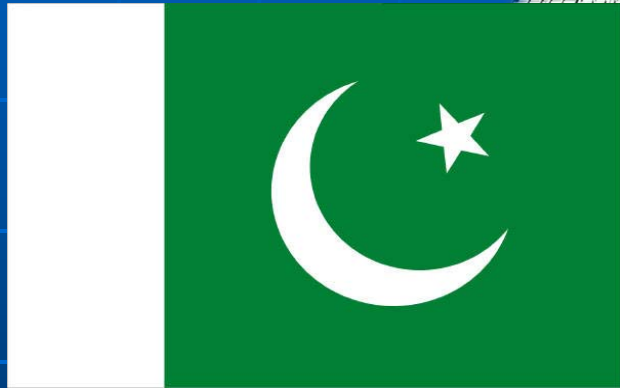


# Expanding Pakistan's Exports through the Generalized System of Preferences (GSP) Program



**Bill Jackson**  
**Office of the U.S. Trade Representative**  
**Executive Office of the President**  
**April 2013**

# ***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**

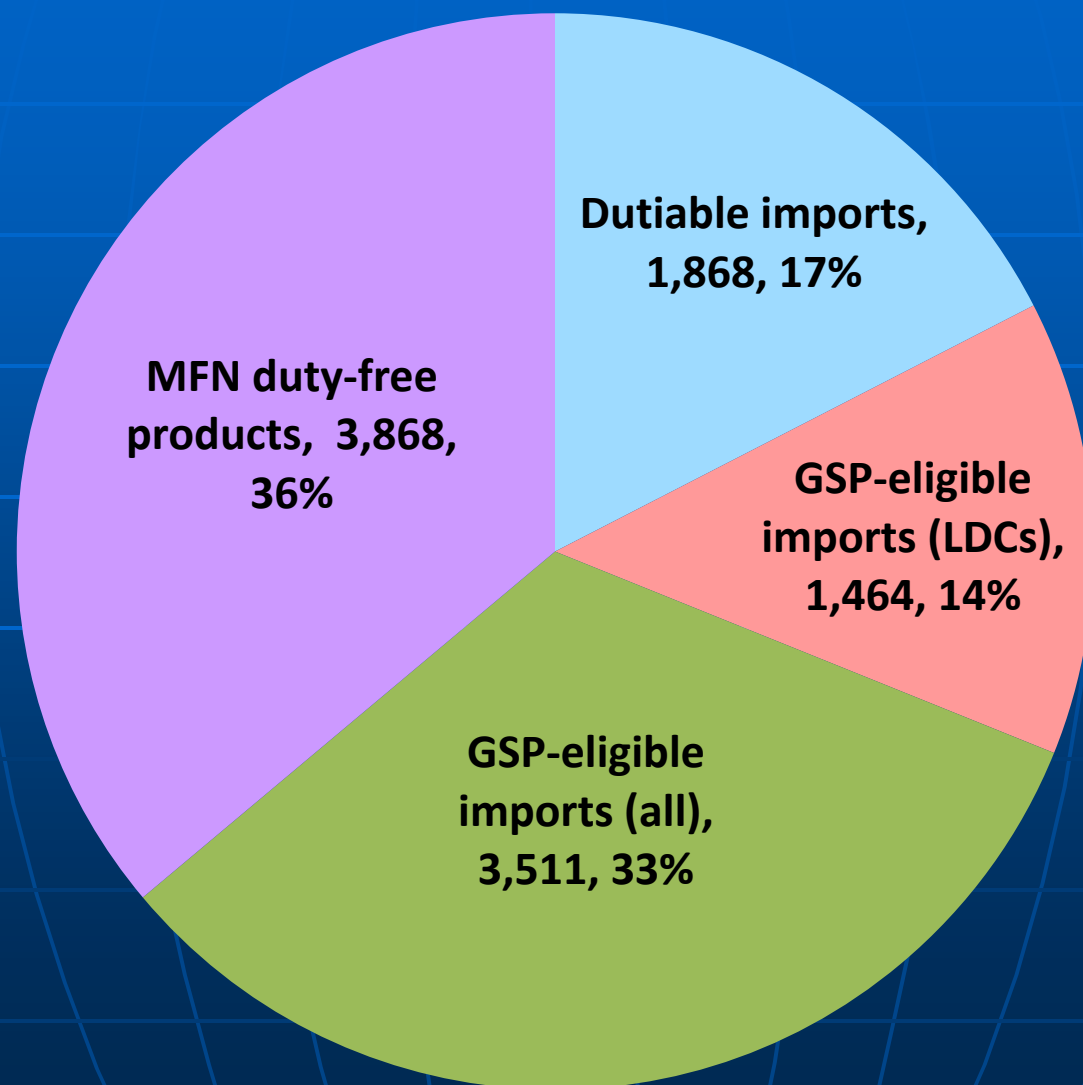
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

## **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***

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

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

**:: 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"

**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 Ta x

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

USITC Home > DataWeb > USITC Tariff Database

**Contact US**

- DataWeb Assistance

**Tariff and Trade DataWeb**

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**Classification Systems**

- Tariff Search Tool
- Classification Systems
- Commodity Translation Wizard
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**Trade Data Reports**

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

**Regions**

- Asia
- Europe
- Latin America
- Middle East
- North America
- Oceania
- Other

**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

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

USITC Home > 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	
<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)	2012 imports (thousand dollars) <b>\$ 3,981,999.6</b>	
<b>Tariff Treatment</b>		
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
	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 Turkey
Civil Aircraft Agreement Preference		Not eligible

**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"**

- ▶ 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

### 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 (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi
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
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Civil Aircraft Agreement Preference		Not eligible



# ***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***

<b>Product</b>	<b>MFN Tariff</b>	<b>Total Imports</b>	<b>GSP Utilization Rate</b>
<b>Leather sports gloves, mittens, and mitts (HTS 4203.21.80)</b>	4.9%	\$ 10.4 m	62%
<b>Certain non-cotton pillows, cushions and similar furnishings (HTS 9404.90.20)</b>	6%	\$ 2.3m	16 %
<b>Certain athletic articles and equipment and parts thereof (HTS 9506.91.00)</b>	4.6%	\$2.1 m	63%
<b>Miscellaneous iron or steel articles (HTS 7326.90.85)</b>	2.9%	\$1.2 m	89%
<b>Certain cotton fabrics coated, covered or laminated etc. with plastics (HTS 5903.90.10)</b>	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](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](mailto:PakistanGSP@state.gov)

# *Thank you!*

