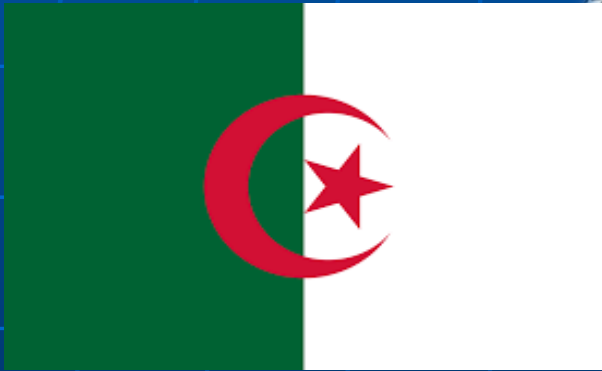


The Generalized System of Preferences (GSP) Program



Erland Herfindahl
Deputy Assistant U.S. Trade Representative
April 2017

Presentation Summary



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

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

GSP Program

- Provides duty-free treatment for about 3,500 products from Algeria and 119 other countries
- \$18.7 billion in total U.S. GSP imports (2016)
- GSP program currently authorized through December 2017



Annual GSP Review Process



Add products to GSP for ALL countries or Least Developed Countries (if not excluded by law)

Remove products: Competitive Need Limitations (\$ value or % share)---can be waived; or U.S. industry petition

Remove or add countries' GSP benefits

Country Eligibility Criteria include:

- Expropriation/Arbitral Awards
- Worker rights, including stopping child labor
- Market Access for US exports
- US Intellectual Property Rights protected
- **Full description and list in Guidebook**
 - <https://ustr.gov/sites/default/files/The%20GSP%20Guidebook.pdf>

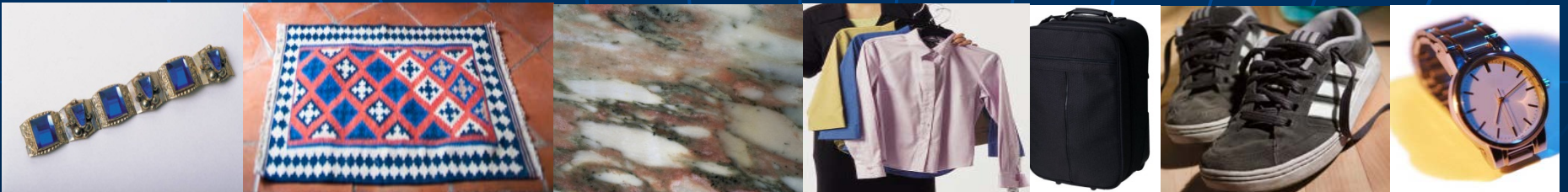
GSP Program: Eligible Products

Eligible

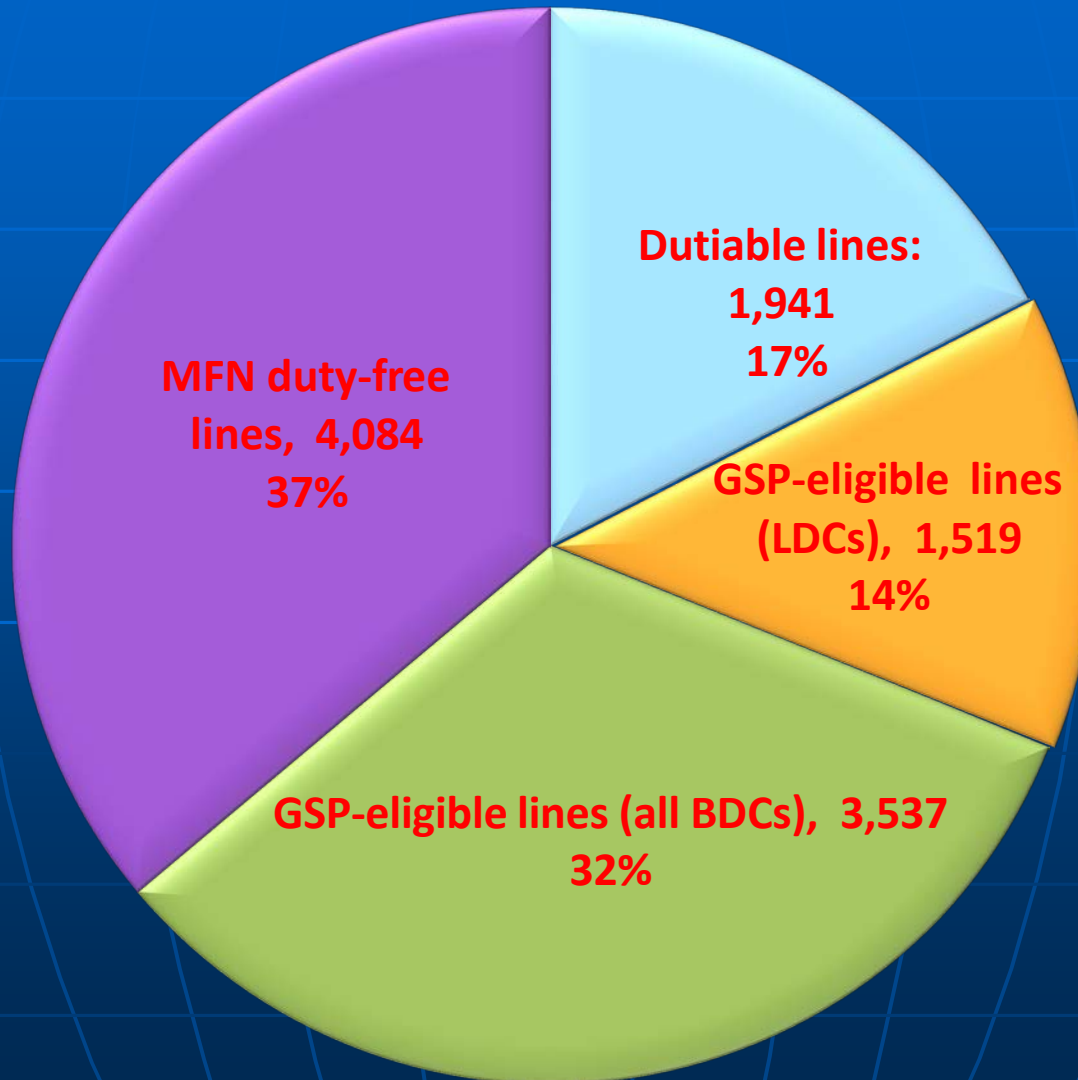
- Many manufactured items & inputs
- Jewelry
- Some agricultural products
- Many Chemicals
- Many Minerals
- Certain Carpets

Ineligible

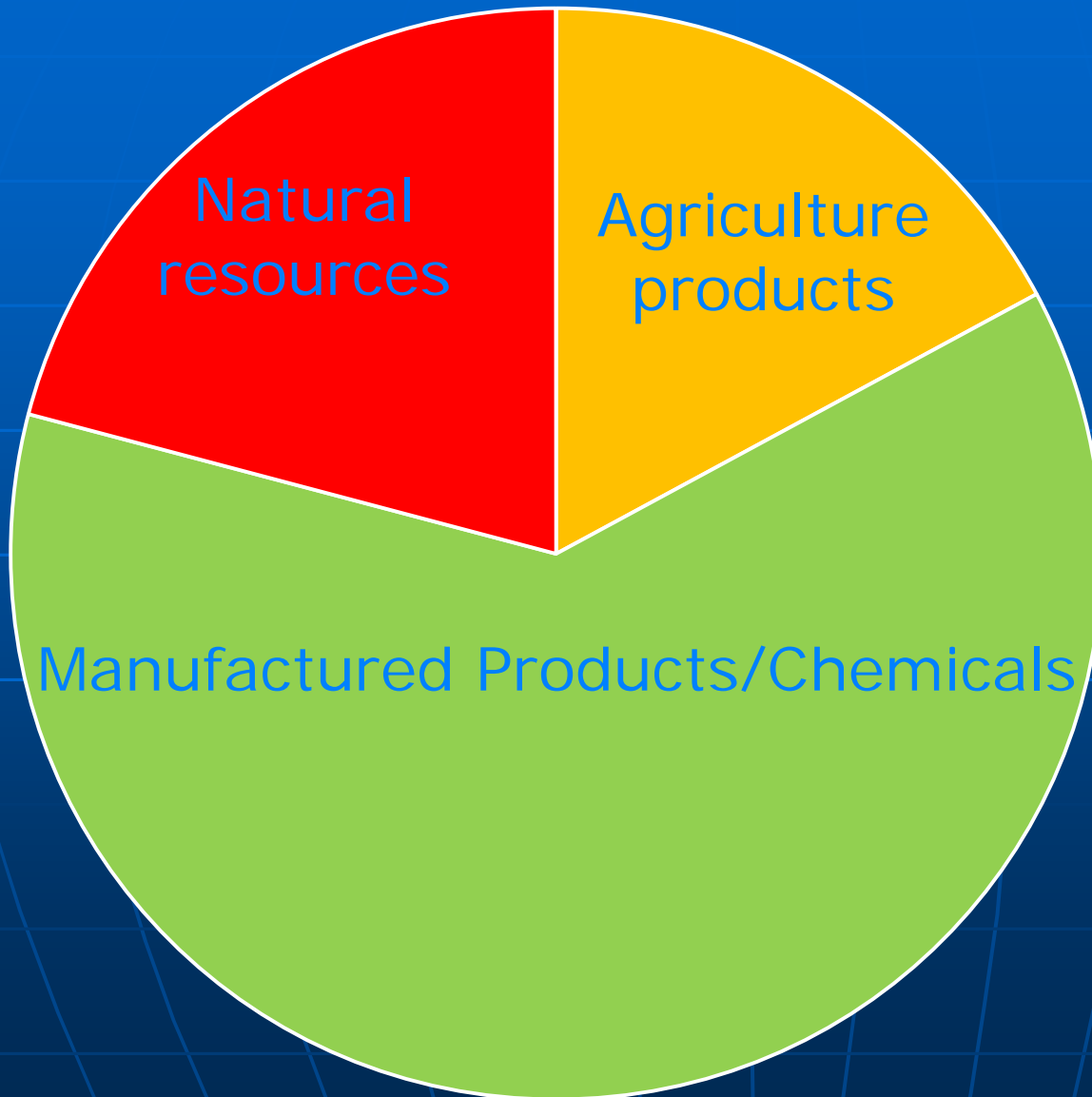
- Most textiles & apparel
- Watches
- Footwear
- Some gloves & leather goods
- Many agricultural products



How many HTS lines are eligible for GSP duty-free treatment?



GSP World Exports by Sector 2016



Algeria's Exports to U.S.

- Total Exports: \$3.065 billion
- No program claimed: \$3.063 billion
- Chapter 27 (Petroleum Sector): \$2.876 billion
- GSP eligibility: March 16, 2004
- GSP: \$1.5 million

Algeria GSP Exports by sector 2016



GSP exports vs oil-based exports

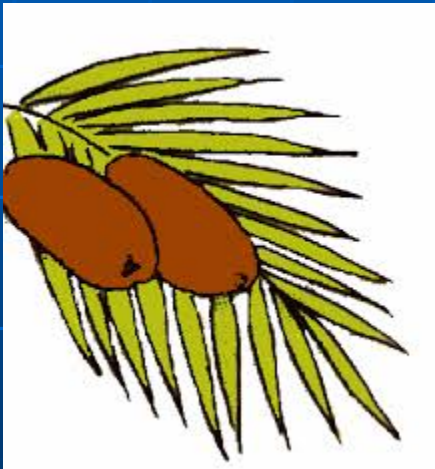
- Diversifies economy
- Less dependent on one commodity sector's pricing and growth
- Provides employment
- Economic development

Only 2 GSP eligible products were exported from Algeria at a level greater than \$1 million, and only one of those claimed GSP

HTS number	Duty Rate for Non-GSP	Brief description	Imports	Imports claiming GSP
2804.29.00	3.7	Rare gases, other than argon	1,842,245	0
0804.10.60	4.2	Dates, fresh or dried, whole, without pits, packed in units weighing over 4.6 kg	1,791,837	1,421,235

Algeria's GSP date exports

- HTS
0804.10.60
- 4.2% duty
 - Tunisia, Israel, Pakistan also ship free under GSP or FTA
 - 4.2% from China, Saudi Arabia, UAE
 - Algeria exports 2015/2016 are 3 times 2014 level!



Algeria can do better:

- **Algeria is 54th largest GSP supplier**
- **Tunisia is 13th largest GSP supplier, with 2016 imports of \$114 million**
- **Both countries export dates under GSP, but Tunisia exports diverse other products**

Algeria vs Tunisia

Algerian GSP

- Dates
- Rare gases other than argon (not claiming GSP)

Tunisia

- Dates
- Olive Oil
- Switches, circuit breakers, plugs
- Thermostats
- Automotive and electrical parts
- Dried fruits
- GSP eligible sewn items: flags, gloves

Algerian exports to Europe

- Cocoa and sugar based confectionary products
 - Hides and raw leather
 - Cork
-
- Some of these products may be ones that could come to the U.S., and some may be GSP-eligible

How to Qualify for Duty-Free Treatment under GSP

Must be a GSP-eligible product

Must be a product of Algeria

If using non-Algerian inputs, local content & processing must be \geq 35% of the value

Must import directly into the U.S. without entering commerce of another country

Benefit must be claimed by importer

Keep production/accounting records to assist importer to verify GSP claim

Beyond Duty savings:

Exports from any country need to be ***competitive***:

- Quality control
- Rapid order fulfillment
- Able to adjust to new requirements quickly
- High Labor Standards



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

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



Understanding the U.S. Market: Import Regulations

- Highly complex and sector specific
- CBP Advance Rulings
<https://rulings.cbp.gov/index.asp>
- Food and medical products more highly regulated: USDA and FDA SPS requirement

Understanding the U.S. Market: Role of Importers

- Responsible for ensuring all regulations are met
- Private sector standards often stricter than U.S. government standards
- U.S. Customs Brokers best source for sector specific info

Is my product eligible for duty-free treatment under GSP?—see also end of presentation

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>

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> and
- <https://www.cbp.gov/trade>

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>

Customs and Border Protection Rulings

- <https://www.cbp.gov/trade/rulings>

For Further Information

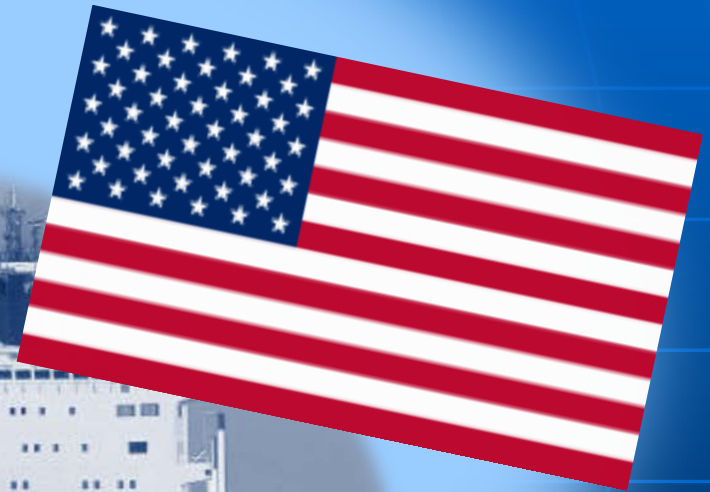
U.S. Food and Drug Administration:

- <http://www.fda.gov/ForIndustry/FDABasicsforIndustry/default.htm>

Questions on GSP?

- USTR contact: gsp@ustr.eop.gov or + 1-202-395-2974

Thank you!



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

:: 2017 U.S. Tariff and Trade Data for a specific product

Tariff data current through January 1, 2017. 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

Contact US

▶ DataWeb Assistance

Tariff and Trade DataWeb

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Trade Data Reports

▶ Graphs of Trends
▶ Sub-Saharan Africa
▶ Trade by Geographic Regions
▶ Trade by Partner Country
▶ AVE Duties 1891-2016

Tariff Database

▶ HTS Online Reference Tool
▶ Tariff Database
▶ Tariff Programs
▶ Tariff Database Tables 1997-2016

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

- 39262010 Gloves, seamless, of plastics (*Begin Effect Date: 01/01/1999*)
- 39262020 Baseball and softball gloves and mitts, of plastics (*Begin Effect Date: 01/01/1995*)
- 39262030 Gloves specially designed for use in sports, nesoi, of plastics (*Begin Effect Date: 10/31/2012*)
- 39262040 Gloves, nesoi, of plastics (*Begin Effect Date: 10/31/2012*)
- 40151101 Surgical gloves of vulcanized rubber other than hard rubber (*Begin Effect Date: 01/10/2002*)
- 40151905 Medical gloves of vulcanized rubber other than hard rubber (*Begin Effect Date: 01/10/2002*)
- 40151910 Seamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves (*Begin Effect Date: 10/31/2012*)
- 40151950 Nonseamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves (*Begin Effect Date: 10/31/2012*)
- 40159000 Articles of apparel and clothing accessories, excluding gloves, of vulcanized rubber other than hard rubber (*Begin Effect Date: 10/31/2012*)
- 42032120 Batting gloves, of leather or of composition leather (*Begin Effect Date: 10/31/2012*)
- 42032140 Baseball and softball gloves and mitts, excluding batting gloves, of leather or of composition leather (*Begin Effect Date: 01/01/1995*)
- 42032155 Cross-country ski gloves, mittens and mitts, of leather or of composition leather (*Begin Effect Date: 10/31/2012*)
- 42032160 Ski or snowmobile gloves, mittens and mitts, nesi, of leather or of composition leather (*Begin Effect Date: 10/31/2012*)
- 42032170 Ice hockey gloves, of leather or of composition leather (*Begin Effect Date: 01/01/1989*)
- 42032180 Gloves, mittens and mitts specially designed for use in sports, nesi, of leather or of composition leather (*Begin Effect Date: 10/31/2012*)

1. Choose your product from the list

2017 U.S. Tariff and Trade Data for a specific product
 2017 Tariff and Most Recent Annual U.S. Import Information

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- 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		42032180
Brief Description		Gloves, mittens and mitts specially designed for use in sports, nesi, of leather or of composition leather
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)		2016 imports (thousand dollars) \$ 83,460.8
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)		NA
2nd Unit of Quantity (Q2)		
2017 Normal Trade Relations (NTR) duty rate (formerly known as the Most Favored Nation (MFN) duty rate)	MFN Text Rate	4.9%
	Duty calculation	(Ad Valorem Rate) times (Value)
	<i>Ad Valorem</i> (percent of value) component	4.9%
	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	30%
	Duty calculation	(Ad Valorem Rate) times (Value)
	<i>Ad Valorem</i> (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	

Check if code "A" is listed for your product

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

2017 U.S. Tariff and Trade Data for a specific product
2017 Tariff and Most Recent Annual U.S. Import Information

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US imports for consumption at Customs value for HTS8 42032180:

by sources, in descending value of 2016 imports

Source	2014	2015	2016		2017		Percent change YTD2016- YTD2017
	--thousand dollars--			Percent of total	January-January		
					--thousand dollars--		
All sources	\$ 88,628.2	\$ 95,538.8	\$ 83,460.8	100.0%	\$ 7,446.8	\$ 8,719.0	17.1%
Thailand	\$ 21,892.1	\$ 26,166.8	\$ 21,565.3	25.8%	\$ 1,673.7	\$ 3,192.4	90.7%
Indonesia	\$ 23,323.7	\$ 26,627.0	\$ 21,121.3	25.3%	\$ 2,114.1	\$ 2,178.7	3.1%
China	\$ 21,581.2	\$ 21,915.5	\$ 18,906.4	22.7%	\$ 2,059.3	\$ 1,457.8	-29.2%
Pakistan	\$ 11,582.5	\$ 11,097.0	\$ 11,109.3	13.3%	\$ 803.5	\$ 1,210.9	50.7%
Vietnam	\$ 4,744.0	\$ 4,838.8	\$ 5,251.2	6.3%	\$ 243.4	\$ 351.1	44.2%
India	\$ 1,858.4	\$ 1,679.2	\$ 2,013.7	2.4%	\$ 285.9	\$ 104.4	-63.5%
Mexico	\$ 716.5	\$ 903.8	\$ 1,013.9	1.2%	\$ 68.1	\$ 43.5	-36.1%
Philippines	\$ 209.2	\$ 911.3	\$ 624.3	0.7%	\$ 6.6	\$ 10.5	59.1%
Taiwan	\$ 58.0	\$ 102.4	\$ 365.8	0.4%	\$ 0.6	\$ 13.7	2,183.3%
United Kingdom	\$ 72.9	\$ 215.1	\$ 227.1	0.3%	\$ 41.8	\$ 0.0	-100.0%