

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



Bill Jackson
Office of the U.S. Trade Representative
Executive Office of the President
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Presentation Summary



Overview of the U.S. GSP Program

Pakistan's GSP exports to the U.S.

How to increase Pakistan'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 about 3,500 products from Pakistan 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

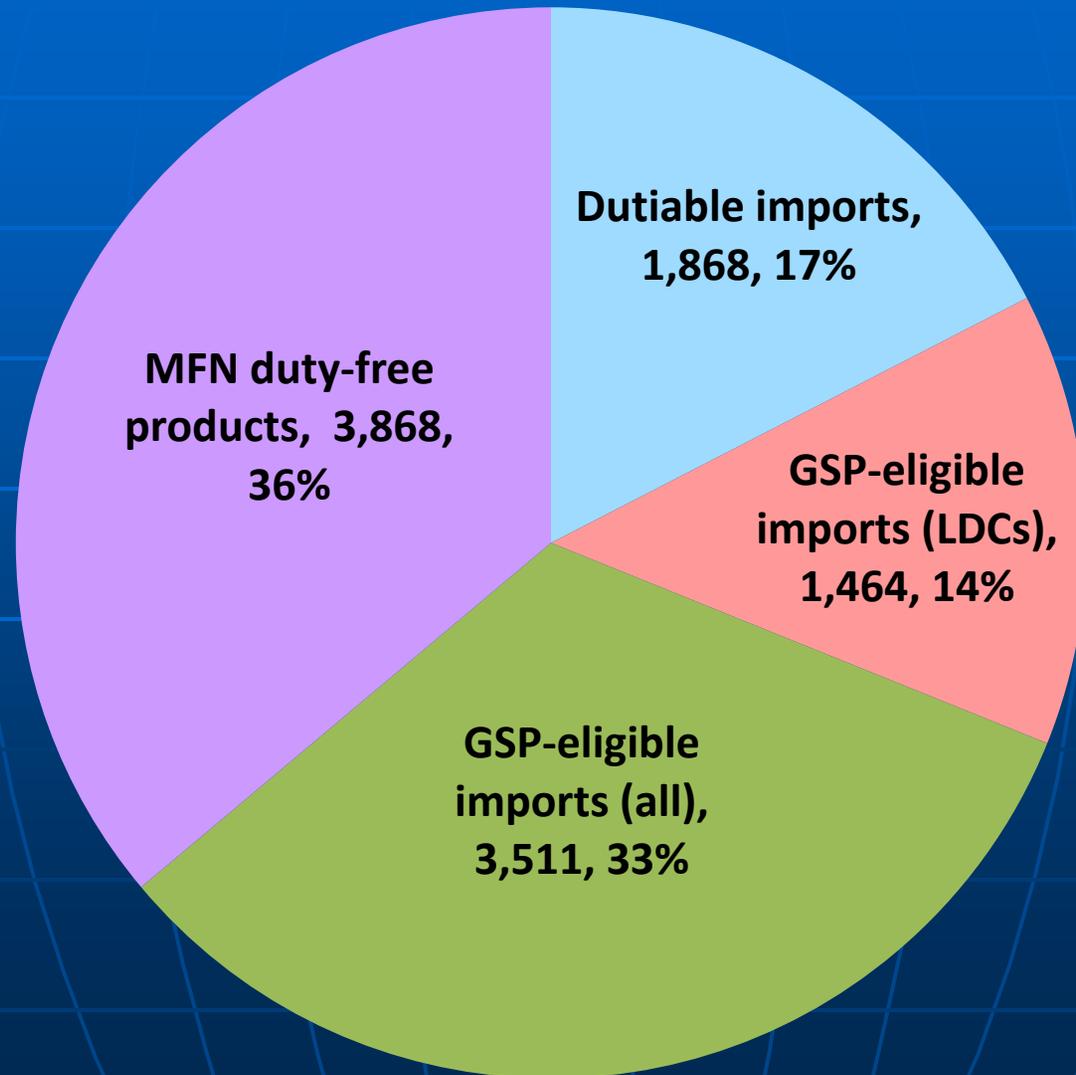
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

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 Pakistan Trade in 2012

- **U.S. imports from Pakistan: \$3.6 billion**
- **GSP imports: \$195 million (5% of total imports)**
- **Overall GSP utilization rate: 81%**

Pakistan's Top GSP Exports in 2012

HTS chapter & description	GSP tariff advantage	Total GSP Value
71 – Gemstones, precious metals, & jewelry	Up to 11%	\$32.4 m
39 – Plastics in primary forms & semi-finished & finished products	Up to 6.5%	\$29.8 m
17 – Sugars & sugar confectionery	Up to 5.6%	\$21.1 m
82 – Tools & cutlery made of base metals	Up to 19%	\$19.7 m
63 – Textile articles, used textiles, & rags	Up to 5.8%	\$13.1 m
42 – Leather goods	Up to 5.5%	\$10.1 m

How to Qualify for Duty-Free Treatment under GSP

Must be a GSP-eligible product

Must be a product or growth of Pakistan or of SAARC

If using non-Pakistani 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>



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

Contact US

- DataWeb Assistance

Tariff and Trade DataWeb

- Trade DataWeb Login
- DataWeb FAQ
- DataWeb How To

Classification Systems

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Trade Data Reports

- Trade Data Reports
- Graphs of Trends
- Trade Shifts
- Certain Steel Products

Tariff Database

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

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

- 44209045 Wooden jewelry boxes, silverware chests, microscope, tool or utensil cases, similar boxes, cases and chests, not lined with textile fabrics (Begin Effect Date: 01/01/2013)
- 44209065 Wooden jewelry boxes, silverware chests, microscope, tool or utensil cases, similar boxes, cases and chests, lined with textile fabrics (Begin Effect Date: 01/01/1999)
- 71039910 Precious or semiprecious stones, nesoi, cut but not set and suitable for use in the manufacture of jewelry (Begin Effect Date: 01/01/1999)
- 71049010 Synthetic or reconstructed precious or semiprecious stones, cut but not set & suitable for use in the manufacture of jewelry (Begin Effect Date: 01/01/1999)
- 71131110 Silver rope, curb, etc. in continuous lengths, whether or not plated/clad with other precious metal, suitable for jewelry manufacture (Begin Effect Date: 10/31/2012)
- 71131120 Silver articles of jewelry and parts thereof, nesoi, valued not over \$18 per dozen pieces or parts (Begin Effect Date: 10/31/2012)
- 71131150 Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts (Begin Effect Date: 10/31/2012)
- 71131910 Precious metal (o/than silver) rope, curb, etc. in continuous lengths, whether or not plated/clad precious metal, for jewelry manufacture (Begin Effect Date: 10/31/2012)
- 71131950 Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi (Begin Effect Date: 10/31/2012)
- 71132010 Base metal clad w/precious metal, rope, curb & like articles in continuous lengths, suitable for use in jewelry manufacture (Begin Effect Date: 10/31/2012)
- 71132050 Base metal clad w/precious metal articles of jewelry and parts thereof, nesoi (Begin Effect Date: 10/31/2012)

1. Choose your product from the list

USITC DataWeb: USITC Tariff Database

2013 U.S. Tariff and Trade Data for a specific product
2013 Tariff and Most Recent Annual U.S. Import Information

HTS Number	71131950	
Brief Description	Precious metal (other than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	
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) \$ 3,981,999.6	
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)	No units collected	
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	5.5%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	5.5%
	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	80%
	Duty calculation	(Ad Valorem Rate) times (Value)
	Ad Valorem (percent of value) component	80%
	Specific (per unit) component	\$0
Other duty component	Other duty component	\$0
	Other duty component	\$0
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Preferential (duty-free or reduced rate) tariff program applicability to this HTS item		
GSP (Generalized System of Preferences)	Status	Eligible: code "A*" (Certain Countries Excluded)
	Countries Excluded from GSP eligibility on this item	India Thailand Turkey
Civil Aircraft Agreement Preference		Not eligible

Check if code "A" is listed for your product



2013 U.S. Tariff and Trade Data for a specific product
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More detail can be found by clicking on the links here. For example, click on "imports by source country"

- 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

USITC Trade Database--Web Access

US imports for consumption at Customs value for HTS8 71131950:

by sources, in descending value of 2012 imports

Source	2010	2011	2012		2013		Percent change YTD2012- YTD2013
	--thousand dollars--			Percent of total	January-January		
					--thousand dollars--		
All sources	\$ 3,553,324.4	\$ 4,148,654.0	\$ 3,981,999.6	100.0%	\$ 263,190.4	\$ 298,104.8	13.3%
India	\$ 1,000,906.6	\$ 1,044,282.6	\$ 1,028,776.9	25.8%	\$ 71,369.3	\$ 75,255.4	5.4%
China	\$ 514,015.7	\$ 653,596.1	\$ 670,069.2	16.8%	\$ 42,974.6	\$ 54,437.4	26.7%
France	\$ 200,462.8	\$ 279,905.1	\$ 370,696.6	9.3%	\$ 26,935.4	\$ 29,328.2	8.9%
Hong Kong	\$ 246,997.0	\$ 297,692.2	\$ 317,584.2	8.0%	\$ 16,466.3	\$ 20,078.8	21.9%
Italy	\$ 218,612.6	\$ 252,547.4	\$ 248,700.0	6.2%	\$ 16,005.0	\$ 11,756.2	-26.5%
Thailand	\$ 279,218.5	\$ 324,122.5	\$ 240,063.6	6.0%	\$ 18,008.5	\$ 15,682.6	-12.9%
Mexico	\$ 222,005.0	\$ 226,019.6	\$ 225,033.8	5.7%	\$ 10,612.4	\$ 17,436.7	64.3%
Oman	\$ 45,330.7	\$ 122,167.9	\$ 129,061.1	3.2%	\$ 9,436.0	\$ 14,412.5	52.7%
Dominican Republic	\$ 141,280.4	\$ 160,672.5	\$ 119,948.7	3.0%	\$ 5,983.6	\$ 7,209.0	20.5%
Switzerland	\$ 144,630.3	\$ 287,356.8	\$ 93,827.9	2.4%	\$ 4,931.9	\$ 6,976.3	41.5%
Canada	\$ 79,964.5	\$ 69,070.4	\$ 71,898.7	1.8%	\$ 5,795.6	\$ 3,189.4	-45.0%
Spain	\$ 28,725.3	\$ 44,226.1	\$ 59,375.5	1.5%	\$ 4,767.5	\$ 5,203.5	9.1%
Israel	\$ 52,424.2	\$ 56,528.0	\$ 51,726.5	1.3%	\$ 3,661.9	\$ 6,441.0	75.9%
Indonesia	\$ 50,935.1	\$ 35,989.1	\$ 42,945.6	1.1%	\$ 2,612.8	\$ 4,588.7	75.6%
United Kingdom	\$ 25,027.4	\$ 29,504.3	\$ 30,855.3	0.8%	\$ 1,729.9	\$ 1,677.6	-3.0%
Turkey	\$ 35,498.7	\$ 32,357.1	\$ 28,891.4	0.7%	\$ 2,628.0	\$ 1,960.7	-25.4%
Pakistan	\$ 34,299.4	\$ 7,488.2	\$ 28,354.7	0.7%	\$ 1,040.3	\$ 2,438.5	134.4%
Singapore	\$ 21,765.2	\$ 10,576.8	\$ 27,075.3	0.7%	\$ 2,022.5	\$ 4,161.2	42.0%

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 Pakistan 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
Leather sports gloves, mittens, and mitts (HTS 4203.21.80)	4.9%	\$ 10.4 m	62%
Certain non-cotton pillows, cushions and similar furnishings (HTS 9404.90.20)	6%	\$ 2.3m	16 %
Certain athletic articles and equipment and parts thereof (HTS 9506.91.00)	4.6%	\$2.1 m	63%
Miscellaneous iron or steel articles (HTS 7326.90.85)	2.9%	\$1.2 m	89%
Certain cotton fabrics coated, covered or laminated etc. with plastics (HTS 5903.90.10)	2.7%	\$0.7 m	4%



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 (5-11% 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



GSP Success Story

HTS 0910.91.00: Mixtures of spices



GSP Success Story

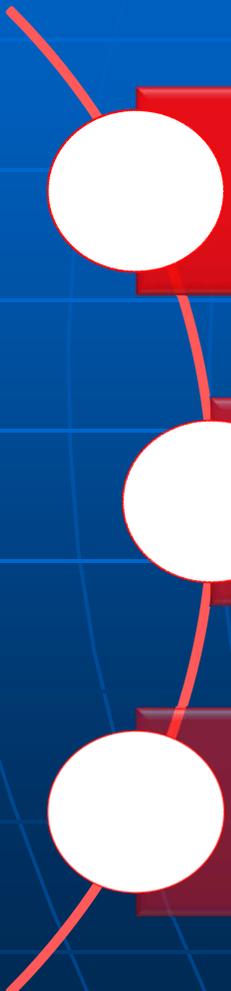
HTS: 1702.30.40 Certain glucose and glucose syrup with no fructose or, in the dry state, less than 20 percent of fructose



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>

U.S. Embassy/Consulate Contact:

- PakistanGSP@state.gov

Thank you!

