

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



Aimee Larsen
Office of the U.S. Trade Representative
Executive Office of the President
March 2016

Presentation Summary



Overview of the U.S. GSP Program

Armenia's GSP exports to the U.S.

How to increase Armenia's use of duty-free opportunities

GSP Program

- Enhanced access to U.S. market
- Provides duty-free treatment for about 3,500 products from Armenia and 121 other countries
- \$17.4 billion in total U.S. GSP imports (2015)
- GSP program authorized through December 2017



GSP Program: Eligible Products

Eligible

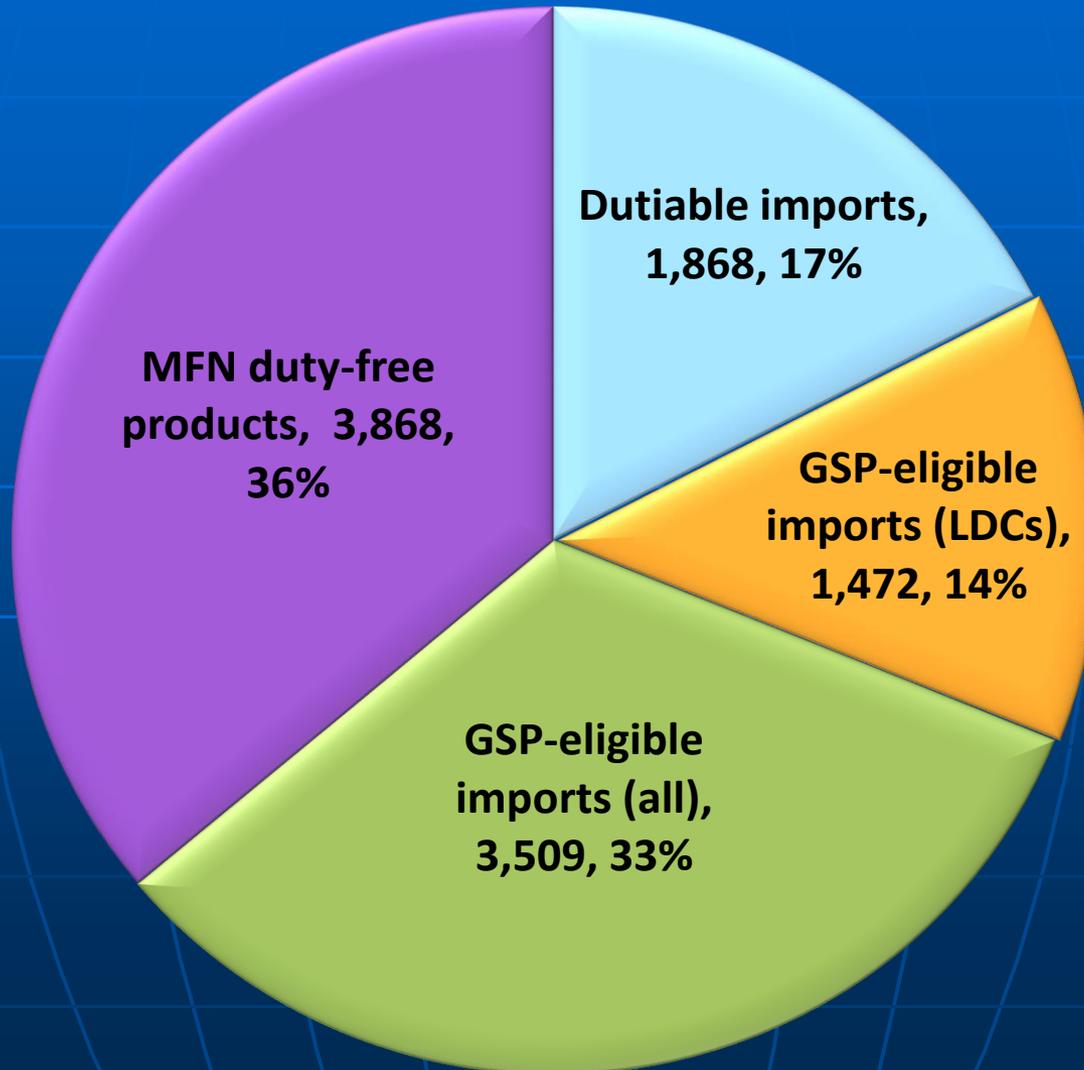
- Many manufactured items & inputs
- Jewelry
- Many agricultural products
- Chemicals
- Minerals
- Marble
- Carpets

Ineligible

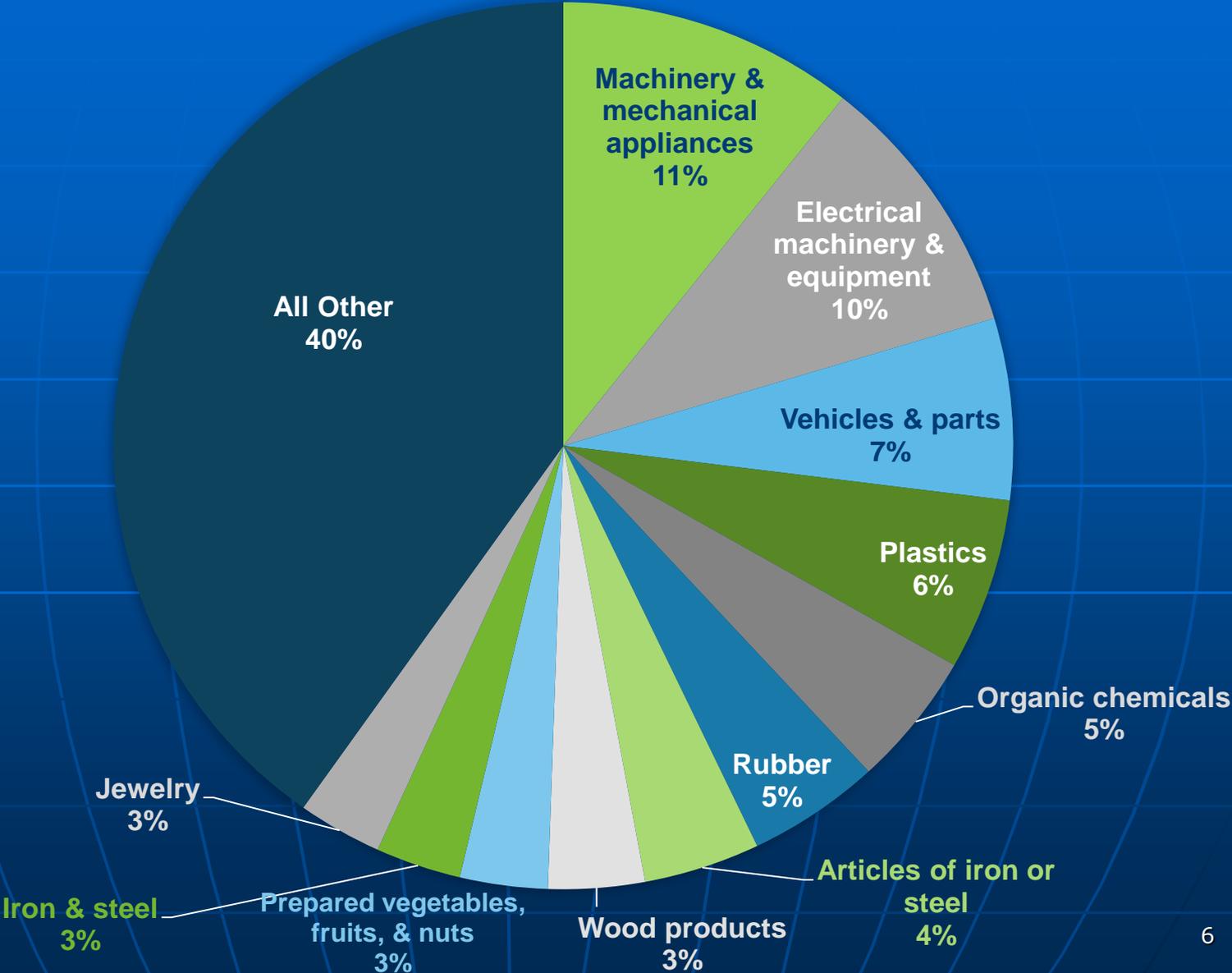
- Most textiles & apparel
- Watches
- Footwear
- Some gloves & leather goods



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



Top GSP Import Categories in 2015



U.S. and Armenia: 2015 Trade

- **U.S. imports from Armenia: \$63 million**
- **GSP imports: \$46 million (73% of total imports)**
- **Overall GSP utilization rate: 98%**



Top GSP imports from Armenia in 2015

HTSUS & Product description	MFN tariff	Total GSP Value (1,000 USD)
7607.11.60: Aluminum, foil, w/thickness over 0.01 mm but n/o 0.15 mm, rolled but not further worked	5.3%	\$42,291
7113.19.50: Precious metal jewelry, other than silver	5.5%	\$463
7607.11.30: Aluminum, foil, w/thickness n/o 0.01 mm, rolled but not further worked	5.8%	\$454
2007.99.25: Cherry jam	4.5%	\$336
2206.00.90: Fermented beverages (other than grape wine, beer, cider, prune wine, sake, vermouth, or other effervescent wines)	1.8%	\$303

How to Qualify for Duty-Free Treatment under GSP

Must be a GSP-eligible product

Must be a product or growth of Armenia

If using non-Armenian 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:

- <https://ustr.gov/issue-areas/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

:: 2016 U.S. Tariff and Trade Data for a specific product

Tariff data current through February 25, 2016. 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"

Cherry 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.

1. Type the name of your product

2. Click the "List items" button



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

▸ Graphs of Trends
▸ Sub-Saharan Africa
▸ Trade by Geographic Regions
▸ Trade by Partner Country

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

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

20079925 Cherry jam (*Begin Effect Date: 10/31/2012*)

2. Click the "Detail" button

1. Choose your product from the list

2016 U.S. Tariff and Trade Data for a specific product

2016 Tariff and Most Recent Annual U.S. Import Information

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

▸ Graphs of Trends
▸ Sub-Saharan Africa
▸ Trade by Geographic Regions
▸ Trade by Partner Country
▸ AVE Duties 1891-2015

Tariff Database

▸ HTS Online Reference Tool
▸ Tariff Database
▸ Tariff Programs
▸ Tariff DataBase Tables 1997-2016
▸ Future Tariffs Lookup
▸ World Tariff Sources

Other External Links

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

HTS Number		20079925
Brief Description		Cherry jam
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)		2015 imports (thousand dollars) \$ 6,725.7
Tariff Treatment		
Beginning Effective Date (most recent date <i>any</i> part of this HTS item's tariff treatment changed)		10/31/2012
Ending Effective Date (date <i>any</i> part of this HTS item is next scheduled for tariff treatment change)		12/31/2050
1st Unit of Quantity (Q1)		Kilograms
2nd Unit of Quantity (Q2)		
2016 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 Organizational
"Column 2" (non-NTR) duty rate (Applies to imports from a small number of countries that do not enjoy NTR duty status)	COL2 Text Rate	20.9 cents
	Duty calculation	((Specific ((Ad Valo (Value)))
	Ad Valorem (percent of value) component	40%
	Specific (per unit) component	\$0.209
	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

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"

2016 U.S. Tariff and Trade Data for a specific product
2016 Tariff and Most Recent Annual U.S. Import Information

HTS Number	20079925	
Brief Description	Cherry jam	
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)	2015 imports (thousand dollars) \$ 6,725.7	
Tariff Treatment		
Beginning Effective Date (most recent date <i>any</i> part of this HTS item's tariff treatment changed)	10/31/2012	
Ending Effective Date (date <i>any</i> part of this HTS item is next scheduled for tariff treatment change)	12/31/2050	
1st Unit of Quantity (Q1)	Kilograms	
2nd Unit of Quantity (Q2)		
2016 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)
	<i>Ad Valorem</i> (percent of value) component	4.5%
	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	20.9 cents/kg + 40%
	Duty calculation	((Specific Rate) times (Q1)) + ((Ad Valorem Rate) times (Value))
	<i>Ad Valorem</i> (percent of value) component	40%

Trade Data Reports

- ▶ Graphs of Trends
- ▶ Sub-Saharan Africa
- ▶ Trade by Geographic Regions
- ▶ Trade by Partner Country
- ▶ AVE Duties 1891-2015

Tariff Database

- ▶ HTS Online Reference Tool
- ▶ Tariff Database
- ▶ Tariff Programs
- ▶ Tariff DataBase Tables 1997-2016
- ▶ Future Tariffs Lookup
- ▶ World Tariff Sources

Other External Links

USITC Trade Database--Web Access

US imports for consumption at Customs value for HTS8 20079925:

by sources, in descending value of 2015 imports

Source	2013	2014	2015		2014	2015	Percent change YTD2014- YTD2015
	--thousand dollars--			Percent of total	January-December		
					--thousand dollars--		
All sources	\$ 6,743.7	\$ 7,410.2	\$ 6,725.7	100.0%	\$ 7,410.2	\$ 6,725.7	-9.2%
France	\$ 2,144.8	\$ 2,485.9	\$ 2,465.8	36.7%	\$ 2,485.9	\$ 2,465.8	-0.8%
Canada	\$ 1,319.7	\$ 1,534.8	\$ 1,436.7	21.4%	\$ 1,534.8	\$ 1,436.7	-6.4%
Germany	\$ 414.3	\$ 566.0	\$ 499.9	7.4%	\$ 566.0	\$ 499.9	-11.7%
Poland	\$ 388.7	\$ 488.8	\$ 428.8	6.4%	\$ 488.8	\$ 428.8	-10.4%
Armenia	\$ 213.9	\$ 234.6	\$ 335.7	5.0%	\$ 234.6	\$ 335.7	43.1%
Turkey	\$ 368.6	\$ 457.0	\$ 295.2	4.4%	\$ 457.0	\$ 295.2	-35.8%
Italy	\$ 300.9	\$ 288.1	\$ 242.9	3.6%	\$ 288.1	\$ 242.9	-15.7%
Bulgaria	\$ 274.4	\$ 262.1	\$ 163.1	2.4%	\$ 262.1	\$ 163.1	-37.8%
Switzerland	\$ 296.4	\$ 260.4	\$ 157.8	2.3%	\$ 260.4	\$ 157.8	-39.4%
Greece	\$ 176.3	\$ 177.4	\$ 151.8	2.3%	\$ 177.4	\$ 151.8	-14.4%
Israel	\$ 314.3	\$ 203.5	\$ 121.6	1.8%	\$ 203.5	\$ 121.6	-40.2%
United Kingdom	\$ 21.4	\$ 17.1	\$ 81.5	1.2%	\$ 17.1	\$ 81.5	376.6%
Austria	\$ 69.4	\$ 66.0	\$ 65.8	1.0%	\$ 66.0	\$ 65.8	-0.3%
Moldova	\$ 100.9	\$ 96.8	\$ 59.1	0.9%	\$ 96.8	\$ 59.1	-38.9%
Belgium	\$ 47.7	\$ 66.0	\$ 53.1	0.8%	\$ 66.0	\$ 53.1	-19.5%
Lebanon	\$ 35.6	\$ 0.0	\$ 44.4	0.7%	\$ 0.0	\$ 44.4	
Ukraine	\$ 5.5	\$ 5.2	\$ 37.2	0.6%	\$ 5.2	\$ 37.2	615.4%
Denmark	\$ 84.9	\$ 144.1	\$ 30.6	0.5%	\$ 144.1	\$ 30.6	-78.8%
Azerbaijan	\$ 36.4	\$ 10.0	\$ 14.2	0.2%	\$ 10.0	\$ 14.2	42.0%

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 Armenia is exporting to other markets

Consider products with a GSP advantage

GSP-Eligible Imports: Underutilized in 2015

HTSUS & Product description	MFN Tariff	Total Imports	GSP Utilization Rate
2206.00.90: Fermented beverages (other than grape wine, beer, cider, prune wine, sake, vermouth, or other effervescent wines)	1.8%	\$454,818	67%
1604.31.00: Caviar	15%	\$208,771	71%
2005.99.97: Vegetables nesoi, & mixtures of vegetables, prepared or preserved otherwise than by vinegar or acetic acid, not frozen, not preserved by sugar	11.2%	\$252,925	70%
2007.99.20: Apricot jam	3.5%	\$103,071	69%
4415.10.90: Wood cases, boxes, crates, drums and similar packing; cable-drums of wood	10.7%	\$14,000	0%
9001.90.90: Unmounted optical elements	2.9%	\$61,000	0%

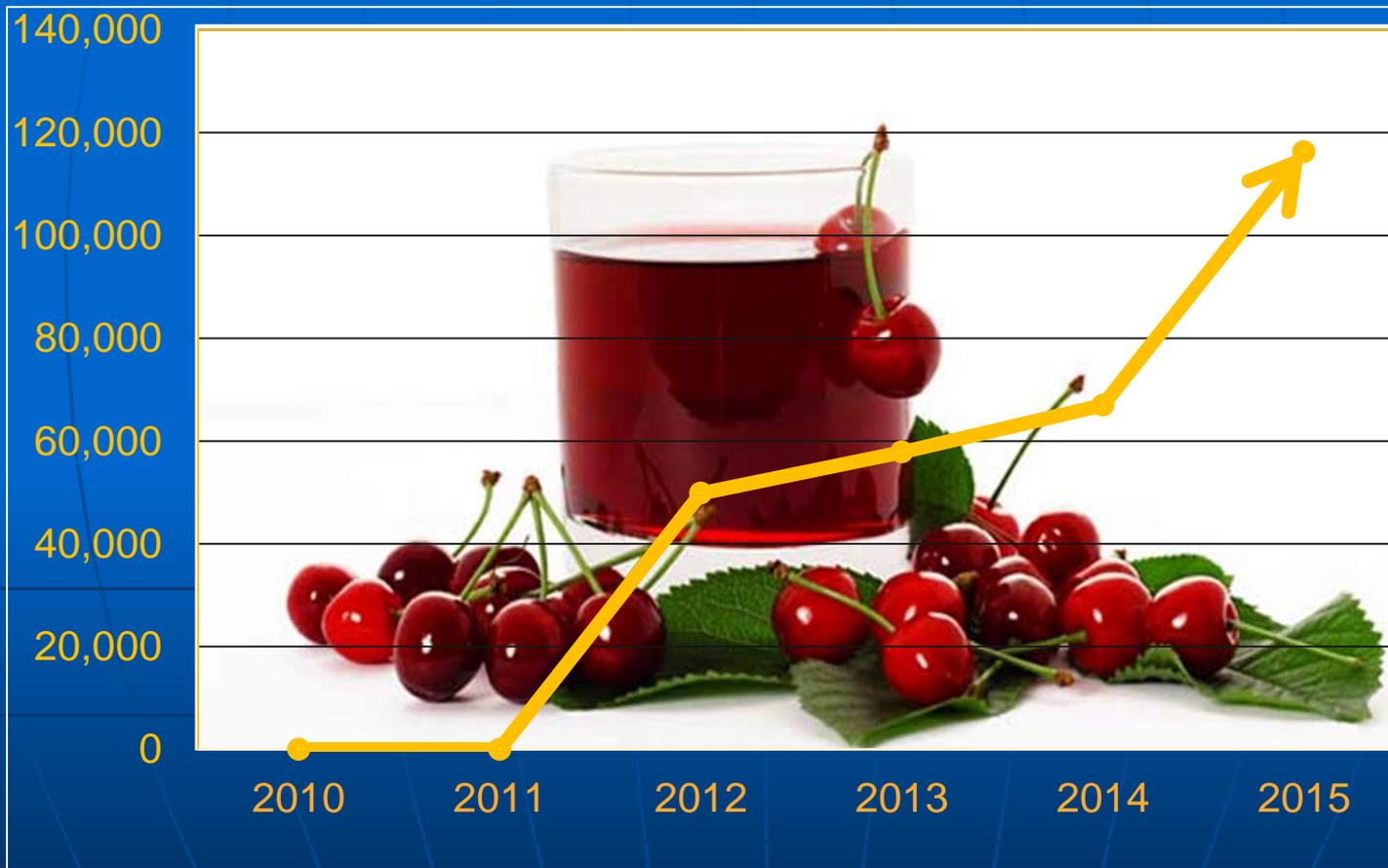
Export home décor and craft items duty-free under GSP

- Wood statues, bowls, boxes, furniture & tableware (3.2-10.9% MFN duty)
- Ceramic bowls and ornamental articles (6-9.8% MFN duty)
- Woven baskets and bags (3.5-10% MFN duty)
- Drawn & blown glass (up to 7.2% MFN duty)
- Carpets and rugs (2.7-6.8% MFN duty)
- Brass, beaded, silver & other jewelry (5-11% MFN duty)
- String & wind musical instruments (2.9-8.7% MFN duty)
- Wall-hangings & pillow/cushion covers (3.8% MFN duty)

GSP Success Story

2009.89.60

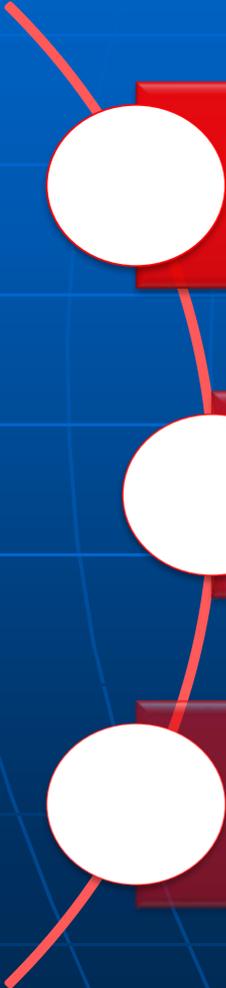
Juice of any other single fruit, nesi, (including cherries and berries), concentrated or not concentrated



Identifying & Developing Potential U.S. Buyers

- **Depends on size, sector, experience**
- **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
(next review begins in August 2016)**

Provide the information required by the regulations

For Further Information

GSP General Information:

- <https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp>

U.S. Department of Homeland Security: Customs and Border Protection (CBP):

- <http://www.cbp.gov>

For Further Information

U.S. Tariff Schedule:

- <http://usitc.gov/tata/hts/bychapter/index.htm>
- See esp. General Note 4.

U.S. Tariff Databases:

- http://www.usitc.gov/tariff_affairs/tariff_databases.htm

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>

Questions on GSP?

- U.S. Embassy/Consulate Contact: Larry Pixa, PixaLD@state.gov
- USTR contact: gsp@ustr.eop.gov or + 1-202-395-6971

For Further Information

U.S. Food and Drug Administration:

- <http://www.fda.gov/ForIndustry/FDABasicsforIndustry/default.htm>

Questions on GSP?

- USTR contact: gsp@ustr.eop.gov or + 1-202-395-2974

Thank you!

