

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



Aimee Larsen
Office of the U.S. Trade Representative
Executive Office of the President
March 2016

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
- Provides duty-free treatment for about 3,500 products from Ukraine 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

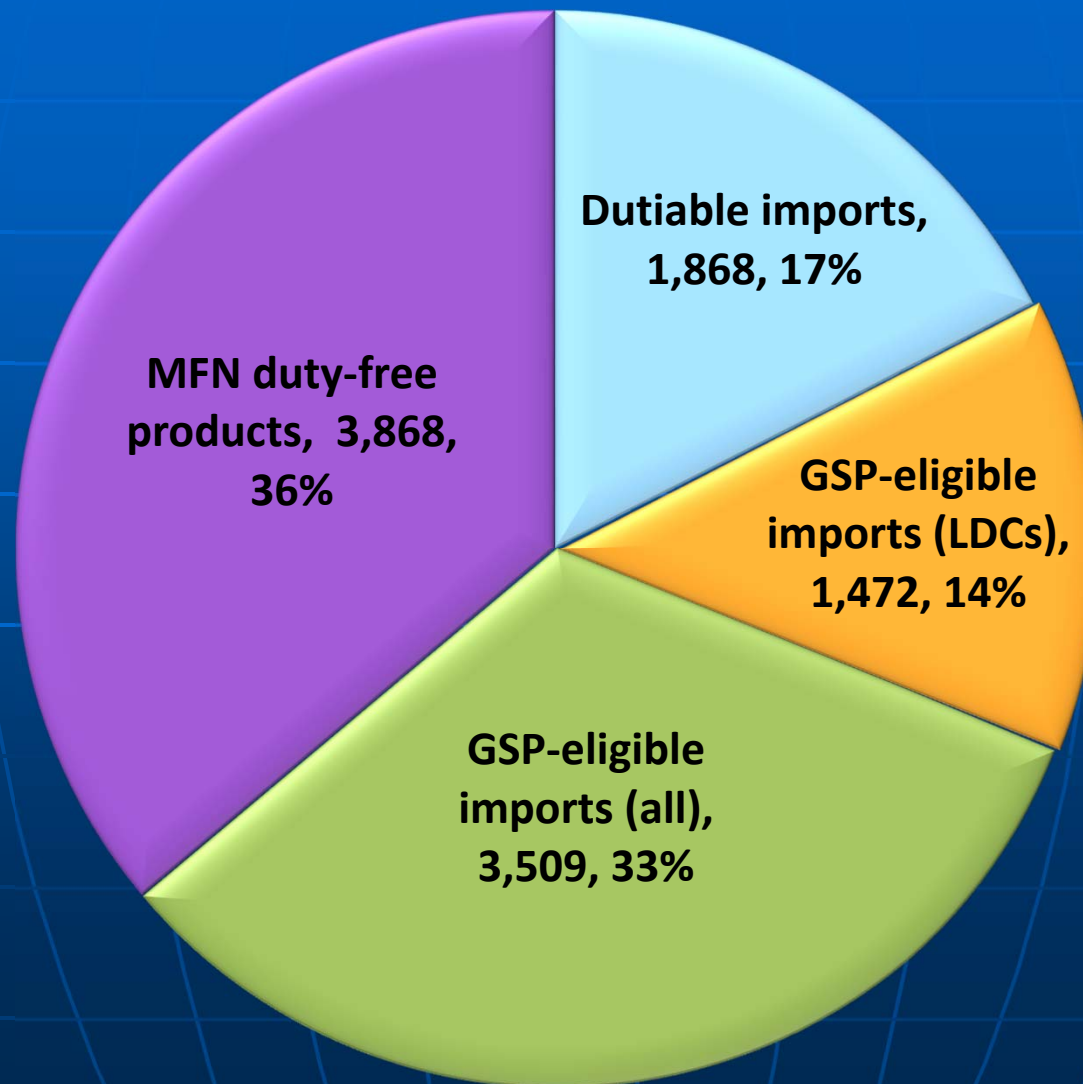
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

Ineligible

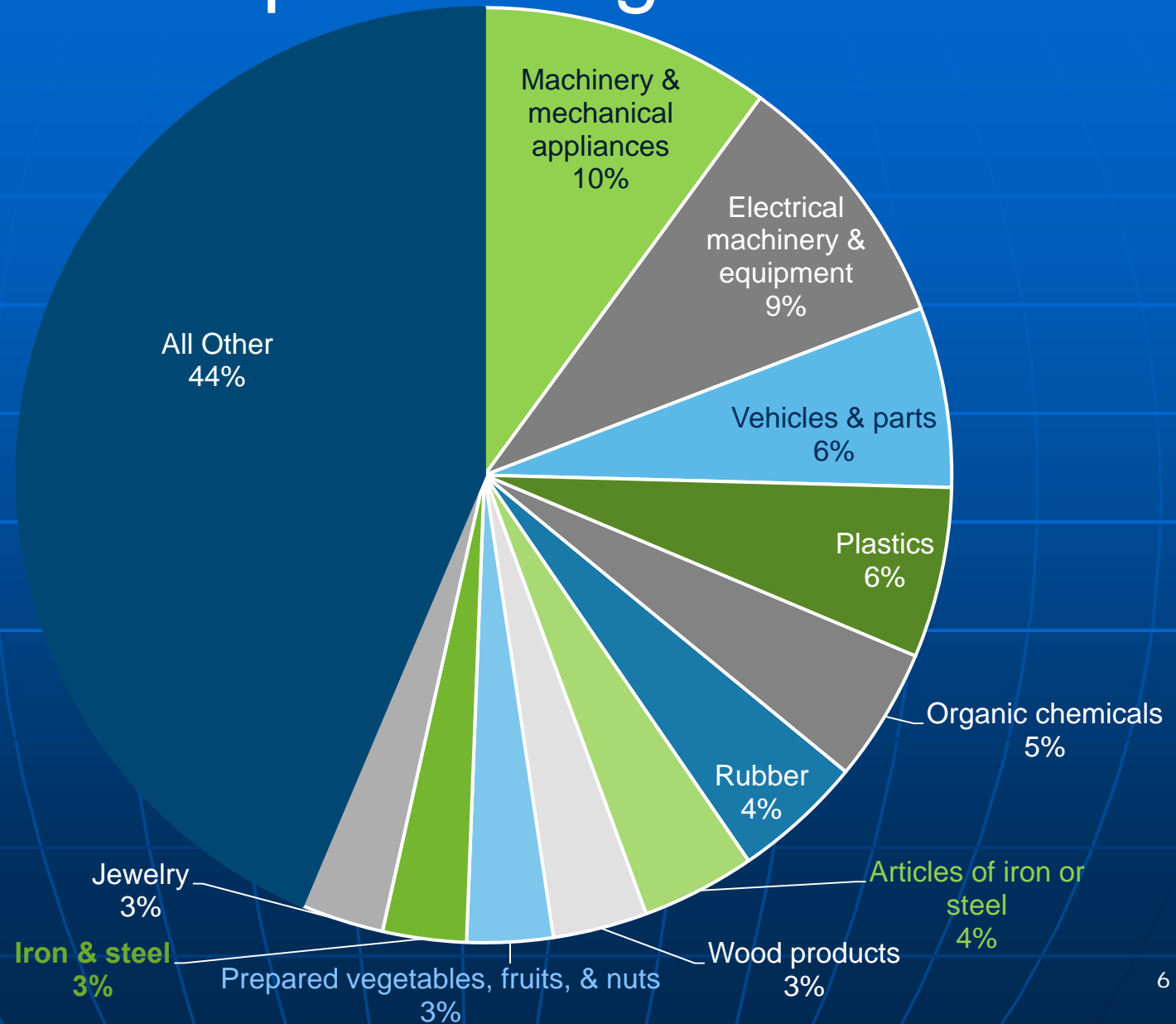
- Most textiles & apparel
- Watches
- Footwear
- Some gloves & leather goods



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



Top GSP Import Categories in 2015



U.S. and Ukraine: 2015 Trade

- **U.S. imports from Ukraine: \$839 million**
- **GSP imports: \$41 million (5% of total imports)**
- **Overall GSP utilization rate: 28%**



Top GSP imports from Ukraine in 2015

HTSUS & Product description	MFN tariff	Total GSP Value (1,000 USD)
2804.29.00: Rare gases, other than argon	3.7%	\$12,145
8607.19.03: Parts of railway/tramway locomotives/rolling stock, axles	0.4%	\$3,875
4409.29.05: Nonconiferous wood continuously shaped along any of its ends, whether or not also continuously shaped along any its edges or faces	3.2%	\$3,348
3206.11.00: Pigments & preparations based on titanium dioxide containing 80 percent or more by weight off titanium dioxide	6%	\$3,028
1806.90.90: Chocolate and preps w/cocoa, nesoi, not put up for retail sale	6%	\$1,880

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>

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

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

Tariff data current through February 25, 2016. 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"!)

Pigments

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 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

Reports

Trade Agreements
Trade Agreements by
Country
Country
AVE Duties 1891-2015

Tariff Database

HTS Online Reference Tool
Tariff Database
Tariff Programs

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

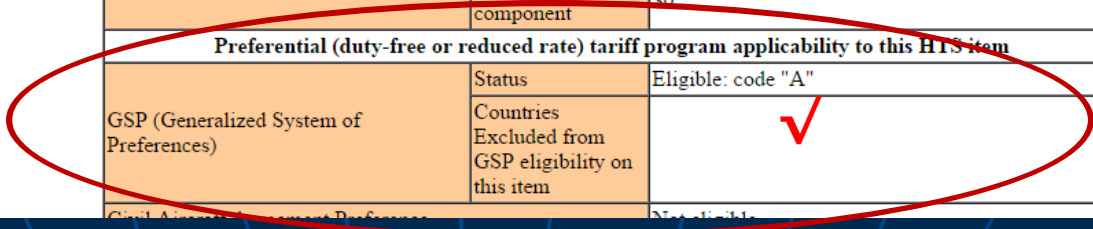
1. Choose
your product
from the list

- 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: 01/01/2016)
- 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: 01/01/2016)
- 32041790 Other pigments and preparations based thereon, nesoi (Begin Effect Date: 01/01/2016)
- 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)

2016 U.S. Tariff and Trade Data for a specific product
2016 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)		2015 imports (thousand dollars) \$ 403,631.4
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)		Kilograms
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	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 O
	COL2 Text Rate	30%
	Duty calculation	(Ad Valorem Rate) time
	Ad Valorem (percent of value) component	30%
	Specific (per unit) component	\$0
Other duty component	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 ✓

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	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)	2015 imports (thousand dollars) \$ 403,631.4
---	--

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)	

2016 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	

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



- 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

Other External Links

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

US imports for consumption at Customs value for HTS8 32061100:

by sources, in descending value of 2015 imports

Source	2013	2014	2015		2014	2015	Percent change YTD2014- YTD2015
	--thousand dollars--			Percent of total	January-December		
					--thousand dollars--		
All sources	\$ 466,724.6	\$ 462,426.1	\$ 403,631.4	100.0%	\$ 462,426.1	\$ 403,631.4	-12.7%
Canada	\$ 177,570.0	\$ 182,850.4	\$ 155,433.9	38.5%	\$ 182,850.4	\$ 155,433.9	-15.0%
China	\$ 80,764.0	\$ 71,769.8	\$ 66,874.1	16.6%	\$ 71,769.8	\$ 66,874.1	-6.8%
Germany	\$ 59,557.7	\$ 63,435.9	\$ 30,770.8	7.6%	\$ 63,435.9	\$ 30,770.8	-51.5%
Japan	\$ 30,933.4	\$ 25,058.9	\$ 22,745.2	5.6%	\$ 25,058.9	\$ 22,745.2	-9.2%
Mexico	\$ 6,965.6	\$ 12,289.5	\$ 20,947.6	5.2%	\$ 12,289.5	\$ 20,947.6	70.5%
Spain	\$ 11,193.5	\$ 11,634.6	\$ 20,102.0	5.0%	\$ 11,634.6	\$ 20,102.0	72.8%
Australia	\$ 6,854.3	\$ 17,642.2	\$ 17,525.3	4.3%	\$ 17,642.2	\$ 17,525.3	-0.7%
Finland	\$ 16,285.6	\$ 17,415.9	\$ 15,084.5	3.7%	\$ 17,415.9	\$ 15,084.5	-13.4%
Norway	\$ 12,593.6	\$ 14,635.6	\$ 10,536.1	2.6%	\$ 14,635.6	\$ 10,536.1	-28.0%
Belgium	\$ 10,599.4	\$ 7,350.2	\$ 8,173.5	2.0%	\$ 7,350.2	\$ 8,173.5	11.2%
Korea, Republic of	\$ 439.0	\$ 264.2	\$ 5,754.5	1.4%	\$ 264.2	\$ 5,754.5	2,078.1%
France	\$ 9,928.5	\$ 6,350.0	\$ 5,335.5	1.3%	\$ 6,350.0	\$ 5,335.5	-16.0%
Czech Republic	\$ 5,665.1	\$ 5,227.2	\$ 5,240.6	1.3%	\$ 5,227.2	\$ 5,240.6	0.3%
Ukraine	\$ 22,437.7	\$ 12,092.6	\$ 4,831.5	1.2%	\$ 12,092.6	\$ 4,831.5	-60.0%
Italy	\$ 3,902.2	\$ 4,790.2	\$ 3,901.1	1.0%	\$ 4,790.2	\$ 3,901.1	-17.3%
Saudi Arabia	\$ 1,315.4	\$ 0.0	\$ 2,064.5	0.5%	\$ 0.0	\$ 2,064.5	
Republic of South Africa	\$ 0.0	\$ 0.0	\$ 1,868.6	0.5%	\$ 0.0	\$ 1,868.6	
Netherlands	\$ 2,334.8	\$ 5,436.5	\$ 1,862.5	0.5%	\$ 5,436.5	\$ 1,862.5	-65.7%

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 2015

HTSUS & Product description	MFN Tariff	Total Imports	GSP Utilization Rate
9005.80.40: Optical telescopes, including monoculars	8%	\$4.6 m	28.5%
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%	\$7.5 m	0%
9506.11.40: Skis, snow-skis (o/than cross-country)	2.6%	\$7.5 m	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%	\$4.8 m	62.7%
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%	\$2.7 m	0%
8544.30.00: Insulated ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	5%	\$1.2 m	0%
8108.90.60: Titanium, wrought nesoi	15%	\$1.6 m	50%

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 Success Story

2202.10.00

Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored



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 2016)**

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 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

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!

