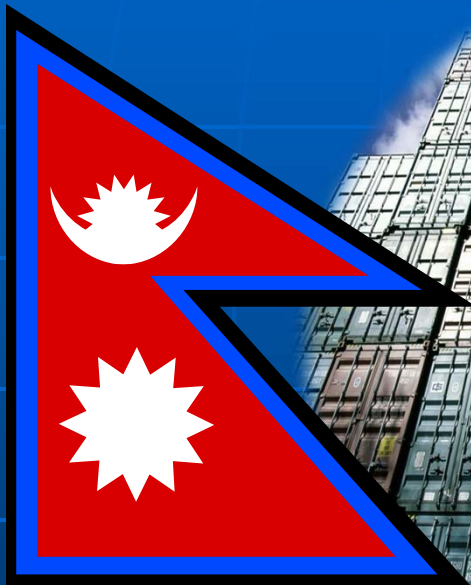


# Expanding Nepal's Exports through the Generalized System of Preferences (GSP) Program



**Bill Jackson**  
**Office of the U.S. Trade Representative**  
**Executive Office of the President**  
**August 2012**

# ***Presentation Summary***



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

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

**How to increase Nepal'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 128 countries
- \$18.5 billion in total U.S. GSP imports (2011)
- GSP program authorized through July 2013



# ***GSP Program: Eligible Products***

## **Eligible**

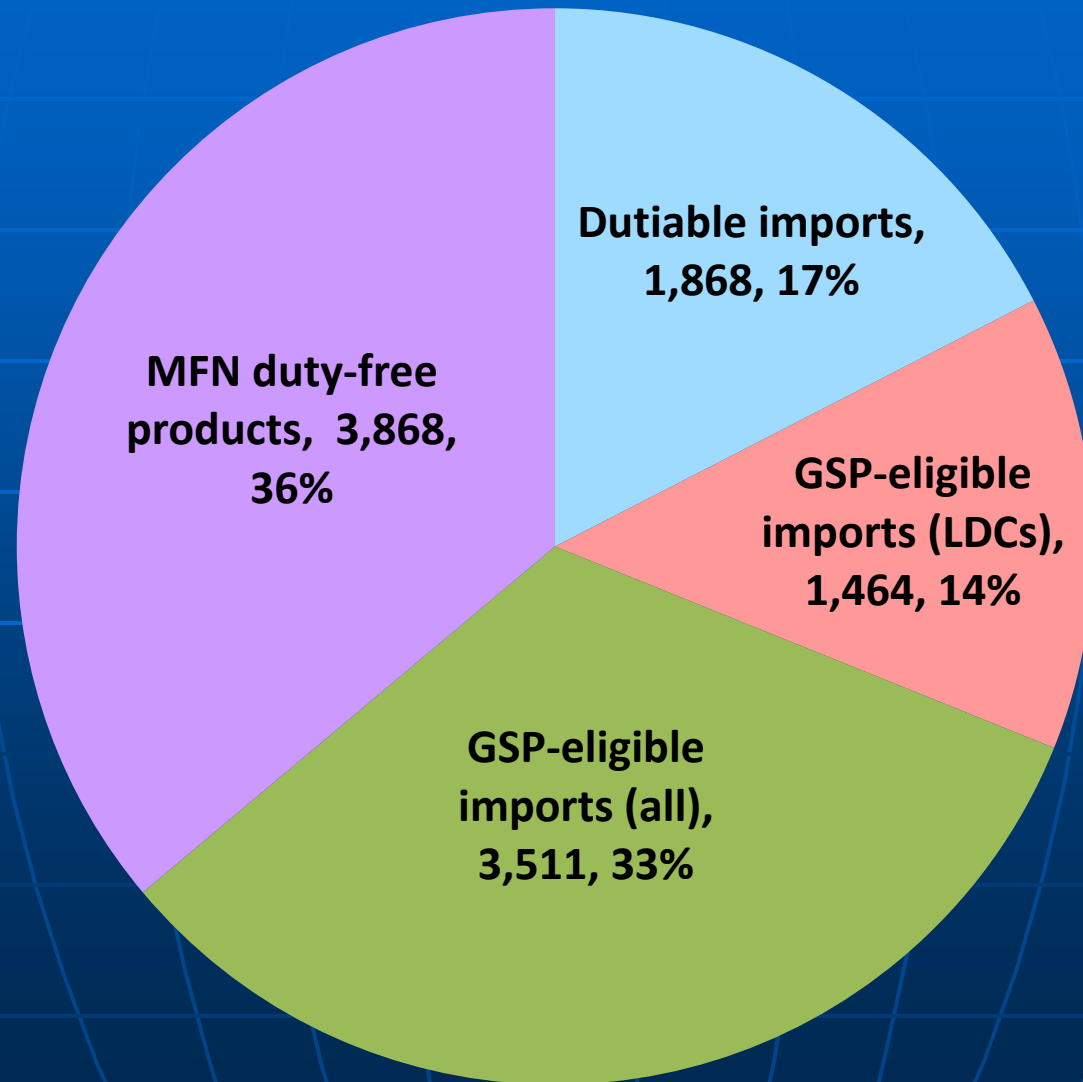
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

## **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 Nepal Trade in 2011*

- U.S. imports from Nepal: \$ 78 million
- GSP imports: \$ 5.1m (7% of total imports)
- Overall GSP utilization rate: 74%
- Top GSP imports :

<b>Product</b>	<b>MFN tariff</b>	<b>Total GSP Value</b>
<b>Silver jewelry</b> (valued over \$18 per doz.)	5%	\$1.2m
<b>Cigars</b>	15.8%	\$1.2m
<b>Imitation jewelry</b>	11%	\$0.5m
<b>National Flags</b>	7%	\$0.3m

# *How to Qualify for Duty-Free Treatment under GSP*

**Must be a GSP-eligible product**

**Must be a product or growth of Nepal**

**If using non-Nepali 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](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>



Go to: [http://dataweb.usitc.gov/scripts/tariff\\_current.asp](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

▶ Trade Data Reports  
▶ 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

### :: 2012 U.S. Tariff and Trade Data for a specific product

Tariff data current through February 3, 2012. 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".

Silver jewelry

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 DataWeb: USITC Tariff Database - Windows Internet Explorer

http://dataweb.usitc.gov/scripts/tariff\_current.asp

United States International Trade Commission

USITC Home > DataWeb > USITC Tariff Database

Contact US

- DataWeb Assistance

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Classification Systems

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

Trade by Partner Country

- AVE Duties 1891-2010
- Principal Supplier Analysis

Tariff Database

- HTS Online Reference Tool
- Tariff Database

Now select ONE item for which you want tariff and trade information.  
Click the "Detail" button when you have made your selection

**Detail**

- 71131110 Silver rope, curb, etc. in continuous lengths, whether or not plated/clad with other precious metal, suitable for jewelry manufacture (*Begin Effect Date: 05/15/2012*)
- 71131110 **(Expired)** Silver rope, curb, etc. in continuous lengths, whether or not plated/clad with other precious metal, suitable for jewelry manufacture (*Begin Effect Date: 03/15/2012*)
- 71131110 **(Expired)** Silver rope, curb, etc. in continuous lengths, whether or not plated/clad with other precious metal, suitable for jewelry manufacture (*Begin Effect Date: 02/01/2009*)
- 71131120 Silver articles of jewelry and parts thereof, nesoi, valued not over \$18 per dozen pieces or parts (*Begin Effect Date: 05/15/2012*)
- 71131120 **(Expired)** Silver articles of jewelry and parts thereof, nesoi, valued not over \$18 per dozen pieces or parts (*Begin Effect Date: 03/15/2012*)
- 71131120 **(Expired)** Silver articles of jewelry and parts thereof, nesoi, valued not over \$18 per dozen pieces or parts (*Begin Effect Date: 01/01/2011*)
- 71131150 Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts (*Begin Effect Date: 07/01/2012*)
- 71131150 **(Expired)** Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts (*Begin Effect Date: 05/15/2012*)
- 71131150 **(Expired)** Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts (*Begin Effect Date: 03/15/2012*)
- 71131150 **(Expired)** Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts (*Begin Effect Date: 07/01/2009*)
- 71131910 Precious metal (other than silver) rope, curb, etc. in continuous lengths, whether or not plated/clad precious

1. Choose your product from the list

2. Click the "Detail" button

USITC DataWeb: USITC Tariff Database - Windows Internet Explorer

http://dataweb.usitc.gov/scripts/tariff\_current.asp

USITC DataWeb: USITC Tariff Database

### 2012 U.S. Tariff and Trade Data for a specific product

#### 2012 Tariff and Most Recent Annual U.S. Import Information

HTS Number	71131150	
Brief Description	Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts	
<b>Customs value of recent U.S. imports for consumption</b>		
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)	2011 imports (thousand dollars) <b>\$2,145,749.5</b>	
<b>Tariff Treatment</b>		
Beginning Effective Date (most recent date any part of this HTS item's tariff treatment changed)	07/01/2012	
Ending Effective Date (date any part of this HTS item is next scheduled for tariff treatment change)	12/31/2012	
1st Unit of Quantity (Q1)	No units collected	
2nd Unit of Quantity (Q2)		
2012 Normal Trade Relations (NTR) duty rate (formerly known as the Most Favored Nation (MFN) duty rate)	MFN Text Rate	5%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	5%
	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	80%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	80%
	Specific (per unit) component	\$0
<b>General (duty-free or reduced rate) tariff program applicability to this HTS item</b>		
GSP (Generalized System of Preferences)	Status	Eligible: code "A*" (Certain Countries Excluded) ✓
	Countries Excluded from GSP eligibility on this item	India Thailand

Check if code  
**"A"** **"A+"** or  
**"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"

- 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 1997-2012
- Future Tariffs Lookup
- World Tariff Sources

#### Other External Links

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

### 2012 U.S. Tariff and Trade Data for a specific product 2012 Tariff and Most Recent Annual U.S. Import Information

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	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	80%
	Specific (per unit) component	\$0
	Other duty component	\$0
	<b>Preferential (duty-free or reduced rate) tariff program applicability to this HTS item</b>	
GSP (Generalized System of Preferences)	Status	Eligible: code "A*" (Certain Countries Excluded)
	Countries Excluded from GSP eligibility on this item	India Thailand

**US imports for consumption at Customs value for HTS8 71131150:**  
 by sources, in descending value of 2011 imports

Source	2009	2010	2011		2012		Percent change YTD2011- YTD2012
	--thousand dollars--			Percent of total	January-May --thousand dollars--		
All sources	\$1,379,271.1	\$1,895,944.5	\$2,145,749.5	100.0%	\$826,183.3	\$759,203.4	-8.1%
Thailand	\$407,024.1	\$577,630.2	\$675,823.7	31.5%	\$281,228.6	\$270,505.3	-3.8%
China	\$351,303.5	\$492,154.1	\$569,976.7	26.6%	\$207,554.4	\$172,401.9	-16.9%
India	\$197,052.8	\$269,699.4	\$331,719.0	15.5%	\$117,994.0	\$113,897.5	-3.5%
Italy	\$137,013.0	\$192,699.9	\$188,259.5	8.8%	\$77,043.0	\$63,756.1	-17.2%
Indonesia	\$43,005.7	\$53,593.4	\$64,131.4	3.0%	\$25,657.1	\$26,339.5	2.7%
Mexico	\$32,417.6	\$43,057.7	\$45,420.6	2.1%	\$19,898.1	\$14,246.7	-28.4%
Dominican Republic	\$40,345.5	\$44,406.3	\$39,057.8	1.8%	\$14,942.1	\$9,327.6	-37.6%
Hong Kong	\$25,513.7	\$32,390.1	\$34,980.3	1.6%	\$10,075.5	\$10,613.4	5.3%
Spain	\$25,505.3	\$33,598.4	\$32,093.5	1.5%	\$12,402.7	\$14,135.3	14.0%
Turkey	\$22,360.8	\$28,586.8	\$26,015.8	1.2%	\$10,931.4	\$11,463.9	4.9%
Israel	\$23,482.5	\$20,795.3	\$23,159.6	1.1%	\$8,158.3	\$7,590.4	-7.0%
Canada	\$10,752.6	\$18,899.4	\$21,414.3	1.0%	\$7,387.9	\$7,677.2	3.9%
Costa Rica	\$5,966.1	\$12,385.6	\$12,171.4	0.6%	\$4,515.0	\$7,650.4	69.4%
Denmark	\$2,122.9	\$1,295.4	\$10,258.4	0.5%	\$1,608.8	\$1,363.2	-15.3%
Peru	\$6,571.2	\$9,691.5	\$9,216.0	0.4%	\$2,769.9	\$3,075.5	11.0%
Bolivia	\$10,958.9	\$12,022.2	\$7,915.6	0.4%	\$2,195.9	\$2,891.1	31.7%
Ireland	\$5,126.1	\$5,929.0	\$6,180.6	0.3%	\$3,046.5	\$1,935.4	-36.5%
Germany	\$4,148.0	\$4,457.6	\$5,569.8	0.3%	\$2,186.8	\$1,420.5	-35.0%
Poland	\$3,148.4	\$3,656.0	\$5,122.7	0.2%	\$2,444.5	\$1,996.6	-18.3%
Jordan	\$1,099.5	\$7,502.7	\$4,909.3	0.2%	\$2,104.1	\$2,003.4	-4.8%

Greece	\$2,872.6	\$4,723.1	\$4,350.9	0.2%	\$1,363.1	\$3,065.1	124.9%
Switzerland	\$719.0	\$2,535.8	\$4,260.1	0.2%	\$1,905.8	\$1,000.0	-47.5%
Philippines	\$2,657.4	\$4,389.6	\$3,084.9	0.1%	\$1,534.6	\$1,292.1	-15.8%
France	\$3,783.7	\$3,358.2	\$2,621.9	0.1%	\$974.5	\$1,755.3	80.1%
United Kingdom	\$3,578.5	\$2,181.7	\$2,607.4	0.1%	\$867.7	\$1,421.6	63.8%
Vietnam	\$674.0	\$1,096.1	\$2,459.7	0.1%	\$800.8	\$1,026.6	28.2%
Malaysia	\$102.2	\$261.9	\$1,862.7	0.1%	\$435.7	\$309.8	-28.9%
Taiwan	\$521.8	\$1,503.7	\$1,700.0	0.1%	\$619.9	\$579.8	-6.5%
Nepal	\$2,581.3	\$2,467.4	\$1,646.4	0.1%	\$735.1	\$480.0	-34.7%
Mauritius	\$1,225.0	\$1,222.6	\$1,243.7	0.1%	\$406.6	\$457.0	12.4%
Sri Lanka	\$448.7	\$222.6	\$928.8	0.0%	\$101.0	\$334.6	231.3%

# *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 Nepal is exporting to other markets**

**Consider products with a GSP advantage**

# *GSP-Eligible Imports: Underutilized in 2011*

<b>Product</b>	<b>MFN Tariff</b>	<b>Total Imports</b>	<b>GSP Utilization Rate</b>
<b>Hand-hooked carpets</b> (HTS 5703.10.20)	6%	\$495,816	49%
<b>Buttons</b> (HTS 9606.29.60)	2.9%	\$361,859	34%
<b>Silk shawls, scarves, etc.</b> (HTS 6214.10.10)	1.2%	\$245,932	60%

# *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 (6.6% duty)
- Drawn & blown glass (6.4% duty)
- Carpets and rugs (6% duty)
- Brass, beaded, silver & other jewelry (5-13% duty)
- String & wind musical instruments (2.9-8.7% duty)
- Wall-hangings & pillow/cushion covers (3.8% duty)





# GSP Eligible Textiles and Apparel

Hand-loomed cotton fabrics, such as plain woven fabric (HTS 5208.31), which Nepal currently exports to the EU-27.

Hand-loomed and hand-hooked carpets, such as wool hand-hooked carpets (HTS 5703.90.00), which Nepal exports to the U.S.

National flags (HTS6307.90.98), which Nepal currently exports to the U.S.

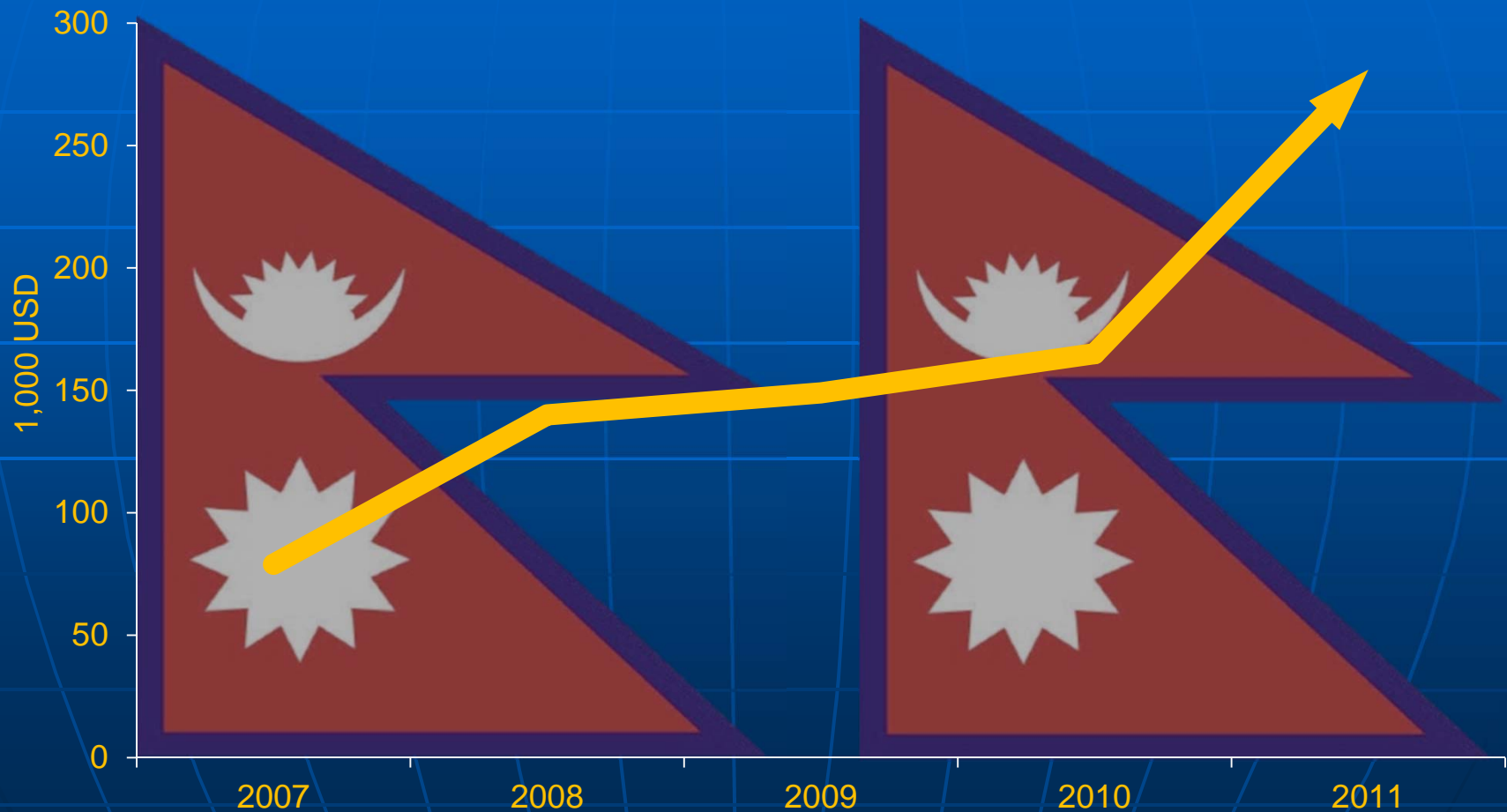
Many types of gloves and mittens.

Silk fabrics and apparel including dresses, women's suits, scarves.



# GSP Success Story

**HTS: 6307.90.93 National flags**



# 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  
(deadline for 2012 Review: October 5, 2012)**

**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](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.customs.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>

*Thank you!*

