

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



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Office of the U.S. Trade Representative
Executive Office of the President
July 2012

Presentation Summary



Overview of the U.S. GSP Program

Montenegro's GSP exports to the U.S.

How to increase Montenegro'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 up to 5,000 products from 128 countries**
- **\$18.5 billion in total U.S. GSP imports (2011)**
- **GSP program authorized through July 2013**

GSP Program: Eligible Products

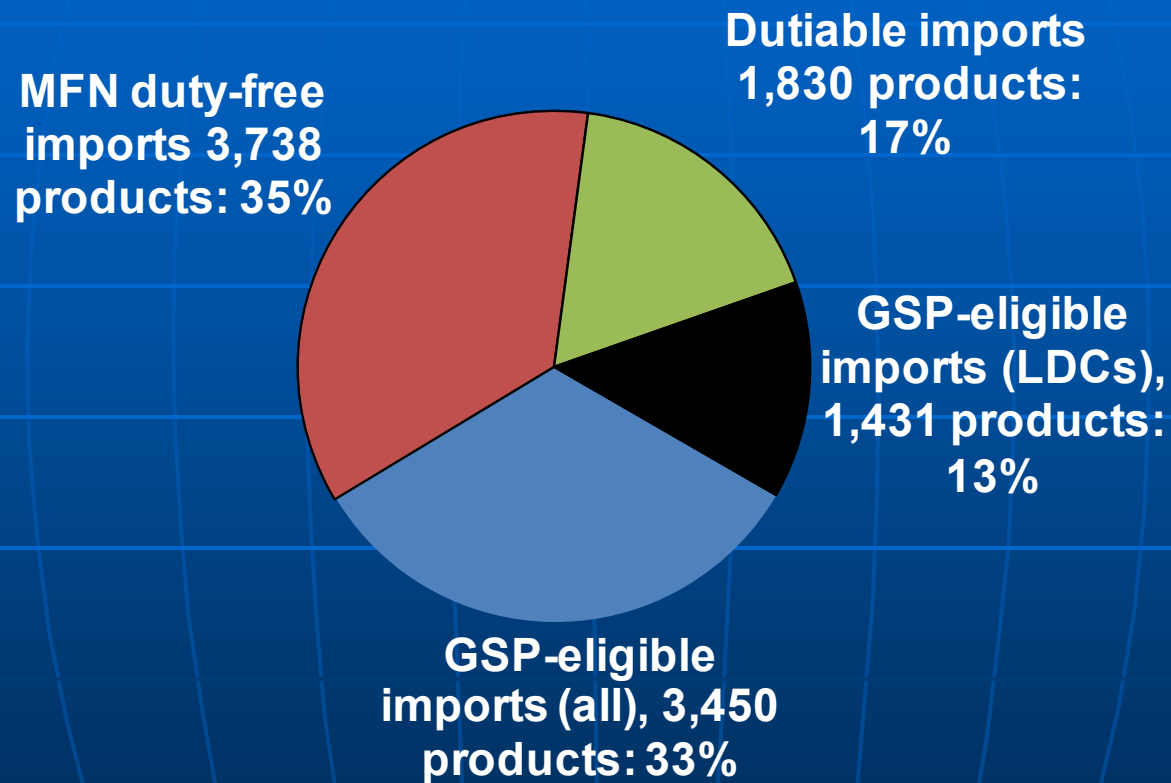
Eligible

- Many manufactured items & inputs
- Most jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Most 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. - Montenegro Trade

- **2011 U.S. imports from Montenegro: \$ 4.2m**
- **GSP imports: \$ 0.8m (20% of total imports)**
- **Overall GSP utilization rate: 41%**
- **Top GSP imports in 2011:**

Product	MFN tariff	Total value
Copper & brass products	1-2.2%	\$0.7 million
Monumental/building stone	4.9%	\$65,000

How to Qualify for Duty-Free Treatment under GSP

- **Must be a GSP-eligible product**
- **Must be a product or growth of Montenegro**
- **If using non-Montenegrin 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>

Go to: 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

Trade Data Reports

▶ Trade Data Reports
▶ Graphs of Trends
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▶ Sub-Saharan Africa
▶ Trade by Geographic Regions
▶ Trade by Partner Country
▶ AVE Duties 1891-2010
▶ Principal Supplier Analysis

:: 2012 U.S. Tariff and Trade Data for a specific product

Tariff data current through February 3, 2012. 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"

Dried Mushrooms

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 Tariff Database - Windows Internet Explorer
http://dataweb.usitc.gov/scripts/tariff_current.asp

United States International Trade Commission

USITC Home > DataWeb > USITC Tariff Database

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

1. Choose your product from the list

2. Click the "Detail" button

Detail

- 07123110 Air dried or sun dried mushrooms of the genus Agaricus, whole, cut, sliced, broken or in powder, but not further prepared (Begin Effect Date: 05/15/2012)
- 07123110 (Expired) Air dried or sun dried mushrooms of the genus Agaricus, whole, cut, sliced, broken or in powder, but not further prepared (Begin Effect Date: 03/15/2012)
- 07123110 (Expired) Air dried or sun dried mushrooms of the genus Agaricus, whole, cut, sliced, broken or in powder, but not further prepared (Begin Effect Date: 02/01/2009)
- 07123120 Dried (not air or sun dried) mushrooms of the genus Agaricus, whole, cut, sliced, broken or in powder, but not further prepared (Begin Effect Date: 05/15/2012)
- 07123120 (Expired) Dried (not air or sun dried) mushrooms of the genus Agaricus, whole, cut, sliced, broken or in powder, but not further prepared (Begin Effect Date: 03/15/2012)
- 07123120 (Expired) Dried (not air or sun dried) mushrooms of the genus Agaricus, whole, cut, sliced, broken or in powder, but not further prepared (Begin Effect Date: 02/01/2009)
- 07123910 Air dried or sun dried mushrooms (other than of the genus Agaricus), whole, cut, sliced, broken or in powder, but not further prepared (Begin Effect Date: 05/15/2012)
- 07123910 (Expired) Air dried or sun dried mushrooms (other than of the genus Agaricus), whole, cut, sliced, broken or in powder, but not further prepared (Begin Effect Date: 03/15/2012)
- 07123910 (Expired) Air dried or sun dried mushrooms (other than of the genus Agaricus), whole, cut, sliced, broken or in powder, but not further prepared (Begin Effect Date: 02/01/2009)
- 07123920 Dried (not air or sun dried) mushrooms (other than of the genus Agaricus), whole, cut, sliced, broken or in powder, but not further prepared (Begin Effect Date: 05/15/2012)

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USITC DataWeb: USITC Tariff Database - Windows Internet Explorer

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Tariff and Trade DataWeb

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Classification Systems

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Trade Data Reports

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Tariff Database

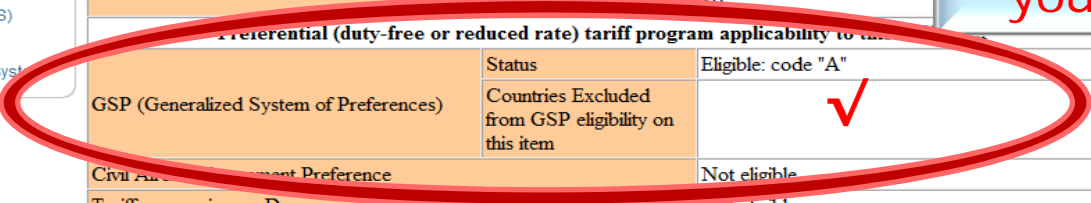
- HTS Online Reference Tool
- Tariff Database
- Tariff Programs
- Tariff DataBase Tables 1997-2012
- Future Tariffs Lookup
- World Tariff Sources

Other External Links

- Customs Rulings (CROSS)
- Order Data from Census
- Schedule B for Exports
- International Trade Data System

Brief Description		Agaricus, whole, cut, sliced, broken or in powder, but not further prepared
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)		2011 imports (thousand dollars) \$12,960.9
Tariff Treatment		
Beginning Effective Date (most recent date any part of this HTS item's tariff treatment changed)		05/15/2012
Ending Effective Date (date any part of this HTS item is next scheduled for tariff treatment change)		12/31/2012
1st Unit of Quantity (Q1)		Kilograms
2nd Unit of Quantity (Q2)		
2012 Normal Trade Relations (NTR) duty rate (formerly known as the Most Favored Nation (MFN) duty rate)	MFN Text Rate	1.3 cents/kg + 1.8%
	Duty calculation	((Specific Rate) times (Q1)) + ((Ad Valorem Rate) times (Value))
	Ad Valorem (percent of value) component	1.8%
	Specific (per unit) component	\$0.013
	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	22 cents/kg + 45%
	Duty calculation	((Specific Rate) times (Q1)) + ((Ad Valorem Rate) times (Value))
	Ad Valorem (percent of value) component	45%
	Specific (per unit) component	\$0.22
Differential (duty-free or reduced rate) tariff program applicability to this item		
GSP (Generalized System of Preferences)	Status	Eligible: code "A"
	Countries Excluded from GSP eligibility on this item	✓
Civilian Government Preference	Not eligible	
Tariff concession on Dyes	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"

USITC DataWeb: USITC Tariff Database - Windows Internet Explorer

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

Agaricus, whole, cut, sliced, broken or in powder, but not further prepared

Customs value of recent U.S. imports for consumption

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	Ad Valorem (percent of value) component	45%
	Specific (per unit) component	\$0.22
	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	
Civil Aircraft Agreement Preference	Not eligible	
Tariff concession on Dyes	Not eligible	

Sub-Saharan Africa
Trade by Geographic Regions
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Import detail for HTS Item (8-digit) - Windows Internet Explorer

http://dataweb.usitc.gov/scripts/details.asp?Phase=HTS8&HTS8=07123110&DESC=

Import detail for HTS Item (8-digit)

USITC Trade Database--Web Access

US imports for consumption at Customs value for HTS8 07123110:
by sources, in descending value of 2011 imports

Source	2009	2010	2011		2012		Percent change YTD2011- YTD2012
	--thousand dollars--			Percent of total	January-April --thousand dollars--		
All sources	\$6,458.9	\$10,391.2	\$12,960.9	100.0%	\$5,197.4	\$3,501.4	-32.6%
China	\$4,952.6	\$8,958.8	\$11,280.8	87.0%	\$4,638.0	\$2,888.2	-37.7%
Hong Kong	\$155.3	\$109.6	\$609.0	4.7%	\$67.6	\$193.4	186.1%
Japan	\$404.8	\$448.1	\$310.8	2.4%	\$217.2	\$54.0	-75.1%
Italy	\$339.2	\$317.8	\$276.8	2.1%	\$125.8	\$131.6	4.6%
Korea, Republic of	\$139.3	\$114.1	\$132.6	1.0%	\$40.4	\$52.9	30.9%
Canada	\$8.1	\$9.4	\$120.7	0.9%	\$62.4	\$23.5	-62.3%
France	\$65.9	\$108.3	\$93.7	0.7%	\$19.6	\$29.7	51.5%
Germany	\$0.0	\$37.5	\$38.6	0.3%	\$0.0	\$5.6	
Chile	\$224.8	\$188.5	\$32.6	0.3%	\$0.0	\$122.5	
Montenegro	\$0.0	\$25.0	\$30.7	0.2%	\$9.4	\$0.0	-100.0%
Taiwan	\$12.8	\$10.7	\$13.2	0.1%	\$10.3	\$0.0	-100.0%
Poland	\$45.6	\$48.3	\$11.7	0.1%	\$0.0	\$0.0	
Russia	\$4.8	\$0.0	\$3.5	0.0%	\$3.5	\$0.0	-100.0%
Bulgaria	\$0.0	\$2.4	\$3.2	0.0%	\$0.0	\$0.0	
Malaysia	\$0.0	\$0.0	\$3.0	0.0%	\$3.0	\$0.0	-100.0%
Haiti	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	
Netherlands	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	
Turkey	\$14.6	\$2.6	\$0.0	0.0%	\$0.0	\$0.0	

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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 Montenegro is exporting to other markets

Consider products with a GSP advantage

GSP-Eligible Imports: Underutilized in 2011

Product	MFN tariff	Total value	Utilization rate
Refined copper plates, strip, & sheets	1%	\$0.5m	20.7%
Spectacle lenses other than glass	2%	\$44,000	0%
Air dried or sun dried mushrooms	1.3¢/kg + 1.8%	\$30,700	69.5%

GSP Success story

HTS 7411.10.10
Refined seamless copper tubes and pipes



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 (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 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>
- http://www.usitc.gov/tariff_affairs/tariff_databases.htm
- *See esp. General Note 4.*

U.S. Embassy Contact:

- **Mr. Drew Tanzman,**
Economic Officer
- tanzmanda@state.gov
- (+382 20) 410 507

Thank you!
Hvala!

