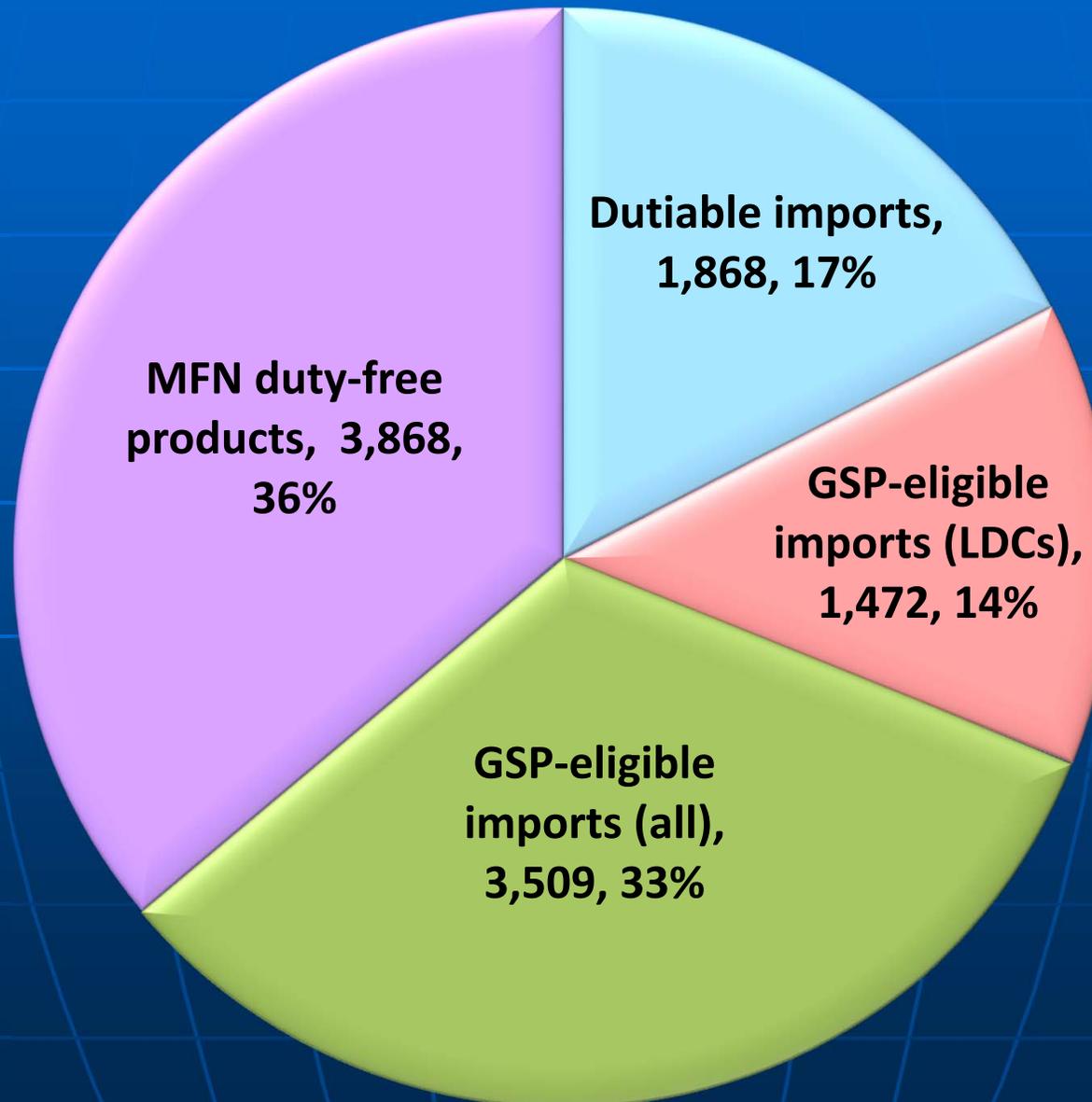
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

Ineligible

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



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



U.S. - Sri Lanka: Trade

- **2014**
 - **U.S. imports from Sri Lanka : \$2.5 billion**
 - **GSP imports: \$179 million (7% of total imports)**



Top GSP imports from Sri Lanka in 2014

HTS chapter & description	MFN tariff	Total GSP Value (million USD)
4011 Various types of new pneumatic tires	3.4% to 4%	\$38.3
3802.10.00 Activated carbon	4.8%	\$25.0
3923.21.00 Polyethylene sacks and bags for the conveyance or packing of goods	3%	\$24.3
4015.19.10 Seamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves	3%	\$17.3
2202.90.90 Nonalcoholic beverages, nesi, not including fruit or vegetable juices of heading 2009	0.2¢/liter	\$7.9

Top GSP imports from Pakistan in 2014

HTS chapter & description	MFN tariff	Total GSP Value (million USD)
1702.30.40 Glucose and glucose syrup	2.2 cents/kg	\$26.1
3907.60.00 Polyethylene terephthalate in primary forms	6.5%	\$18
6307.90.98 National flags and other made-up articles of textile materials, nesoi	7%	\$13.3
4203.21.80 Gloves, mittens and mitts specially designed for use in sports, nesi, of leather or composition leather	4.9%	\$7.6
0910.91.00 Mixtures of spices	1.9%	\$7.2

Top GSP imports from Indonesia in 2014

HTS chapter & description	MFN tariff	Total GSP Value (million USD)
4412.31.40 Plywood sheets n/o 6 mm thick	8%	\$155.7
9207 Musical instruments, the sound of which is produced, or must be amplified, electronically	5% to 5.4%	\$86.1
4015.19.10 Seamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves	3%	\$59.4
3823.19.20 Industrial monocarboxylic fatty acids or acid oils from refining derived from coconut, palm-kernel, or palm oil	2.3%	\$43.6
4011.20.10 New pneumatic radial tires, of rubber, of a kind used on buses or trucks.	4%	\$43.2

How to Qualify for Duty-Free Treatment under GSP

● **Must be a GSP-eligible product**

● **Must be a product or growth of Sri Lanka**

● **If using non-Sri Lankan 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>

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

Trade Data Reports

▶ Trade Data Reports
▶ Graphs of Trends
▶ Trade Shifts
▶ Certain Steel Products
▶ Sub-Saharan Africa
▶ Trade by Geographic Regions

:: 2013 U.S. Tariff and Trade Data for a specific product

Tariff data current through January 15, 2013. 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"

Bags

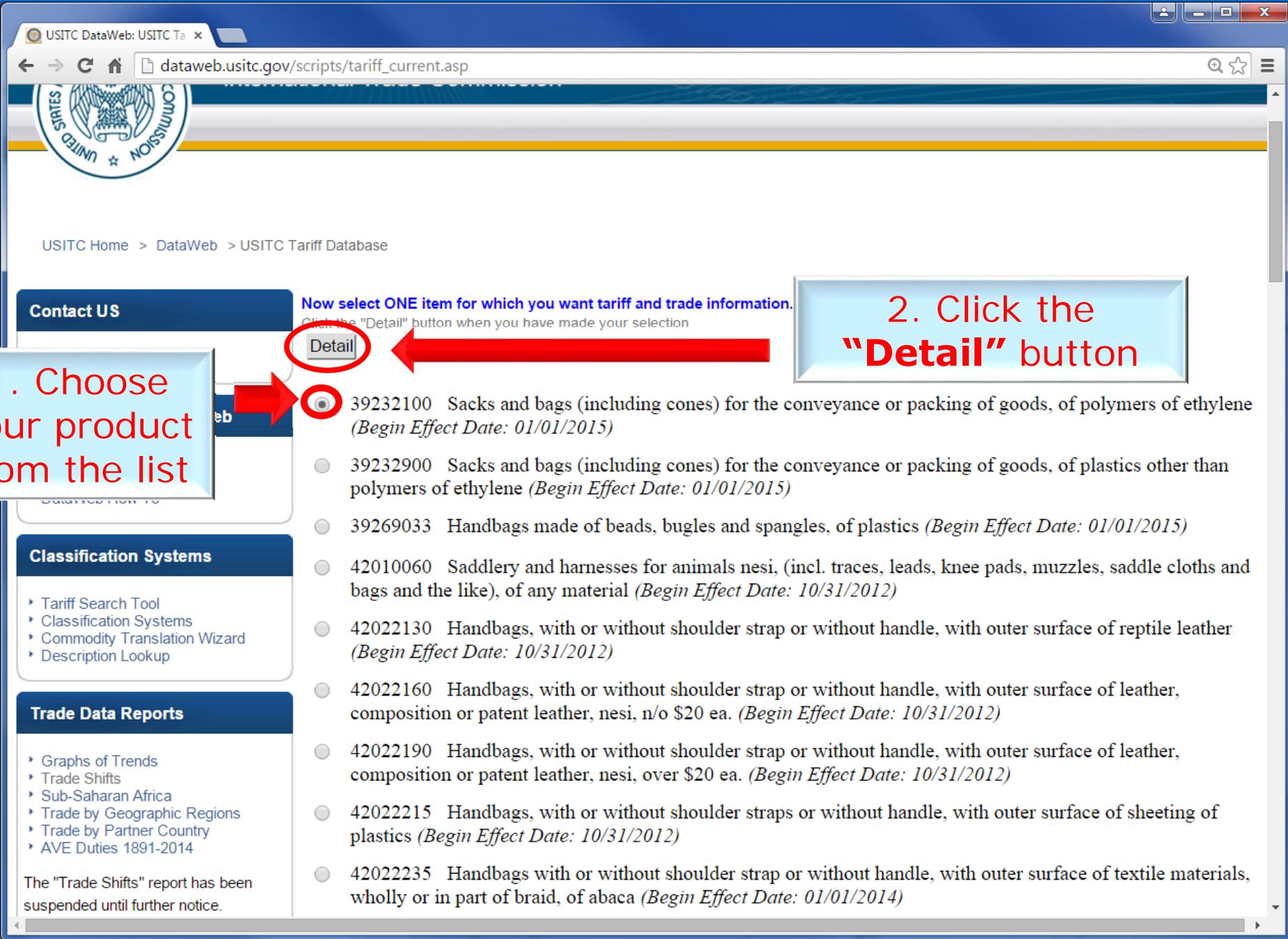
List_items

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



1. Choose your product from the list

2. Click the "Detail" button

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

Detail

- 39232100 Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene (Begin Effect Date: 01/01/2015)
- 39232900 Sacks and bags (including cones) for the conveyance or packing of goods, of plastics other than polymers of ethylene (Begin Effect Date: 01/01/2015)
- 39269033 Handbags made of beads, bugles and spangles, of plastics (Begin Effect Date: 01/01/2015)
- 42010060 Saddlery and harnesses for animals nesi, (incl. traces, leads, knee pads, muzzles, saddle cloths and bags and the like), of any material (Begin Effect Date: 10/31/2012)
- 42022130 Handbags, with or without shoulder strap or without handle, with outer surface of reptile leather (Begin Effect Date: 10/31/2012)
- 42022160 Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesi, n/o \$20 ea. (Begin Effect Date: 10/31/2012)
- 42022190 Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesi, over \$20 ea. (Begin Effect Date: 10/31/2012)
- 42022215 Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics (Begin Effect Date: 10/31/2012)
- 42022235 Handbags with or without shoulder strap or without handle, with outer surface of textile materials, wholly or in part of braid, of abaca (Begin Effect Date: 01/01/2014)

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

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
 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.

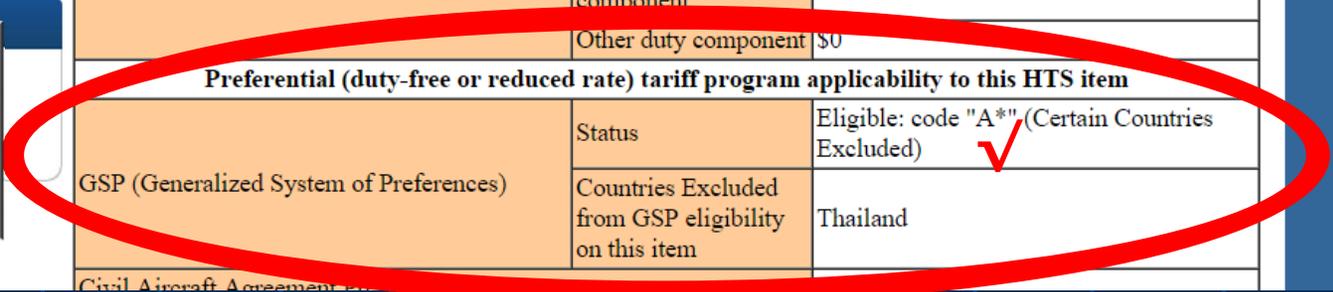
Tariff Database

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

Other External Links

HTS Number		39232100
Brief Description		Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene
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) \$ 2,057,554.7
Tariff Treatment		
Beginning Effective Date (most recent date any part of this HTS item's tariff treatment changed)		01/01/2015
Ending Effective Date (date any part of this HTS item is next scheduled for tariff treatment change)		12/31/2015
1st Unit of Quantity (Q1)		THS
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	3%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	3%
	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)	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	Thailand
Civil Aircraft Agreement		

Check if code "A" is listed for your product



Contact US

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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	Countries Excluded from GSP eligibility on this item	Thailand
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 by Partner Country
 AVE Duties 1891-2014
 The "Trade Shifts" report has been suspended until further notice.

- Tariff Database**
- HTS Online Reference Tool
 - Tariff Database
 - Tariff Programs
 - Tariff DataBase Tables 1997-2015
 - Future Tariffs Lookup
 - 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 39232100:

by sources, in descending value of 2014 imports

Source	2012	2013	2014		2015		Percent change YTD2014- YTD2015
	--thousand dollars--			Percent of total	January-May		
					--thousand dollars--		
All sources	\$ 1,801,352.4	\$ 1,884,325.6	\$ 2,057,554.7	100.0%	\$ 797,654.4	\$ 892,375.4	11.9%
China	\$ 673,027.4	\$ 704,511.6	\$ 770,064.9	37.4%	\$ 290,225.2	\$ 339,314.5	16.9%
Canada	\$ 422,989.5	\$ 417,536.6	\$ 440,774.6	21.4%	\$ 184,098.1	\$ 181,809.1	-1.2%
Mexico	\$ 129,427.6	\$ 173,034.9	\$ 169,914.0	8.3%	\$ 61,282.6	\$ 79,942.3	30.4%
Thailand	\$ 139,013.0	\$ 144,202.3	\$ 162,738.2	7.9%	\$ 63,776.8	\$ 65,330.4	2.4%
Malaysia	\$ 90,486.5	\$ 94,657.0	\$ 97,313.6	4.7%	\$ 33,780.3	\$ 48,708.3	44.2%
Taiwan	\$ 73,462.8	\$ 74,594.6	\$ 85,964.2	4.2%	\$ 31,563.4	\$ 38,272.7	21.3%
Korea, Republic of	\$ 59,140.8	\$ 62,482.4	\$ 65,357.2	3.2%	\$ 26,806.7	\$ 29,380.3	9.6%
India	\$ 25,060.2	\$ 24,248.2	\$ 36,840.2	1.8%	\$ 14,865.5	\$ 16,052.2	8.0%
Germany	\$ 18,308.3	\$ 21,214.8	\$ 31,068.1	1.5%	\$ 13,107.2	\$ 12,170.4	-7.1%
Sri Lanka	\$ 22,224.2	\$ 20,923.7	\$ 24,346.9	1.2%	\$ 9,019.9	\$ 8,986.0	-0.4%
Hong Kong	\$ 21,885.1	\$ 17,086.8	\$ 22,202.9	1.1%	\$ 10,290.7	\$ 8,549.4	-16.9%
Philippines	\$ 17,939.9	\$ 16,300.3	\$ 17,990.0	0.9%	\$ 7,079.1	\$ 7,501.1	6.0%
Cambodia (Kampuchea)	\$ 10,729.4	\$ 10,524.3	\$ 16,833.6	0.8%	\$ 5,896.5	\$ 5,480.2	-7.1%
Vietnam	\$ 9,110.2	\$ 10,051.2	\$ 15,932.4	0.8%	\$ 5,849.9	\$ 11,915.9	103.7%
Turkey	\$ 8,568.4	\$ 9,633.2	\$ 13,302.8	0.6%	\$ 5,657.4	\$ 5,715.2	1.0%
Brazil	\$ 4,508.9	\$ 3,687.2	\$ 9,289.6	0.5%	\$ 3,568.0	\$ 2,457.2	-31.1%

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 Sri Lanka is exporting to other markets

Consider products with a GSP advantage

GSP-Eligible Imports: Underutilized in 2012

Product	MFN Tariff	Total Imports	GSP Utilization Rate
Weighing machine weights of all kinds; parts of weighing machinery (HTSUS 8423.90.00)	2.8%	\$2.1 m	17%
Certain articles of plastics, for the conveyance or packing of goods (HTSUS 3923.90.00)	3%	\$1.9 m	41%
Certain gold necklaces and neck chains (HTSUS 7113.19.29)	5.5%	\$1.2 m	50%
Gaskets, washers and other seals, of noncellular vulcanized rubber other than hard rubber (HTSUS 4016.93.50)	2.5%	\$4.9 m	62%
Certain silk dresses (70%+ silk), not knitted or crocheted (HTSUS 6204.49.10)	6.9%	\$223,159	57%
Fishing casts or leaders (HTSUS 9507.90.40)	5.6%	\$150,835	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 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

HTSUS 22029090

Nonalcoholic beverages, nesi, not including fruit or vegetable juices of heading 2009

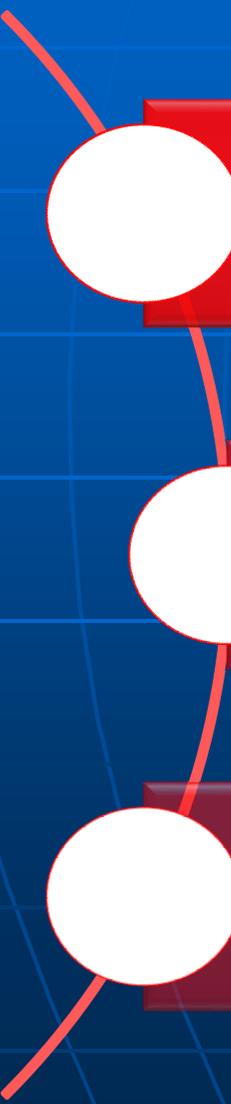


Identifying & Developing Potential U.S. Buyers

- **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 in August 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/gsp-program-inf>

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

- <http://www.cbp.gov>
- <http://www.cbp.gov/xp/cgov/trade/legal/>

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

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>

Questions on GSP?

- U.S. Embassy Contact: GSPSriLanka@state.gov
- USTR contact: gsp@ustr.eop.gov or + 1-202-395-6971

Thank you!

