

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



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Office of the U.S. Trade Representative
Executive Office of the President
June 2013

Presentation Summary



Overview of the U.S. GSP Program

Afghanistan's GSP exports to the U.S.

How to increase Afghanistan'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 up to 5,000 products from Afghanistan and 126 other countries.
- \$19.9 billion in total U.S. GSP imports (2012)
- GSP program authorized through July 2013



GSP Program: Eligible Products

Eligible

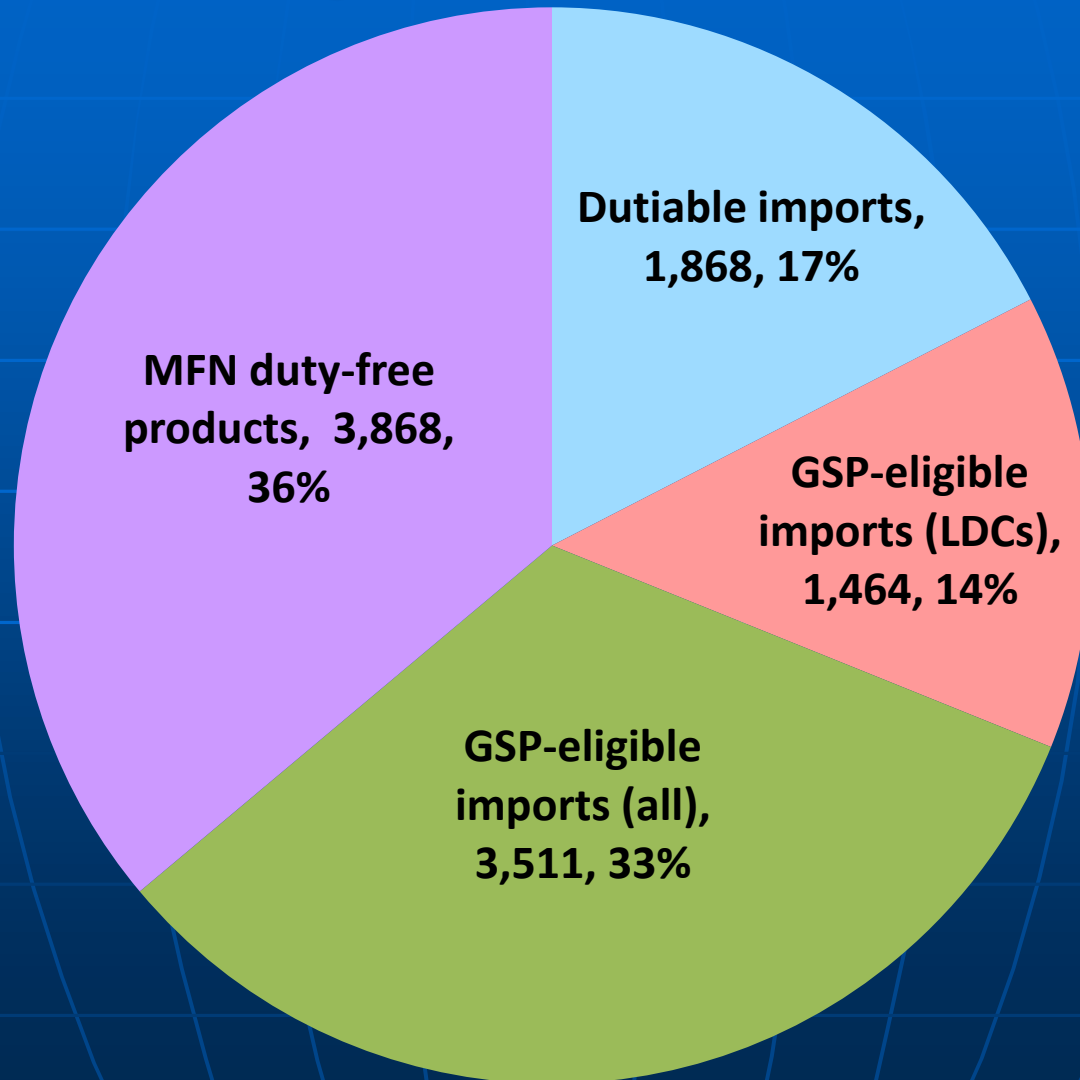
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

Ineligible

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



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



U.S. and Afghanistan Trade in 2012

- **U.S. imports from Afghanistan: \$33 million**
- **GSP imports: \$123,500 (<1% of total imports)**
- **Overall GSP utilization rate: 20%**

Afghanistan's GSP Exports in 2012

HTS chapter & description	GSP tariff advantage	Total GSP Value
HS 0806.20.10 - Raisins, made from dried seedless grapes	1.8¢/kg	\$ 95,000
HS 7117.19.90 - Certain imitation metal jewelry	11%	\$ 19,533
HS 7117.90.90 - Certain imitation metal jewelry (over 20 cents/dozen pcs or pts)	11%	\$ 4,925
HS 7116.20.15 - Jewelry articles of precious or semiprecious stones, valued over \$40 per piece	6.50%	\$ 4,060

How to Qualify for Duty-Free Treatment under GSP

Must be a GSP-eligible product

Must be a product or growth of Afghanistan or of SAARC

If using non-Afghan or non-SAARC 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:

- <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-program-i-0>

USITC DataWeb: USITC Tariff Database

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

:: 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"

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

Detail



08062010 Raisins, made from dried seedless grapes (*Begin Effect Date: 10/31/2012*)



08062020 Raisins, made from other than seedless grapes (*Begin Effect Date: 10/31/2012*)



08062090 Grapes, dried, other than raisins (*Begin Effect Date: 10/31/2012*)



84251100 Pulley tackle and hoists other than skip hoists or hoists used for raising vehicles, powered by electric motor (*Begin Effect Date: 01/01/1999*)



84251900 Pulley tackle and hoists other than skip hoists or hoists used for raising vehicles, not powered by electric motor (*Begin Effect Date: 01/01/1999*)



84254900 Jacks and hoists of a kind used for raising vehicles, other than hydraulic, nesi (*Begin Effect Date: 01/01/1999*)

Classification Systems

- ▶ Tariff Search Tool
- ▶ Classification Systems
- ▶ Commodity Translation Wizard
- ▶ Description Lookup

Trade Data Reports

- ▶ Trade Data Reports
- ▶ Graphs of Trends
- ▶ Trade Shifts

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

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

1. Choose your product from the list

2. Click the "Detail" button

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

2013 Tariff and Most Recent Annual U.S. Import Information

HTS Number	08062010	
Brief Description	Raisins, made from dried seedless grapes	
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)	2012 imports (thousand dollars) \$ 32,398.8	
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)		
2013 Normal Trade Relations (NTR) duty rate (formerly known as the Most Favored Nation (MFN) duty rate)	MFN Text Rate	1.8 cents/kg
	Duty calculation	(Specific rate) times (Q1)
	Ad Valorem (percent of value) component	0%
	Specific (per unit) component	\$0.018
	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 Organized
	COL2 Text Rate	4.4 cents/kg
	Duty calculation	(Specific rate) times (Q1)
	Ad Valorem (percent of value) component	0%
	Specific (per unit) component	\$0.04
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	Not eligible	
Tariff concession on Dyes	Not eligible	

Contact US

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Classification Systems

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Trade Data Reports

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- Graphs of Trends
- Trade Shifts
- Certain Steel Products
- Sub-Saharan Africa
- Trade by Geographic Regions
- Trade by Partner Country
- AVE Duties 1891-2010
- Principal Supplier Analysis

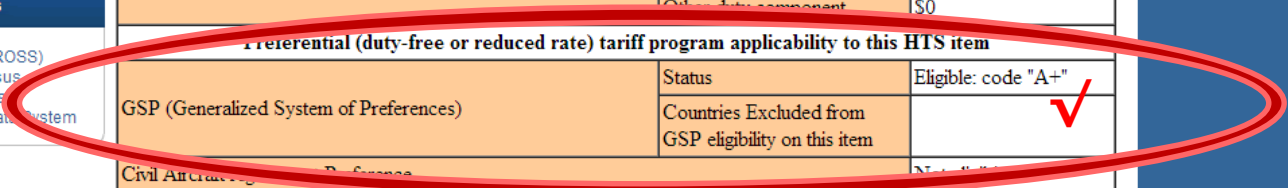
Tariff Database

- HTS Online Reference Tool
- Tariff Database
- Tariff Programs
- Tariff DataBase Tables 1997-2013
- Future Tariffs Lookup
- World Tariff Sources

Other External Links

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

Check if code "A" or "A+" is listed for your product



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

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"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	4.4 cents/kg
	Duty calculation	(Specific rate) times (Q1)
	Ad Valorem (percent of value) component	0%
	Specific (per unit) component	\$0.044
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
Tariff concession on Dyes		Not eligible

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

- Trade Links
- ▶ Certain Steel Products
- ▶ Sub-Saharan Africa
- ▶ Trade by Geographic Regions
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USITC Trade Database--Web Access

US imports for consumption at Customs value for HTS8 08062010:

by sources, in descending value of 2012 imports

Source	2010	2011	2012		2013		Percent change YTD2012- YTD2013
	--thousand dollars--		Percent of total	January-March			
				--thousand dollars--			
All sources	\$ 32,277.4	\$ 30,372.3	\$ 32,398.8	100.0%	\$ 3,895.5	\$ 4,945.1	26.9%
Chile	\$ 14,758.5	\$ 18,233.5	\$ 22,328.1	68.9%	\$ 1,777.5	\$ 1,641.9	-7.6%
Argentina	\$ 926.6	\$ 4,332.7	\$ 3,927.5	12.1%	\$ 770.4	\$ 795.3	3.2%
Republic of South Africa	\$ 9,654.2	\$ 2,912.9	\$ 2,755.4	8.5%	\$ 206.0	\$ 388.5	88.6%
Mexico	\$ 4,694.9	\$ 2,560.9	\$ 1,413.8	4.4%	\$ 279.8	\$ 367.5	31.3%
Uzbekistan	\$ 12.4	\$ 223.0	\$ 677.1	2.1%	\$ 192.6	\$ 398.3	106.8%
Greece	\$ 611.2	\$ 561.2	\$ 470.2	1.5%	\$ 255.9	\$ 182.3	-28.8%
China	\$ 1,099.3	\$ 666.5	\$ 307.4	0.9%	\$ 154.2	\$ 209.3	35.7%
Afghanistan	\$ 252.1	\$ 491.6	\$ 269.1	0.8%	\$ 130.7	\$ 484.7	270.8%
Turkey	\$ 125.7	\$ 102.0	\$ 150.0	0.5%	\$ 80.0	\$ 100.4	25.0%
Pakistan	\$ 23.5	\$ 75.2	\$ 45.3	0.1%	\$ 5.9	\$ 23.4	296.6%
Canada	\$ 27.9	\$ 150.2	\$ 22.3	0.1%	\$ 22.3	\$ 39.2	75.8%
India	\$ 0.0	\$ 2.1	\$ 11.2	0.0%	\$ 11.2	\$ 3.1	-72.3%
Austria	\$ 9.4	\$ 0.0	\$ 6.9	0.0%	\$ 0.0	\$ 0.0	
France	\$ 0.0	\$ 2.0	\$ 5.7	0.0%	\$ 0.0	\$ 0.0	
Germany	\$ 0.0	\$ 0.0	\$ 0.0	0.0%	\$ 0.0	\$ 0.0	
Colombia	\$ 0.0	\$ 4.2	\$ 0.0	0.0%	\$ 0.0	\$ 0.0	
Ecuador	\$ 0.0	\$ 0.0	\$ 0.0	0.0%	\$ 0.0	\$ 0.0	
Ghana	\$ 0.0	\$ 0.0	\$ 0.0	0.0%	\$ 0.0	\$ 0.0	
Thailand	\$ 4.8	\$ 0.0	\$ 0.0	0.0%	\$ 0.0	\$ 0.0	

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 Afghanistan 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
HS 0806.20.10 - raisins, made from dried seedless grapes	1.8¢/ kg	\$269,000	35%
HS 0813 (multiple HS) - dried berries and apricots	up to 2.5%	\$92,000	0%
HS 0802.52.00 - pistachios, fresh or dried, shelled	1.9¢/kg	\$78,000	0%
HS 7113.11.50- Silver jewelry valued over \$18 per dozen pieces or parts	5%	\$11,000	0%



Export home décor and craft items duty-free under GSP

- Wood statues, bowls, boxes, furniture & tableware (3.2-10.9% duty)
- Ceramic bowls and ornamental articles (6-9.8% duty)
- Woven baskets and bags (3.5-10% duty)
- Drawn & blown glass (up to 7.2% duty)
- Carpets and rugs (2.7-6.8% duty)
- Brass, beaded, silver & other jewelry (5-11% duty)
- String & wind musical instruments (2.9-8.7% duty)
- Wall-hangings & pillow/cushion covers (3.8% 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



Identifying & Developing Potential U.S. Buyers

- **Depends on size, sector, experience**
- **Are you export-ready?**
- **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

Provide the information required by the regulations

For Further Information

GSP General Information:

- <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preference-gsp>

Lists of GSP-eligible Products:

- <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-program-i-0>

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

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

- <http://www.cbp.gov>
- <http://rulings.cbp.gov>

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>

GSP Questions? Contact:

- gsp@ustr.eop.gov

Thank you!

