

The Generalized System of Preferences (GSP) Program



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Presentation Summary



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

**Tunisia GSP exports to
the U.S.**

GSP Program

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



Benefits of GSP for Tunisia

- Diversify exports
- Improved employment opportunities
- Economic development

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

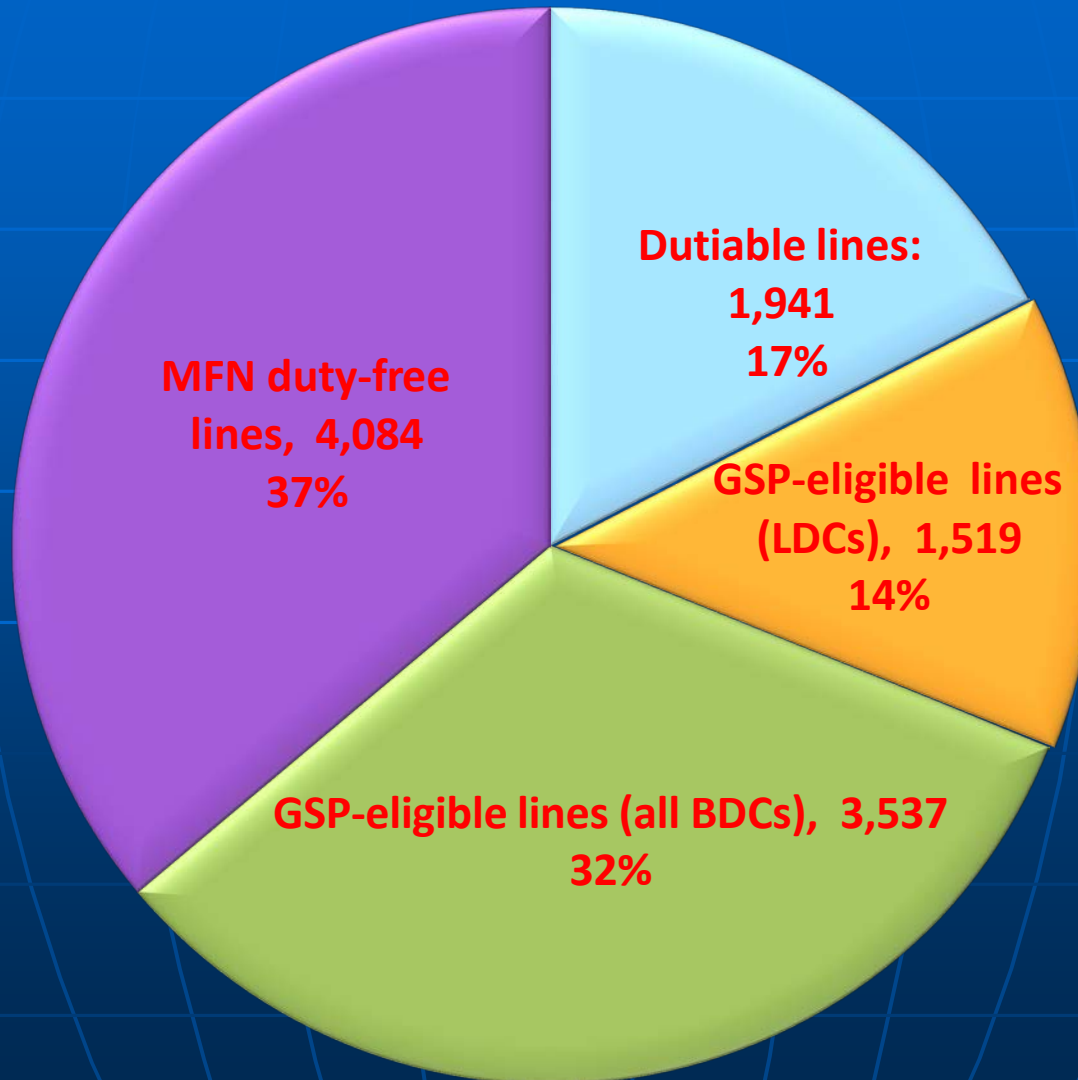
- Many manufactured items & inputs
- Jewelry
- Some agricultural products
- Many Chemicals
- Many Minerals
- Certain Carpets

Ineligible

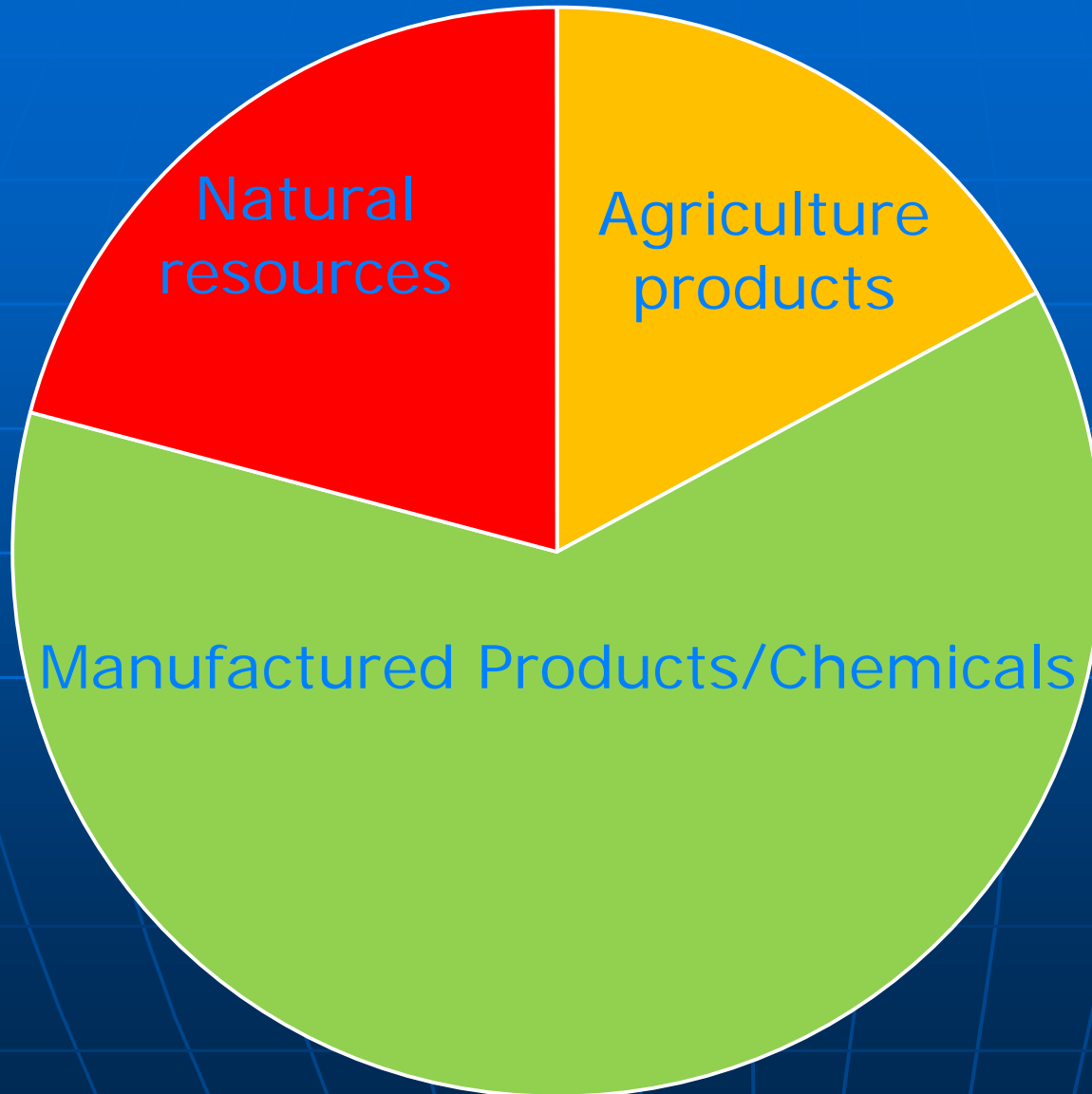
- Most textiles & apparel
- Watches
- Footwear
- Some gloves & leather goods
- Many agricultural products



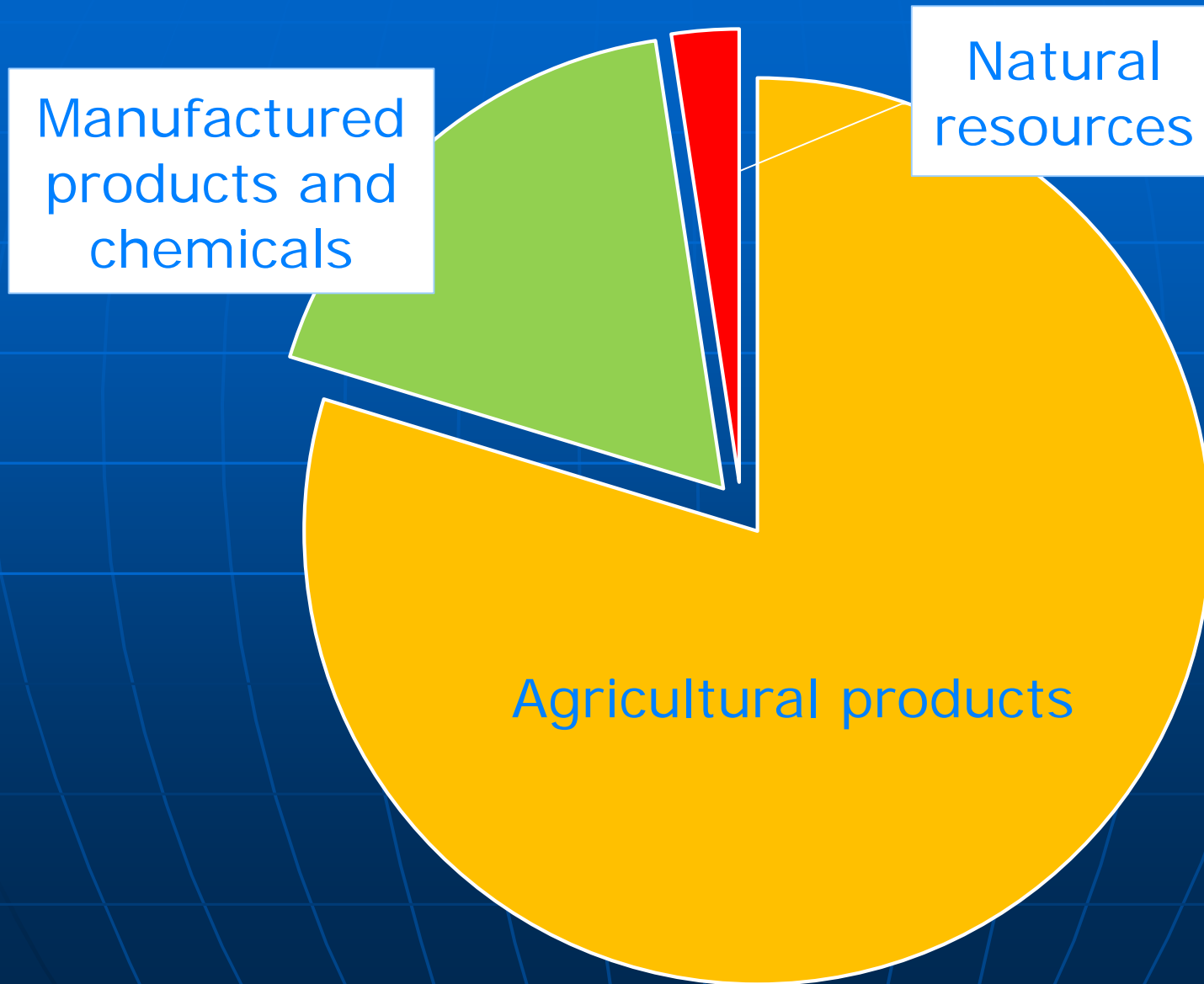
How many HTS lines are eligible for GSP duty-free treatment?



GSP World Exports by Sector 2016



Tunisia GSP Exports by sector 2016



Tunisia's 2016 Exports to U.S.

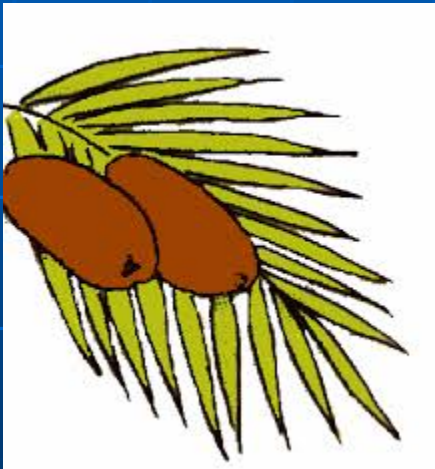
- Total Exports: \$ 380 million
- No program claimed: \$ 266 million
- GSP: \$ 114 million – 13th largest GSP exporter to the U.S.
- 80% of GSP exports are agricultural (esp. dates and olive oil)
- 20% of GSP exports are manufactured (esp. electrical products)

Top Tunisian GSP Exports to U.S.

HTS number	Non GSP Duty rate	Brief description	GSP imports
1509.10.40	0.9	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container 18 kg or over	\$49,157,708
1509.10.20	1.1	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container under 18 kg	\$14,089,336
0804.10.60	4.2	Dates, fresh or dried, whole, without pits, packed in units weighing over 4.6 kg	\$12,701,542
8501.40.20	3.3	AC motors nesi, single-phase, exceeding 37.5 W but not exceeding 74.6 W	\$8,284,644
1509.90.40	1.0	Olive oil, other than virgin olive oil, and its fractions, not chemically modified, weighing with the immediate container 18 kg or over	\$7,981,668

Tunisia's GSP date exports

- HTS
0804.10.60
- 4.2% duty
 - Algeria, Israel, Pakistan also ship free under GSP or FTA
 - 4.2% from China, Saudi Arabia, UAE
 - Tunisia is #1 source to U.S.!



Tunisian Items paying duty on GSP eligible exports

HTS number	Non GSP duty rate	Brief description	US Imports under GSP	Duty paid Imports
8536.50.90	2.0	Switches nesoi, for switching or making connections to or in electrical circuits, for a voltage not exceeding 1,000 V	\$337,427	\$9,451,292
8536.20.00	2.7	Automatic circuit breakers, for a voltage not exceeding 1,000 V	\$0	\$2,976,106
9032.10.00	1.7	Automatic thermostats	\$494,982	\$2,446,569
8504.40.95	1.1	Static converters (for example, rectifiers), nesoi	\$0	\$2,211,810
8536.69.80	2.7	Plugs and sockets for making connections to or in electrical circuits, for a voltage not exceeding 1,000 V, nesoi	\$429,447	\$2,192,288

How to Qualify for Duty-Free Treatment under GSP

Must be a GSP-eligible product

Must be a product of Tunisia

If using non-Tunisian 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

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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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- 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

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
"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)
	<i>Ad Valorem</i> (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
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"

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2017 Tariff and Most Recent Annual U.S. Import Information

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GSP (Generalized System of Preferences)	Status	Eligible: code "A"
	Countries Excluded from GSP eligibility on this item	

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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%