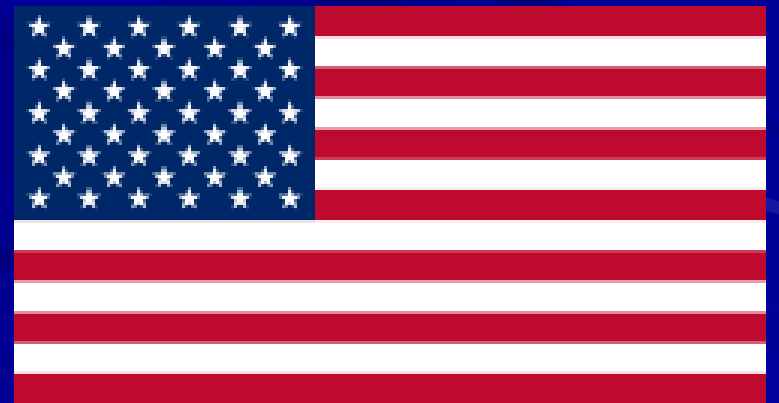


Expanding Exports through the U.S. GSP Program

June 2007



Women's Edge
COALITION



Today's Discussion

- **Products entering duty-free under U.S. Generalized System of Preferences Program (GSP)**
- **Using the U.S. GSP program**
- **GSP duty-free opportunities**

GSP Program

- **Created by Congress in 1974**
- **Provides duty-free treatment for 3,450 exports from 131 developing countries**
- **Offers your exports an advantage in the U.S. market; provides cheaper goods to U.S. industry & consumers**
- **GSP imports in 2006: \$32.6 billion; up 22%!**

U.S. Imports from APEC region under GSP in 2006

- ***From APEC overall: \$8.3 billion***
- ***Indonesia: \$1.9 billion (plywood sheets, video cameras, tires, PET resin)***
- ***Papua New Guinea: \$2.9 million (cane sugar, wooden statuettes and doors)***
- ***Peru: \$179 million (refined lead, paprika, guavas, mangoes, bldg. stone)***

U.S. Imports from APEC region under GSP in 2006

- ***Philippines: \$1.4 billion (wiring sets, cane sugar, electric conductors)***
- ***Russia: \$ 512 million (organic compounds, aluminum alloy sheets)***
- ***Thailand: \$4.3 billion (gold jewelry, TV receivers, tires, vehicle parts, plastics)***

Which Products are Eligible for Duty-Free GSP Treatment?

- **Eligible:** most manufactured items and inputs for them, certain agricultural, fishery, and industrial products (such as metals, chemicals, derivatives).
- **Not eligible:** certain textiles, watches, certain footwear and handbags, luggage, flat goods not made of silk, work gloves, and certain leather apparel.

How does an export qualify for duty-free treatment under GSP?

- (1) Included in tariff list of GSP-eligible articles and not excluded from that country.**
- (2) Imported directly from the country or pass through another country in a sealed container.**
- (3) Is the growth or product of the country, or if using imported inputs, meets 35% value-added requirements.**
- (4) An “A” must be written in front of the tariff number for the imported article on the U.S. customs form.**

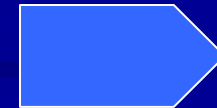
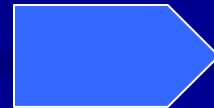
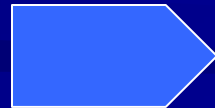
35% Value-added Requirement ("Rule of Origin"):

- **Cost of imported inputs and labor to transform them are part of the 35%.**
- **Inputs must be “substantially transformed” in the producing country & then used to help produce or manufacture the product.**
- **“Substantially transformed” means the U.S. classifies them as different items.**

Claiming GSP Duty-Free Treatment

MAKE SURE THAT:

- The importer **REQUESTS** duty-free treatment under GSP for the product by writing an “A,” “A*”, or “A+,” before the HTSUS tariff number on the Customs’ entry form (7501).



U.S. Customs Entry Summary Form

Form Approved OMB No. 1551-0022

DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection
ENTRY SUMMARY

1. Filer Code/Entry No.		2. Entry Type		3. Summary Date	
4. Surety No.		5. Bond Type		6. Port Code	
7. Entry Date		8. Importing Carrier		9. Mode of Transport	
10. Country of Origin		11. Import Date		12. B/L or AWB No.	
13. Manufacturer ID		14. Exporting Country		15. Export Date	
16. I.T. No.		17. I.T. Date		18. Missing Docs	
19. Foreign Port of Lading		20. U.S. Port of Unlading		21. Location of Goods/G.O. No.	
22. Consignee No.		23. Importer No.		24. Reference No.	
25. Ultimate Consignee Name and Address			26. Importer of Record Name and Address		
City		State		Zip	
City		State		Zip	
27. Line No.		28. Description of Merchandise		32. A. Entered Value B. CHGS C. Relationship	
29. A. HTSUS No. B. AD/CVD Case No.		30. A. Gross Weight B. Manifest Qty.		31. Net Quantity in HTSUS Units	
33. A. HTSUS Rate B. AD/CVD Rate C. IRC Rate D. Visa No.		34. Duty and I.R. Tax Dollars		Cents	
Other Fee Summary for Block 39		35. Total Entered Value		CBP USE ONLY	
\$		Total Other Fees		A. LIQ CODE	
\$				B. Ascertained Duty	
				REASON CODE	
				C. Ascertained Tax	
				D. Ascertained Other	
				E. Ascertained Total	
				37. Duty	
				38. Tax	
				39. Other	
				40. Total	
36. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT					
I declare that I am the <input type="checkbox"/> Importer of record and that the actual owner, purchaser, or consignee for CBP purposes is as shown above, OR <input type="checkbox"/> owner or purchaser or agent thereof. I further declare that the merchandise <input type="checkbox"/> was obtained pursuant to a purchase or agreement to purchase and that the prices set forth in the invoices are true, OR <input type="checkbox"/> was not obtained pursuant to a purchase or agreement to purchase and the statements in the invoices as to value or price are true to the best of my knowledge and belief. I also declare that the statements in the documents herein filed fully disclose to the best of my knowledge and belief the true prices, values, quantities, rebates, drawbacks, fees, commissions, and royalties and are true and correct, and that all goods or services provided to the seller of the merchandise either free or at reduced cost are fully disclosed. I will immediately furnish to the appropriate CBP officer any information showing a different statement of facts.					
41. DECLARANT NAME		TITLE		SIGNATURE	
DATE		DATE		DATE	
42. Broker/Filer Information (Name, address, phone number)			43. Broker/Importer File No.		
For Paperwork Reduction Act information click below.					
CBP Form 7501 (04/05)					

Increasing Use of GSP Benefits

- 1. Ensure products get GSP duty-free treatment when eligible.**
- 2. Focus on opportunities under GSP that benefit women.**
- 3. Use GSP to help market handicrafts and other artisanal items.**

Ensure products get GSP duty-free treatment when eligible

Leading exports that could be claimed (and be more attractive to U.S. importers):

- Contact lenses (Indonesia) – 2% duty
- Wooden statuettes (PNG) – 3.2% duty
- Edible mixtures of oils (Peru) – 8% duty
- Ignition wiring sets (Philippines) - 5% duty
- Ferrochromium (Russia) – 3.1% duty
- Silver jewelry (Thailand) – 13.5% duty

Women in the APEC region

- Two-thirds of world's poor live in this region; most are women
- Main status of female employment: contributing family workers
- Half of all other women work in agriculture, followed by services and industry

Women in the APEC Region: Issues for Consideration (ILO)

- Women take jobs that do not use their skills
- Job quality in the agricultural sector needs improvement
- Development needed within rural non-farm sector
- Overall investment and job creation needed
- External and internal (rural to urban) migration is creating pressures

Use of GSP Benefits Can Help

- **In agriculture, export GSP-eligible produce and processed food items**
- **Identify other GSP-eligible sectors in which many women work**
- **Focus on GSP-eligible exports of handicrafts**
- **Put into place a GSP certified handicraft arrangement**

Focus on GSP-eligible sectors in which many women work

- **Jewelry**
- **Certain handicrafts**
- **Certain clothes, footwear, gloves & hats**
- **Handwoven fabrics**
- **Other textiles/apparel (see list)**
- **Certain games and toys**
- **Tobacco products**
- **Electronic, TV and radio components**

more...

Focus on GSP-eligible sectors in which many women work

- **Seafood processing**
- **Carpets and rugs**
- **Electrical motors, generators, equipment**
- **Optical, medical, & measuring instruments**
- **Processing/preserving of fruit & veggies**
- **Soap and cleaning preparations**
- **Insulated wire and cable; cells & batteries**
(Ensure products meet GSP rules of origin!)

Exports of Handicrafts

Many handicrafts and other hand-made, folkloric items are eligible for GSP duty-free treatment:

- **Gold, silver, shell and other jewelry**
- **Toys and games**
- **Certain fabrics, carpets, hats, shawls, and footwear**
- **Items under handicraft arrangements**

GSP Certified Textile Handicraft Arrangement

- **Exchange of letters between U.S. and country**
- **Country agrees to certify items as hand-made and folkloric**
- **Peru plus 12 countries export under a GSP arrangement**
- **Benefits women and rural residents**

GSP Certified Textile Handicraft Arrangement

- **Allows duty-free export of handmade and folkloric wall hangings, pillow covers, and floor coverings**
- **We are working *to increase* handicraft coverage under GSP**
- **Tell us about your handicrafts**

Handicrafts



Marketing Handicrafts and Other Artisanal Goods

June 2007



For Further Information

- **Office of the Trade Representative Website:**
GSP guidebook and list of GSP-eligible exports:
 - www.ustr.gov/Trade_Development/Preference_Programs/GSP/Section_Index.html
- **U.S. Customs Info:** www.customs.gov/xp/cgov/import/
 - **CUSTOMS FORM 7501:**
<https://forms.customs.gov/customsrf/getformharness.asp?formName=cf-7501-form.xft>
 - <http://www.customs.treas.gov/xp/cgov/toolbox/publications/>

Thank you!



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