

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



July 2015

Presentation Summary



Overview of the U.S. GSP Program

Ukraine's GSP exports to the U.S.

How to increase Ukraine'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 Ukraine and 121 other countries
- \$17.4 billion in total U.S. GSP imports (2014)
- GSP program authorized through December 2017



GSP Eligibility Criteria for Countries

- Intellectual Property Right provisions: the extent to which a country is providing adequate and effective protection of intellectual property rights.
- Labor provisions: whether a country has taken or is taking steps to afford to workers in that country internationally recognized worker rights.

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 Federal Register Notice issued on 28/7/15.
- For more information: <http://www.cbp.gov/trade/priority-issues/trade-agreements/special-trade-legislation/generalized-system-preferences>

GSP Program: Eligible Products

Eligible

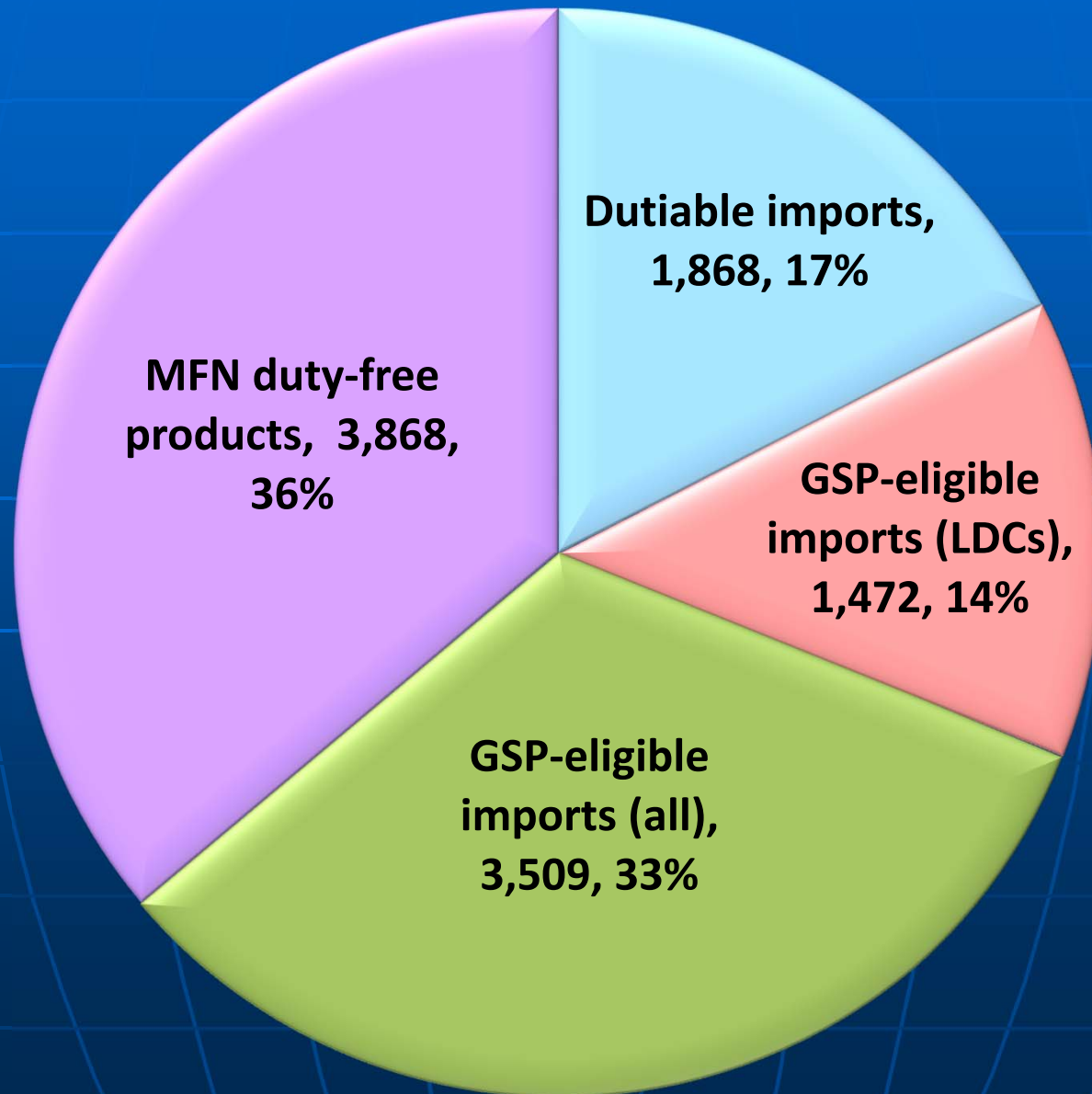
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

Ineligible

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



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



U.S. and Ukraine: 2014 Trade

- **U.S. imports from Ukraine: \$903 million**
- **GSP imports: \$26 million (3% of total imports)**
- **Overall GSP utilization rate: 27%**



Top GSP imports from Ukraine in 2014

HTSUS & Product description	MFN tariff	Total GSP Value (1,000 USD)
3206.11.00 Pigments & preparations based on titanium dioxide containing 80% or more by weight off titanium dioxide calculated on the dry weight	6%	9,619
8112.92.10 Gallium, unwrought; gallium powders	3%	2,172
1806.90.90 Chocolate and preps w/cocoa, nesoi, not put up for retail sale	6%	1,895
4418.90.46 Builders' joinery and carpentry of wood, nesoi	3.2%	1,456
1704.90.35 Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	5.6%	1,376

How to Qualify for Duty-Free Treatment under GSP

Must be a GSP-eligible product

Must be a product or growth of Ukraine

If using non-Ukrainian 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"!)

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

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

Alerts

Alerts are being updated and will be available. If you have any questions, please contact DataWeb.

Tariff Database

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

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

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

Detail

2. Click the
"Detail" button

- 32041540 Vat dyes (incl. those usable as pigments) and preparations based thereon, described in add. U.S. note 3 to sec. VI (*Begin Effect Date: 10/31/2012*)
- 32041580 Vat dyes (including those usable in that state as pigments) and preparations based thereon, nesoi (*Begin Effect Date: 10/31/2012*)
- 32041704 Pigments and preparations based thereon, pigment black 1, and other specified pigments, nesoi (*Begin Effect Date: 01/01/2015*)
- 32041740 Pigments and preparations based thereon, isoindoline red pigment; pigment red 242, 245; pigment yellow 155, 183, nesoi (*Begin Effect Date: 01/01/1995*)
- 32041760 Pigments and preparations based thereon, products described in add'l U.S. note 3 to section VI, nesoi (*Begin Effect Date: 01/01/2015*)
- 32041790 Other pigments and preparations based thereon, nesoi (*Begin Effect Date: 01/01/2015*)
- 32061100 Pigments & preparations based on titanium dioxide containing 80 percent or more by weight off titanium dioxide calculated on the dry weight (*Begin Effect Date: 10/31/2012*)
- 32061900 Pigments and preparations based on titanium dioxide, nesoi (*Begin Effect Date: 10/31/2012*)
- 32062000 Pigments and preparations based on chromium compounds (*Begin Effect Date: 10/31/2012*)
- 32064200 Lithopone and other pigments and preparations based on zinc sulfide (*Begin Effect Date: 10/31/2012*)
- 32064910 Concentrated dispersions of pigments in plastics materials (*Begin Effect Date: 10/31/2012*)
- 32064955 Pigments and preparations based on hexacyanoferrates (ferrocyanides and ferricyanides) (*Begin Effect Date: 10/31/2012*)

1. Choose
your product
from the list

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

These reports are being updated and are temporarily unavailable. If you need help, please contact DataWeb Assistance.

Tariff Database

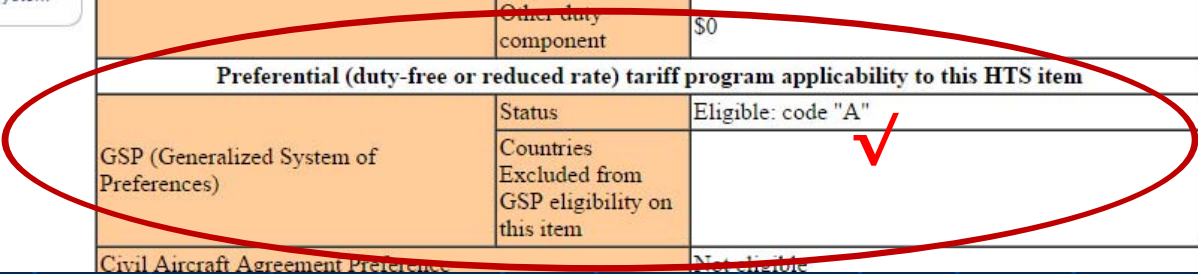
- HTS Online Reference Tool
- Tariff Database
- Tariff Programs
- Tariff DataBase Tables 1997-2015
- Future Tariffs Lookup
- World Tariff Sources

Other External Links

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

HTS Number		32061100
Brief Description		Pigments & preparations based on titanium dioxide containing 80 percent or more by weight off titanium dioxide calculated on the dry weight
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) \$ 462,426.1
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	6%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	6%
	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	30%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	30%
	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" ✓
	Countries Excluded from GSP eligibility on this item	
Civil Aircraft Agreement Preferences		Not available

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

HTS Number	32061100	
Brief Description	Pigments & preparations based on titanium dioxide containing 80 percent or more by weight off titanium dioxide calculated on the dry weight	
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)	\$ 462,426.1
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	6%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	6%
	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	30%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	30%
	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"
	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"



are temporarily unavailable. If you need help, please contact DataWeb Assistance.

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 32061100:

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	\$ 528,971.6	\$ 466,724.6	\$ 462,426.1	100.0%	\$ 210,567.1	\$ 193,701.7	-8.0%
Canada	\$ 252,192.2	\$ 177,570.0	\$ 182,850.4	39.5%	\$ 63,794.8	\$ 73,729.3	15.6%
China	\$ 77,176.7	\$ 80,764.0	\$ 71,769.8	15.5%	\$ 34,047.5	\$ 34,598.7	1.6%
Germany	\$ 29,118.8	\$ 59,557.7	\$ 63,435.9	13.7%	\$ 39,274.0	\$ 14,715.3	-62.5%
Japan	\$ 24,507.5	\$ 30,933.4	\$ 25,058.9	5.4%	\$ 12,614.2	\$ 11,588.1	-8.1%
Australia	\$ 4,357.3	\$ 6,854.3	\$ 17,642.2	3.8%	\$ 10,635.5	\$ 4,367.0	-58.9%
Finland	\$ 16,136.6	\$ 16,285.6	\$ 17,415.9	3.8%	\$ 6,975.2	\$ 7,263.9	4.1%
Norway	\$ 9,690.7	\$ 12,593.6	\$ 14,635.6	3.2%	\$ 6,836.3	\$ 5,561.8	-18.6%
Mexico	\$ 16,595.5	\$ 6,965.6	\$ 12,289.5	2.7%	\$ 6,442.0	\$ 9,287.8	44.2%
Ukraine	\$ 28,652.0	\$ 22,437.7	\$ 12,092.6	2.6%	\$ 6,755.1	\$ 2,303.1	-65.9%
Spain	\$ 12,072.4	\$ 11,103.5	\$ 11,631.6	2.5%	\$ 5,200.0	\$ 11,022.1	121.3%
Belgium	\$ 5,410.6	\$ 10,599.4	\$ 7,350.2	1.6%	\$ 5,474.8	\$ 3,416.8	-37.6%
France	\$ 19,891.3	\$ 9,928.5	\$ 6,350.0	1.4%	\$ 3,637.3	\$ 3,588.8	-1.3%
Netherlands	\$ 1,767.1	\$ 2,334.8	\$ 5,436.5	1.2%	\$ 2,842.3	\$ 932.9	-67.2%
Czech Republic	\$ 6,173.8	\$ 5,665.1	\$ 5,227.3	1.1%	\$ 1,756.1	\$ 2,364.8	34.7%
Italy	\$ 10,989.6	\$ 3,962.2	\$ 4,790.2	1.0%	\$ 1,967.3	\$ 1,444.2	-26.6%
India	\$ 1,363.5	\$ 1,454.7	\$ 1,615.5	0.3%	\$ 995.4	\$ 631.2	-36.6%

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 Ukraine is exporting to other markets

Consider products with a GSP advantage

GSP-Eligible Imports: Underutilized in 2012

HTSUS & Product description	MFN Tariff (AVE)	Total Imports	GSP Utilization Rate
9506.11.40: Skis, snow-skis (o/than cross-country)	2.6%	\$5.2 m	0%
8536.50.90: Switches nesoi, for switching or making connections to or in electrical circuits, for a voltage not exceeding 1,000 V	2.7%	\$3.7 m	0.3%
8544.30.00: Insulated ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	5%	\$2.1 m	0%
6116.10.08: Other gloves, mittens and mitts, the foregoing specially designed for sports use, incl. ski and snowmobile gloves, mittens and mitts	2.8%	\$1.3 m	0%
8518.29.80: Loudspeakers nesoi, not mounted in their enclosures, nesoi	4.9%	\$1.0 m	0%
8903.92.00: Vessels, motorboats (o/than outboard), for pleasure or sports	1.5%	\$900,000	0%
8108.90.60: Titanium, wrought nesoi	15%	\$1.6 m	50%

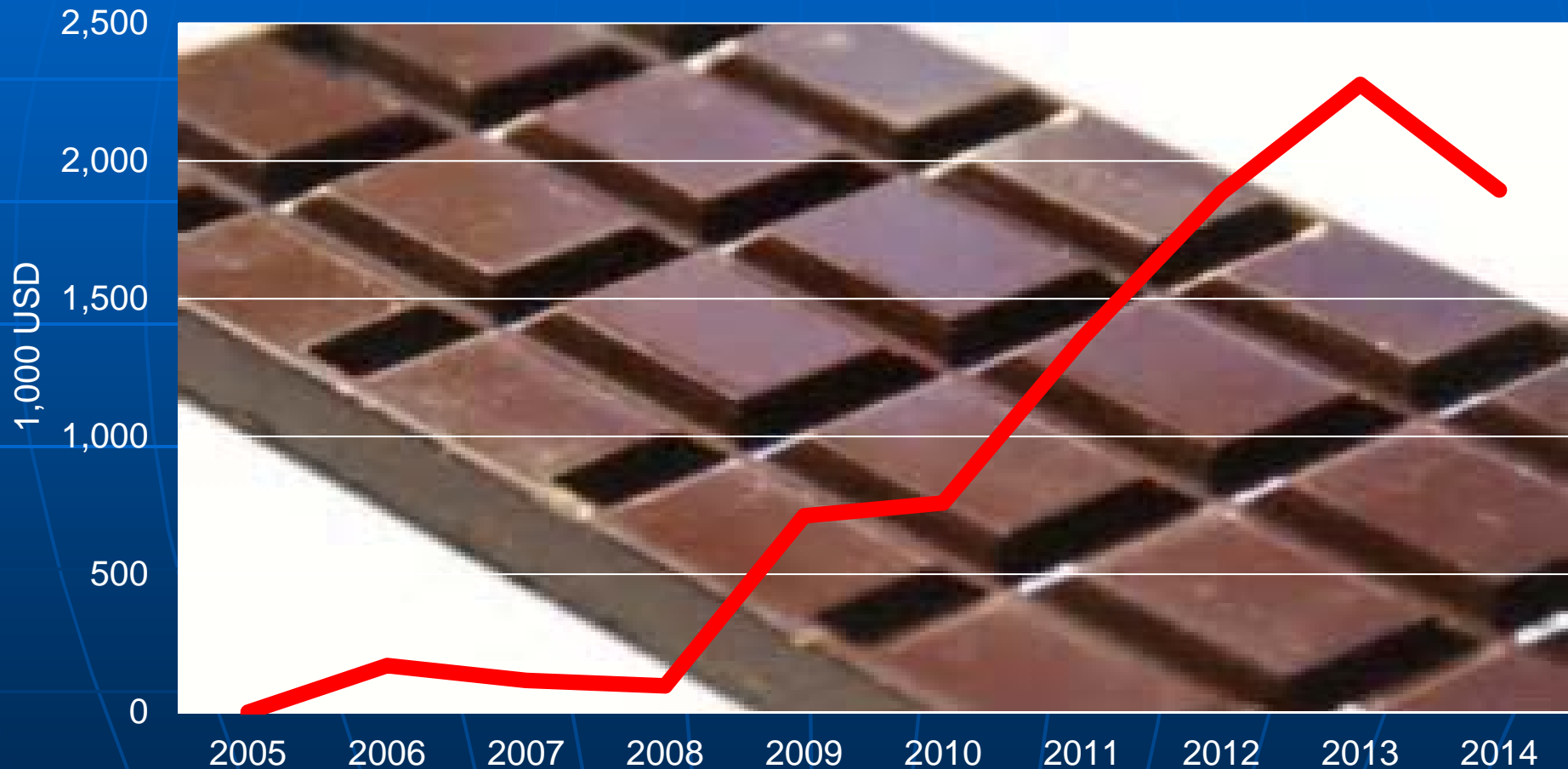
GSP-Eligible Imports: Underutilized in 2014

HTSUS & Product description	MFN Tariff (AVE)	Total Imports	GSP Utilization Rate
8536.50.90: Switches nesoi, for switching or making connections to or in electrical circuits, for a voltage not exceeding 1,000 V	2.7%	\$ 6.5m	0%
9506.11.40: Skis, snow-skis (o/than cross-country)	2.6%	\$ 3.5m	0%
3206.11.00: Pigments & preparations based on titanium dioxide containing 80 percent or more by weight off titanium dioxide calculated on the dry weight	6%	\$ 12.1m	80%
8518.29.80: Loudspeakers nesoi, not mounted in their enclosures, nesoi	4.9%	\$ 2.2m	0%
6116.10.08: Other gloves, mittens and mitts, the foregoing specially designed for sports use, incl. ski and snowmobile gloves, mittens and mitts	2.8%	\$ 2.2m	0%
8544.30.00: Insulated ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	5%	\$ 2.2m	0%
9005.80.40: Optical telescopes, including monoculars	8%	\$2.6m	24%

GSP Success Story

1806.90.90

Chocolate and preps w/cocoa, nesoi, not put up for retail sale



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**



8/15-10/15 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>

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/Consulate Contact: Larry Pixa, PixaLD@state.gov
- USTR contact: gsp@ustr.eop.gov or + 1-202-395-6971

Thank you!

