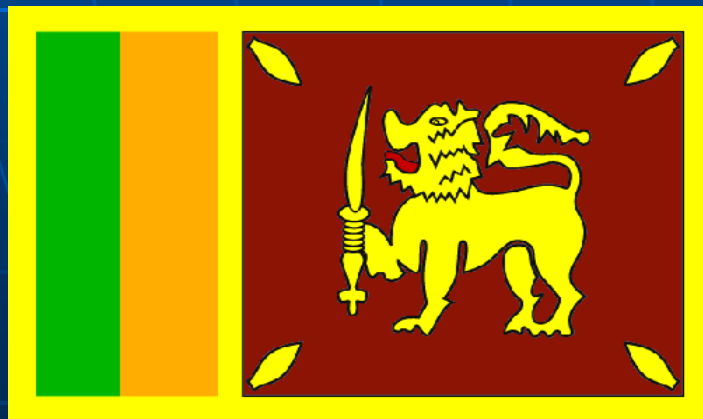


Expanding Sri Lanka's Exports through the Generalized System of Preferences (GSP) Program

Mara Burr

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**
- **Sri Lanka's GSP exports to the U.S.**
- **How to increase Sri Lanka'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 3,400 types of products from 129 countries**
- **\$18.5 billion in total U.S. GSP imports (2011)**
- **GSP program authorized through July 2013**

GSP Program: *Eligible Imports*

- Eligible: many manufactured items & inputs, most jewelry, many agricultural products, chemicals, minerals, marble, carpets
- Ineligible: most textiles & apparel, watches, footwear, handbags, luggage, many kinds of gloves & leather goods

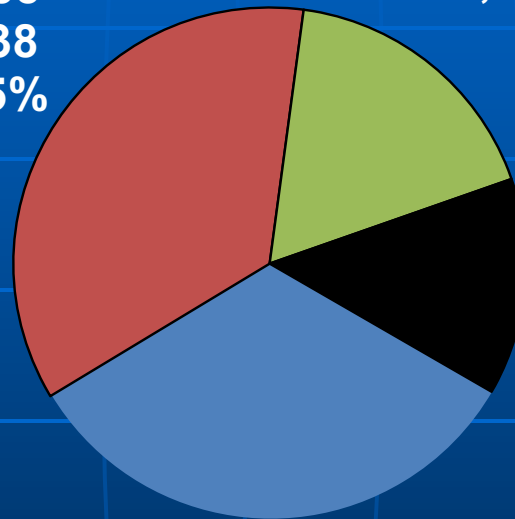
How many products are eligible for GSP duty-free treatment?

MFN duty-free
imports 3,738
products: 35%

Dutiable imports
1,830 products:
17%

GSP-eligible
imports (LDCs),
1,431 products:
13%

GSP-eligible
imports (all), 3,450
products: 33%



U.S. and Sri Lanka Overall Trade

- 2011 U.S. imports from Sri Lanka: \$ 2 billion
- GSP imports: \$ 135 m (7% of total imports)
- Top GSP imports in 2011: tires; activated carbon; rubber products; plastic bags and plastic articles; table and kitchenware; brooms and brushes

Sri Lanka's top GSP exports to the U.S. (2011)

- Rubber tires for industrial and commercial vehicles (3.4% duty): \$21.5m entered under GSP; 83-98% utilization
- Activated carbon (4.8% duty): \$21.8m entered under GSP; 82% utilization
- Plastic bags; ornamental articles of plastic (3-5.3% duty) \$22.5m entered under GSP; 86-99% utilization

How to Qualify for Duty-Free Treatment under GSP

- 1. Must be a GSP-eligible product**
- 2. Must be a product or growth of Sri Lanka**
- 3. If using non-Sri Lankan inputs, local content & processing must be $\geq 35\%$ of the value**
- 4. Must import directly into the U.S. from Sri Lanka w/o entering commerce of another country**
- 5. Benefit must be claimed by importer**
- 6. 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 Home > DataWeb > USITC Tariff Database

Go to
http://dataweb.usitc.gov/scripts/tariff_current.asp



:: 2011 U.S. Tariff and Trade Data for a specific product

Tariff data current through January 1, 2011. 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"

jam

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.

Type the name of your product
& click the **"List items"** button



entire site tariff info

USITC Home > DataWeb > USITC Tariff Database



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

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

- 20079190 Citrus jams, fruit jellies, and marmalades (other than orange) (Begin Effect Date: 02/01/2009)
- 20079905 Lingonberry and raspberry jams (Begin Effect Date: 02/01/2009)
- 20079910 Strawberry jam (Begin Effect Date: 02/01/2009)
- 20079915 Currant and other berry jams, nesi (Begin Effect Date: 02/01/2009)
- 20079920 Apricot jam (Begin Effect Date: 02/01/2009)
- 20079925 Cherry jam (Begin Effect Date: 02/01/2009)
- 20079930 Guava jam (Begin Effect Date: 01/01/1993)
- 20079935 Peach jam (Begin Effect Date: 01/01/2011)
- 20079940 Pineapple jam (Begin Effect Date: 02/01/2009)
- 20079945 Jams, nesi (Begin Effect Date: 02/01/2009)
- 61072100 Men's or boys' nightshirts and pajamas, knitted or crocheted, of cotton (Begin Effect Date: 01/01/2011)
- 61072200 Men's or boys' nightshirts and pajamas, knitted or crocheted, of man-made fibers (Begin Effect Date: 01/01/2011)
- 61072920 Men's or boys' nightshirts and pajamas, knitted or crocheted, of wool or fine animal hair (Begin Effect Date: 01/01/2011)
- 61072950 Men's or boys' nightshirts and pajamas, of textile materials (ex cotton, mmf or wool), containing 70% or more by wt of silk, knitted or croc (Begin Effect Date: 01/01/2011)
- 61072990 Men's or boys' nightshirts and pajamas, of textile materials (ex cotton, mmf or wool), containing under 70% by wt of silk, knitted or croc (Begin Effect Date: 01/01/2011)
- 61083100 Women's or girls' nightdresses and pajamas, knitted or crocheted, of cotton (Begin Effect Date: 01/01/2011)
- 61083200 Women's or girls' nightdresses and pajamas, knitted or crocheted, of man-made fibers (Begin Effect Date: 01/01/2011)
- 61083910 Women's or girls' nightdresses and pajamas, knitted or crocheted, of wool or fine animal hair (Begin Effect Date: 01/01/2011)

Choose your product from the list and click the "Detail" button



entire site
 tariff info

USITC Home - DataWeb - USITC Tariff Database



2011 U.S. Tariff and Trade Data for a specific product

2011 Tariff and Most Recent Annual U.S. Import Information

HTS Number		20079190
Brief Description		Citrus jams, fruit jellies, and marmalades (other than orange)
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)		2010 imports (thousand dollars) \$1,098.8
Tariff Treatment		
Beginning Effective Date (most recent date any part of this HTS item's tariff treatment changed)		02/01/2009
Ending Effective Date (date any part of this HTS item is next scheduled for tariff treatment change)		12/31/2020
1st Unit of Quantity (Q1)		Kilograms
2nd Unit of Quantity (Q2)		
2011 Normal Trade Relations (NTR) duty rate (formerly known as the Most Favored Nation (MFN) duty rate)	MFN Text Rate	4.5%
	Duty calculation (Ad Valorem Rate) times (Value)	
	Ad Valorem (percent of value) component	4.5%
	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)	Column 2 Text Rate	35%
	Duty calculation (Ad Valorem Rate) times (Value)	
	Ad Valorem (percent of value) component	35%
	Specific (per unit) component	\$0
	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	

Check if code "A" is listed for your product



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 Sri Lanka is exporting to other markets
- Consider products with a GSP advantage, e.g., home décor and craft items

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

GSP-Eligible Imports: Underutilized in 2011

- Rubber gaskets, washers and other seals (2.5%)
\$4.8m 52% utilization (up from 25% in 2010)
- National flags and other made up textiles (7%)
\$2.1m 64% utilization
- Plastic bags for carrying or packing goods (3%)
\$2.1m 50% utilization
- Weighing machine weights and parts of weighing machines (2.8%) \$1.1m 2% utilization

Industries exporting products not claimed under GSP

- Fruit, juices, green tea, spices
- Baskets, carved wooden articles
- Pillows, cushions, furnishings
- Sporting goods:
 - golf equipment
 - gloves, mittens and mitts used for sports

GSP success stories

- Statuettes and other ornamental articles of plastics
 - 2009 GSP trade: zero
 - 2011 GSP trade: \$2 million

13th highest GSP import in 2011
MFN duty 5.3%; 86% utilization

GSP Success stories

- Sporting goods gloves and mitts
 - 2007 GSP trade: \$67,783
 - 2011 GSP trade: \$1.6 million

16th highest GSP import in 2011)
MFN duty 4.9%; 94% utilization

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%)
- String & wind musical instruments (2.9-8.7%)
- Wall-hangings & pillow/cushion covers (3.8%)
- Handmade paper & paperboard (MFN free)

Petition process to add new products

- **Product must not be excluded by statute, e.g., apparel**
- **Submit petition during Annual Review; deadlines listed in *Federal Register***
- **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 and ineligible 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

<http://www.usitc.gov/publications/docs/tata/hts/bychapter/1201gntoc.htm>

U.S. Embassy contact:

Thank you!

