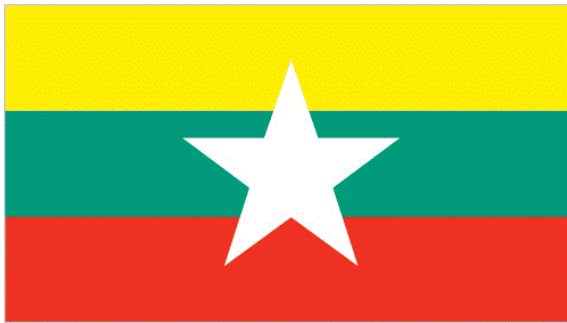




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Expanding Myanmar's Exports through the Generalized System of Preferences (GSP) Program



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**Deputy Assistant U.S. Trade Representative
Office of the U.S. Trade Representative
Executive Office of the President**

December 2016

USAID-funded Private Sector Development Activity



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Presentation Summary

Overview of the U.S. GSP Program

Myanmar's GSP-eligible exports to the U.S.

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



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GSP Program

- Enhanced access to U.S. market
- Expanded choices for U.S. industries & consumers
- Provides duty-free treatment for about 5,000 products from Myanmar and 122 other countries
- \$17.7 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
- Travel Goods:
Luggage, handbags, back packs, wallets, pocket goods
- Carpets

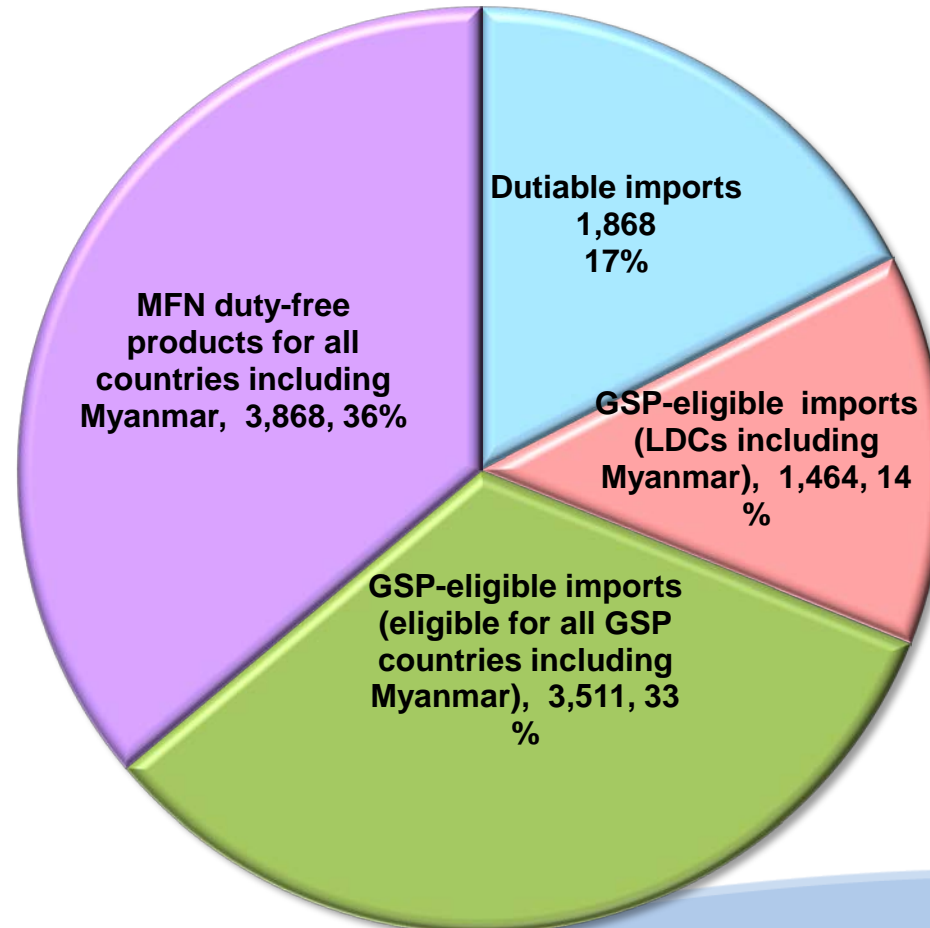
Ineligible

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





How many products are eligible for duty-free treatment?





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History of Myanmar GSP

- Myanmar was designated a GSP beneficiary in 1976 when the program was created.
- The US suspended Myanmar from GSP on July 1, 1989.
- Myanmar requested reinstatement in the GSP program in 2013.
- The US determined that Myanmar has made sufficient progress to be eligible for restoration of GSP benefits.
- Myanmar needs to remain in compliance with all GSP criteria, including worker rights, to maintain GSP eligibility.



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U.S. and Myanmar Trade in 2015

- U.S. imports from Myanmar:
- GSP eligible imports: \$37 million (26% of total \$142 million imports);
- This is in addition to MFN duty free: \$50 million (35% of imports)



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Top GSP eligible imports by Harmonized Tariff Schedule chapter from Myanmar in 2015

HTS chapter & Product description	Maximum GSP tariff advantage	Total GSP Value
Chapter 42-Travel goods, handbags, pocket goods	20.00%	\$26,974,852
Chapter 7-Dried beans, lentils and peas	4.9 cents/kg	\$4,898,908
Chapter 4-Honey	1.9 cents/kg	\$2,672,431
Chapter 20-Preserved fruits and vegetables	22.00%	\$552,482
Chapter 76-Articles of aluminum	2.50%	\$527,466



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How to Qualify for Duty-Free Treatment under GSP

Must be a GSP-eligible product

Must be a product or growth of Myanmar according to US Customs Rules

If using inputs from another country (other than GSP ASEAN members), 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>



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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
- ▶ 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

:: 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".

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.



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Other External Links

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

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

Detail

- 07082010 Lima beans, fresh or chilled, shelled or unshelled, if entered November 1 through the following May 31, inclusive (*Begin Effect Date: 10/31/2012*)
- 07082090 Beans nesi, fresh or chilled, shelled or unshelled (*Begin Effect Date: 01/01/2016*)
- 07102210 Lima beans, uncooked or cooked by steaming or boiling in water, frozen, not reduced in size, entered Nov. 1 through the following May 31 (*Begin Effect Date: 10/31/2012*)
- 07102215 Lima beans, frozen, entered June 1 - October 31 (*Begin Effect Date: 01/01/2016*)
- 07102225 Frozen string beans (snap beans), not reduced in size (*Begin Effect Date: 10/31/2012*)
- 07102237 Frozen beans nesi, not reduced in size (*Begin Effect Date: 10/31/2012*)
- 07102240 Beans nesi, uncooked or cooked by steaming or boiling in water, frozen, reduced in size (*Begin Effect Date: 01/01/2016*)
- 07133110 Seeds of beans of a kind used for sowing (*Begin Effect Date: 10/31/2012*)
- 07133120 Dried beans, shelled, if entered May 1 through August 31, inclusive, in any year (*Begin Effect Date: 01/01/1989*)
- 07133140 Dried beans, shelled, if entered September 1 through the following April 30, or withdrawn for consumption at any time (*Begin Effect Date: 10/31/2012*)
- 07133210 Seeds of small red (adzuki) beans of a kind used for sowing (*Begin Effect Date: 10/31/2012*)
- 07133220 Dried small red (adzuki) beans, shelled (*Begin Effect Date: 10/31/2012*)
- 07133310 Seeds of kidney beans, including white pea beans of a kind used for sowing (*Begin Effect Date: 10/31/2012*)
- 07133320 Dried kidney beans, including white pea beans, shelled, if entered May 1 through August 31, inclusive, in any year (*Begin Effect Date: 10/31/2012*)



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Import detail for HTS item: x
<https://dataweb.usitc.gov/scripts/details.asp?Phase=HTS8&HTS8=07133140&DESC=>
 Apps USITC Interactive Tarif GTA Global Trade Atlas Food Truck Fiesta Larg EOP.gov CROSS Customs Rulin CB Preliminary U.S. Impor

USITC Trade Database--Web Access

US imports for consumption at Customs value for HTS8 07133140:

by sources, in descending value of 2015 imports

Source	2013	2014	2015		2016		Percent change YTD2015- YTD2016
	--thousand dollars--			Percent of total	January-September		
					--thousand dollars--		
All sources	\$ 14,028.4	\$ 16,067.3	\$ 17,343.3	100.0%	\$ 10,252.1	\$ 11,810.5	15.2%
China	\$ 4,952.2	\$ 4,267.8	\$ 4,629.9	26.7%	\$ 3,075.0	\$ 3,642.9	18.5%
Thailand	\$ 3,962.7	\$ 4,564.1	\$ 4,544.8	26.2%	\$ 2,490.9	\$ 2,588.1	3.9%
India	\$ 2,188.7	\$ 2,618.6	\$ 3,764.3	21.7%	\$ 2,056.1	\$ 2,406.8	17.1%
Australia	\$ 1,470.1	\$ 1,706.2	\$ 1,748.9	10.1%	\$ 1,087.0	\$ 554.5	-49.0%
Burma	\$ 508.5	\$ 1,022.9	\$ 1,721.9	9.9%	\$ 941.6	\$ 1,894.5	101.2%
United Arab Emirates	\$ 398.1	\$ 696.2	\$ 359.4	2.1%	\$ 303.2	\$ 312.0	2.9%
Sri Lanka	\$ 16.7	\$ 93.8	\$ 152.3	0.9%	\$ 0.0	\$ 245.6	
Mexico	\$ 73.3	\$ 812.4	\$ 117.5	0.7%	\$ 117.5	\$ 0.0	-100.0%
Canada	\$ 3.3	\$ 56.1	\$ 83.9	0.5%	\$ 33.0	\$ 15.7	-52.4%
Tanzania	\$ 132.0	\$ 41.2	\$ 33.8	0.2%	\$ 21.5	\$ 0.0	-100.0%
Singapore	\$ 38.3	\$ 0.0	\$ 32.9	0.2%	\$ 32.9	\$ 13.1	-60.2%
Argentina	\$ 67.0	\$ 61.4	\$ 32.1	0.2%	\$ 13.3	\$ 30.2	127.1%
Hong Kong	\$ 28.6	\$ 24.9	\$ 28.8	0.2%	\$ 19.8	\$ 16.2	-18.2%
Greece	\$ 32.1	\$ 31.2	\$ 28.7	0.2%	\$ 15.3	\$ 40.3	163.4%
Nicaragua	\$ 0.0	\$ 0.0	\$ 24.3	0.1%	\$ 24.3	\$ 0.0	-100.0%
Ukraine	\$ 0.0	\$ 0.0	\$ 7.2	0.0%	\$ 7.2	\$ 0.0	-100.0%
Taiwan	\$ 7.3	\$ 11.1	\$ 6.2	0.0%	\$ 6.2	\$ 2.4	-61.3%
Jordan	\$ 0.0	\$ 0.0	\$ 5.4	0.0%	\$ 0.0	\$ 0.0	

US uses "Burma" in statistics





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2016 U.S. Tariff and Trade Data for a Specific Product
2016 Tariff and Most Recent Annual U.S. Import Information

HTS Number		07133140
Brief Description		Dried beans, shelled, if entered September 1 through the following April 30, or withdrawn for consumption at any time
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) \$ 17,343.3
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	0.3 cents/kg
	Duty calculation	(Specific rate) times (Q1)
	<i>Ad Valorem</i> (percent of value) component	0%
	Specific (per unit) component	\$0.003
	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)	COL2 Text Rate	6.6 cents/kg
	Duty calculation	(Specific rate) times (Q1)
	<i>Ad Valorem</i> (percent of value) component	0%
	Specific (per unit) component	\$0.06
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
CBI or CBERA (Caribbean Basin)		Status Eligible: code "E"



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GSP Eligible Textiles and Apparel

Silk fabrics and apparel including dresses, women's suits, scarves,

Hand-loomed cotton fabrics

Many types of gloves and mittens

National flags

Hand-loomed and hand-hooked carpets





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GSP Eligible Travel Goods

- 23 HTS lines were added for Least Developed Countries on July 1, 2016. Your exports have been growing rapidly!





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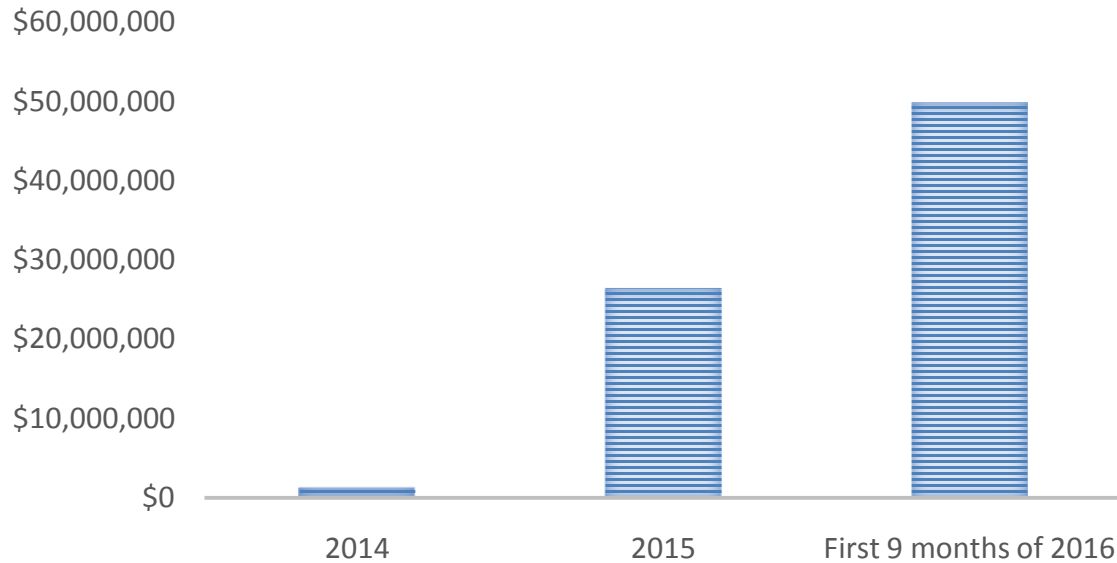


HTS - 42029245: Travel, sports and similar bags with outer surface of plastic sheeting

Country	2014	2015	YTD 9/15	YTD 9/16
	In Actual Dollars			
China	417,579,059	392,790,812	294,918,190	283,328,000
Vietnam	70,790,477	65,560,231	53,189,230	43,786,668
France	41,625,451	37,470,626	23,628,171	42,964,095
Philippines	8,720,811	25,097,003	18,945,871	30,165,426
Italy	4,758,052	7,061,399	3,746,083	8,142,136
Cambodia	1,778,384	5,833,294	4,387,873	5,905,663
Burma (Myanmar)	280,741	5,274,859	2,608,949	5,714,817
Mexico	5,413,100	4,551,171	3,501,101	2,866,480
Bangladesh	2,774,639	3,953,575	2,385,876	5,568,769
Indonesia	4,593,666	3,734,169	2,640,517	5,676,959
Spain	8,149,199	2,828,157	1,555,072	2,552,371
Hong Kong	1,629,739	2,815,630	2,251,699	2,226,974
Taiwan	1,436,514	934,304	676,949	701,280
Costa Rica	330,674	639,974	438,813	239,504
Korea	298,169	612,521	239,431	564,867
United Kingdom	305,679	513,201	328,800	172,280
Malaysia	10,443	465,097	464,829	1,186



MYANMAR TRAVEL GOODS EXPORTS TO THE U.S.



TOTAL	2014	2015	First 9 months of 2016
TOTAL	\$1,339,178	\$26,427,926	\$49,822,640



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Beyond Duty savings:

Exports from any country need to be ***competitive***:

- Quality control
- Rapid order fulfillment
- Able to adjust to new requirements quickly
- High Labor Standards





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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 you are exporting to other markets

Consider products with a GSP advantage





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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

Provide the information required by the regulations



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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>



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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



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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



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Worker Rights in Myanmar

- GSP eligibility criteria require that beneficiary countries are “taking steps to afford internationally recognized worker rights”
- “Internationally recognized worker rights” are defined as:
 - a) the right of association;
 - b) the right to organize and bargain collectively;
 - c) a prohibition on the use of any form of forced or compulsory labor;
 - d) a minimum age for the employment of children; and
 - e) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.
- Beneficiary countries must also implement their commitments to eliminate the worst forms of child labor.



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Worker Rights Looking Ahead

- Link between trade and labor as drivers of inclusive economic growth
- Avoiding a “race to the bottom” and *the Initiative to Promote Fundamental Labor Rights and Practices in Myanmar*
- Attracting increased investment and sourcing from Myanmar through labor reform
 - Labor Organizations Law
 - Settlement of Labor Disputes Law
 - Occupational Safety and Health Law
 - Elimination of Forced Labor



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High Labor Standards and Competitiveness

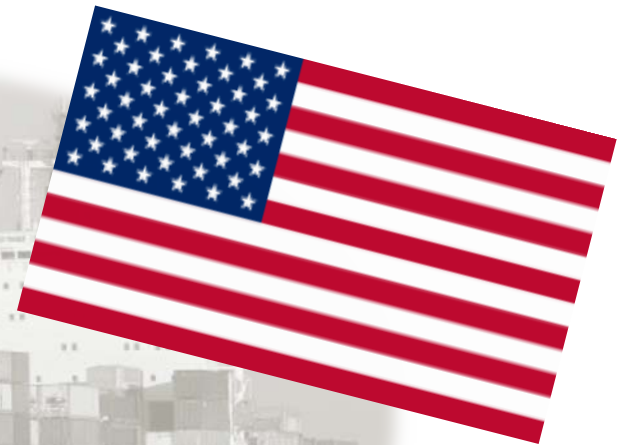
- Opportunity to build Myanmar's reputation as an ethical sourcing destination
- US buyers look to good labor standards to avoid reputational risk
- Workforce stability and increase in worker productivity



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Thank you!



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