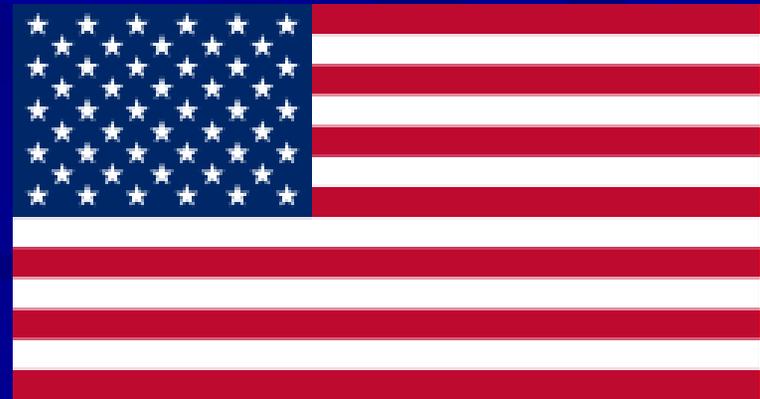


Expanding Iraq's Exports under the GSP Program

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Office of the U.S. Trade Representative
Executive Office of the President
February 2008**



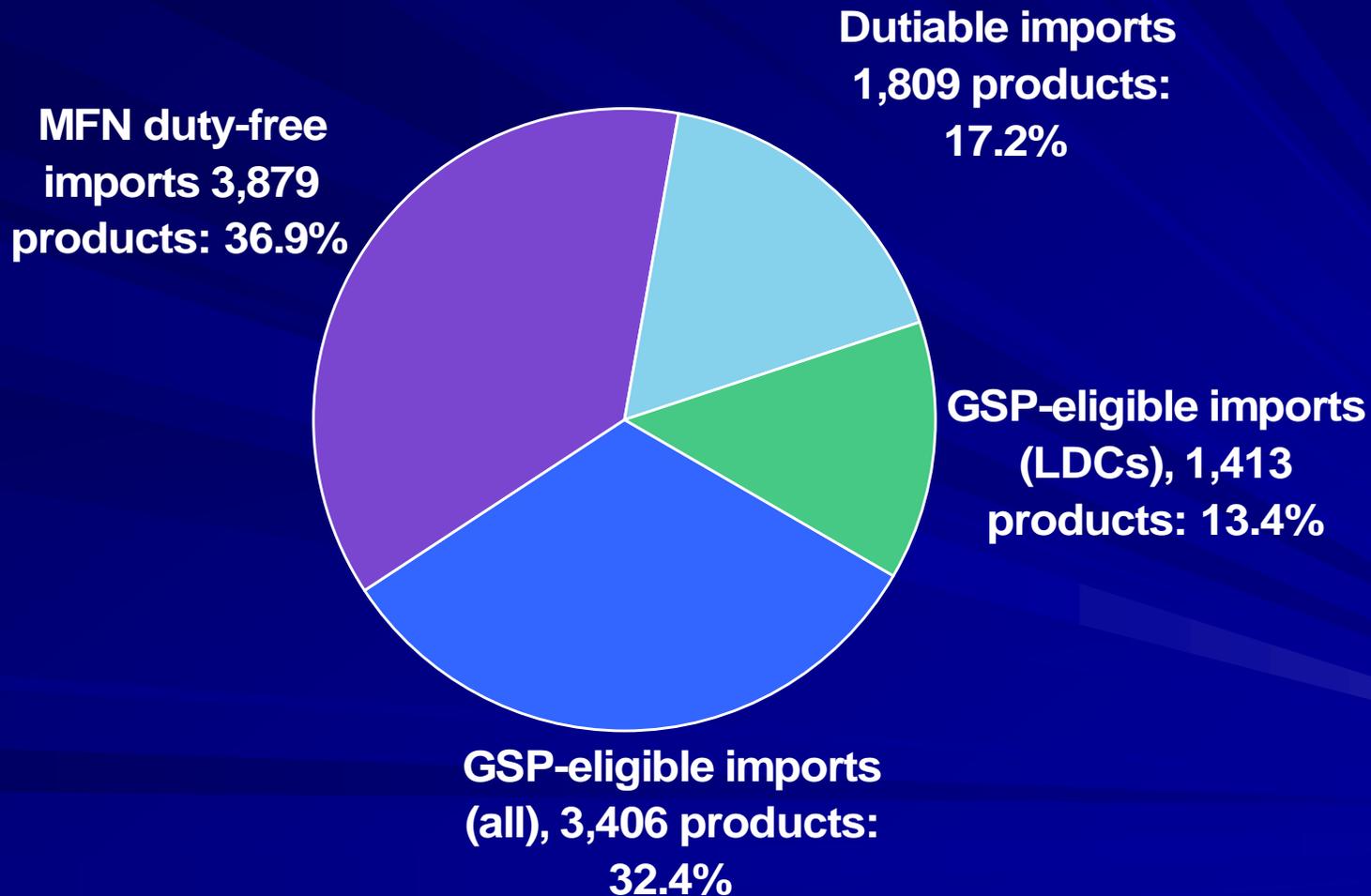
Summary of Presentation

- 1. U.S. imports from Iraq through the U.S. Generalized System of Preferences (GSP) Program**
- 2. Other countries' use of GSP benefits**
- 3. Strategies to increase Iraq's exports**
- 4. Working together to achieve our goals**

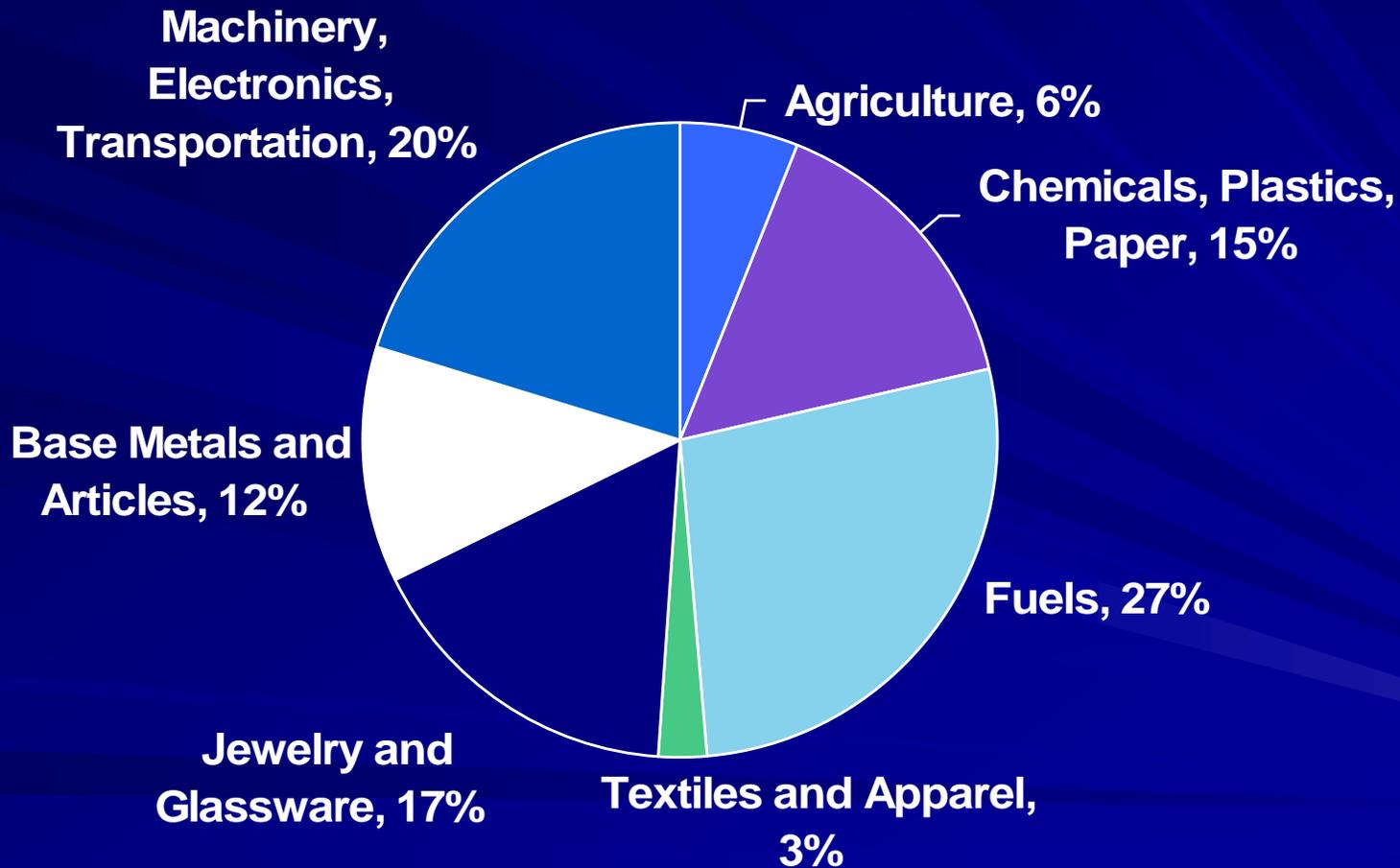
GSP Program

- **Iraq became a GSP beneficiary in September 2004 (one of 131 beneficiaries)**
- **GSP provides duty-free treatment to 3,400 types of exports from Iraq**
- **GSP gives Iraqi exports an advantage in U.S. market – duty-free so imports cost less for U.S. buyers**
- **Major U.S. import program: \$30.8 billion in 2007**

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



Types of U.S. imports that received GSP duty-free treatment in 2006



Neighbors' benefits from GSP

- **Armenia (55.2 percent of exports to U.S. entered under GSP)**
- **Lebanon (47 percent)**
- **West Bank (38.2 percent)**
- **Georgia (36.3 percent)**
- **Turkey (24.4 percent)**

U.S. Imports from Iraq under GSP and overall

- **2006: \$163,684**
- **2007: \$300,598 (almost all licorice sap) – increase of 68 percent**
- **2007 total U.S. imports from Iraq:**
 - \$11 million
 - petroleum, coke, ethylene, fuel oil, petroleum gases, sulphur

U.S. Imports from Iraq Under GSP in 2007

- **Saps and extracts of licorice: \$292,235 in U.S. imports; \$11,105 in duties saved at 3.8 percent**
- **Tufted or hand-hooked carpets and other textile floor coverings: \$580 in U.S. imports; \$34 in duties saved at 5.8 percent**

Expanding Use of GSP Benefits

- 1. Ensure products get GSP duty-free treatment when eligible**
- 2. Increase exports of current GSP-eligible products**
- 3. Identify exports to other countries that would get GSP if exported to the United States**
- 4. Export handicrafts and home décor items**

Claim the GSP Savings

- **U.S. importers should have claimed these GSP-eligible exports from Iraq (2004-2007):**
 - **\$8,230 in nuts (1.3 cents/kg duty)**
 - **\$5,335 in seed and nut mixtures (17.9%)**
 - **\$5,000 in silver items (3%)**
 - **\$2,004 in hand-hooked carpets (6%)**
 - **\$2,592 in glucose and glucose syrup (5.1%)**
 - **\$2,000 in goat or kid raw hides & skins (3.7%)**

Increase Current Exports of GSP-Eligible Products to U.S.

- **Saps and extracts of licorice (\$1m in 2005!)**
 - Growing market: herbal remedies, lotions, teas, cough medicines, candy
 - 3.8 percent duty savings
- **Fresh or dried nuts, in shell (1.7 cts-17.9%)**
- **Dates: (1-2.8%)**
- **Hand-hooked carpets (2.7-6.8%)**
- **Silver or gold-plated jewelry (3.3-10%)**

Identify Other GSP-Eligible Items that Iraq Exports to Other Markets

- **Ceramic tiles (8.5-10% duty)**
- **Mixed alkylbenzenes & alkylnaphthalenes (6.5%)***
- **Fresh or dried figs (6.2-9.6%)**
- **Dried or dyed cut flowers (4%)**
- **Raw or tanned bovine/equine leather (2.4-5%)**
- **Goat or kid tanned hides (2.4-3.7%)**
- **Fresh or dried figs (6.2-9.6%)**
- **Kidney beans (1-1.5 cts/liter)**
- **Molasses (0.35 cts/liter)**

*** Industrial solvent; less-used these days as gasoline additive**

Export Home Décor Items Duty-Free: Growing U.S. Demand

- **Carpets, kilims, and rugs**
- **Paintings, sculpture, and wall hangings**
- **Wood statues, boxes, and other items**
- **Ceramic ware**
- **Baskets of bamboo, rattan, palm leaf and other vegetable material**

Export Handicrafts

Under a certified textile handicraft agreement between Iraq and the U.S.:

- **Artisans can export duty-free...**
 - hand-loomed fabrics
 - additional hand-loomed and folklore wall hangings and pillow covers
- **...when Iraqi government certifies them as hand-made.**

Outreach and Education

- **Outreach to increase the use of GSP duty-free benefits by Iraqi exporters and producers is a top U.S. priority**
- **Outreach tools**
 - seminars (in-person, via teleconference, videoconference);
 - GSP guides and export analyses (Arabic and English) for Iraqi government, Chambers of Commerce, PRTs, USAID and USAID contractors and other organizations
 - news articles and public service radio announcements
- **USTR also works with key U.S. importers**

Shukran !

