

Bolivia's Trade Opportunities Under the Generalized System of Preferences (GSP) Program





Today's Discussion

- Overview of the U.S. GSP Program
- Opportunities to Increase Bolivia's Duty-Free Exports

GSP Program



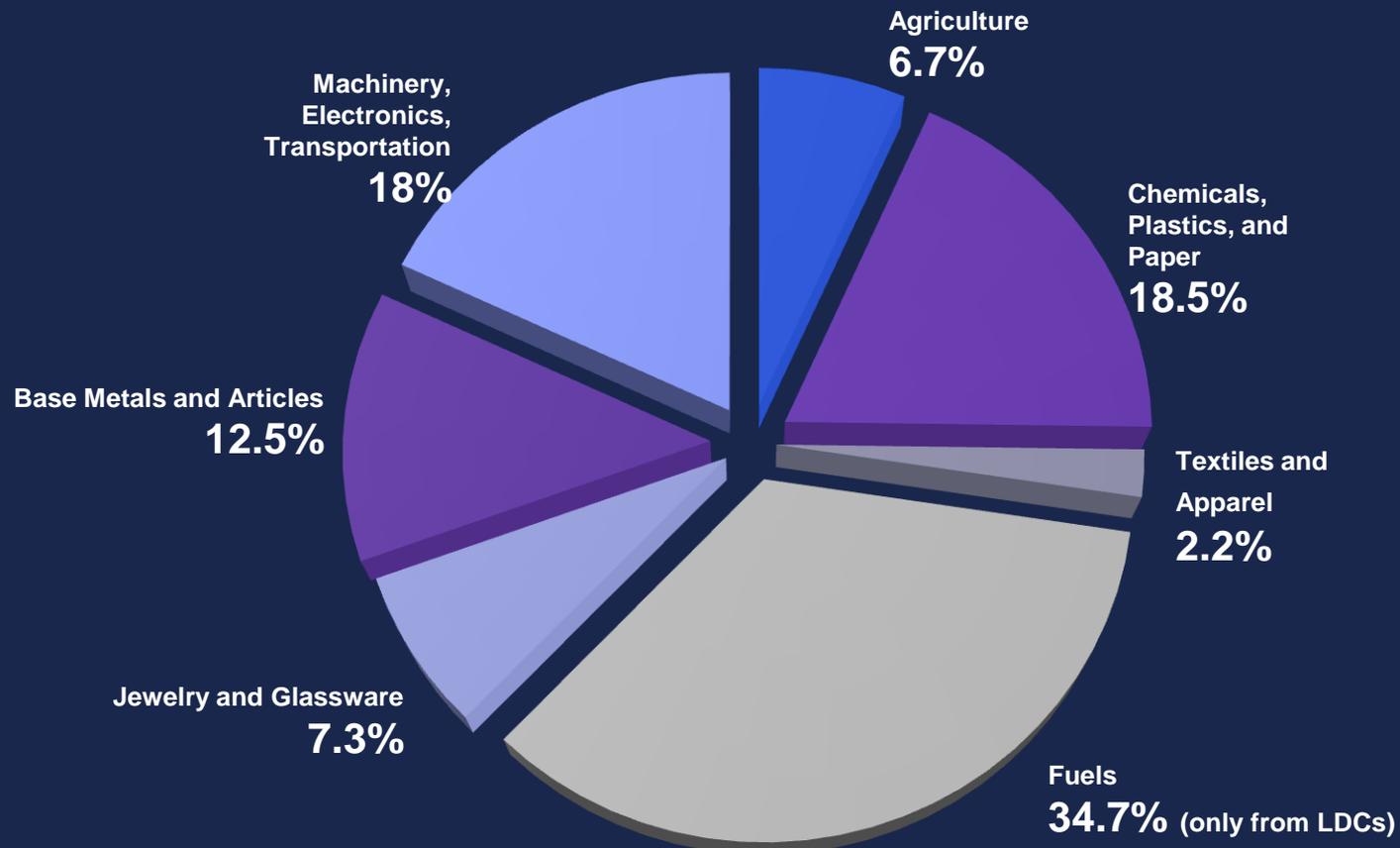
- Created by Congress in 1974.
- Gives enhanced access to U.S. for developing countries' products and expanded choices for U.S. industries and consumers
- Provides duty-free treatment for over 3,450 types of products from 131 developing countries.
- In 2009, GSP imports from around the world totaled \$20.3 billion.
- The GSP program has been renewed through December 31, 2010.

GSP-Eligible Exports

- **Eligible:** manufactured items and inputs, jewelry, electronics, some agricultural products, carpets, some textiles and apparel, chemicals, marble, and minerals
- **Ineligible:** most textiles, watches, footwear, handbags, luggage, flat goods, work gloves, and other leather apparel.



Types of Exports that Entered the U.S. Duty-Free in 2008 Under GSP



How to Qualify for Duty-Free Treatment Under GSP



- Exports must be GSP-eligible products.
- Goods must be exported into the U.S. directly from Bolivia or pass through another country on a through bill of lading.
- Goods must be a product of Bolivia.
- If the product includes input imported into Bolivia, the cost of the local content and processing must equal 35% of the product's sales price

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

Fill in the blank with:

Any part of a product description.

For example, “jam” OR

The tariff number (four, six, or eight numbers).

For example, 2007,200799, or 20079925

Then click on “List Items”



Claiming GSP Duty-Free Treatment

- U.S. importer must request duty-free treatment for the import.
- How? Importer writes an “A” before the tariff number on Customs entry form 7501.
- If importer forgets: can apply to U.S. Customs for refund.

Make sure importer marks "A" before the tariff number on the form!

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

1. Header Code/Entry No. AWC 000		2. Entry Type 01 ABI/A		3. Summary Date 10/04/2006	
4. Bureau No. 8		5. Bond Type 2704		7. Entry Date 09/24/2006	
6. Port Code 2704		8. Country of Origin TR		11. In Port Date 09/24/2006	
9. Expiring Country TR		14. Foreign Port of Loading 55735		20. U.S. Port of Unloading 2104	
10. Importer No.		23. Reference No.			
12. Importing Carrier		13. Mode of Transport 11		15. Manufacturer ID	
16. I.T. No.		17. I.T. Date		18. Missing Docs	
19. Location of Goods/6 D. No.		21. Consignee No. SAME		24. Ultimate Consignee Name and Address	
22. City		25. State IN		26. Zip	
27. City		28. State IN		29. Zip	
30. Description of Merchandise		31. A. HTSUS Rate		32. Duty and I.R. Tax	
33. A. HTSUS No. 8465000914		34. A. Gross Weight 112500		35. A. HTSUS Rate FREE	
36. B. ADICVD Case No. 001		37. B. Manufacturer City DISPOSED SHAMLES RUBBER GL		38. B. ADICVD Rate FREE	
39. C. HTSUS No. A		40. C. Manufacturer City 0015.19.1010		39. C. HTSUS Rate 0.125%	
41. D. HTSUS No. A		42. D. Manufacturer City 0015.19.1010		40. D. HTSUS Rate 0.21%	
43. E. HTSUS No. A		44. E. Manufacturer City 0015.19.1010		41. E. HTSUS Rate 0.21%	
45. F. HTSUS No. A		46. F. Manufacturer City 0015.19.1010		42. F. HTSUS Rate 0.21%	
47. G. HTSUS No. A		48. G. Manufacturer City 0015.19.1010		43. G. HTSUS Rate 0.21%	
49. H. HTSUS No. A		50. H. Manufacturer City 0015.19.1010		44. H. HTSUS Rate 0.21%	
51. I. HTSUS No. A		52. I. Manufacturer City 0015.19.1010		45. I. HTSUS Rate 0.21%	
53. J. HTSUS No. A		54. J. Manufacturer City 0015.19.1010		46. J. HTSUS Rate 0.21%	
55. K. HTSUS No. A		56. K. Manufacturer City 0015.19.1010		47. K. HTSUS Rate 0.21%	
57. L. HTSUS No. A		58. L. Manufacturer City 0015.19.1010		48. L. HTSUS Rate 0.21%	
59. M. HTSUS No. A		60. M. Manufacturer City 0015.19.1010		49. M. HTSUS Rate 0.21%	
61. N. HTSUS No. A		62. N. Manufacturer City 0015.19.1010		50. N. HTSUS Rate 0.21%	
63. O. HTSUS No. A		64. O. Manufacturer City 0015.19.1010		51. O. HTSUS Rate 0.21%	
65. P. HTSUS No. A		66. P. Manufacturer City 0015.19.1010		52. P. HTSUS Rate 0.21%	
67. Q. HTSUS No. A		68. Q. Manufacturer City 0015.19.1010		53. Q. HTSUS Rate 0.21%	
69. R. HTSUS No. A		70. R. Manufacturer City 0015.19.1010		54. R. HTSUS Rate 0.21%	
71. S. HTSUS No. A		72. S. Manufacturer City 0015.19.1010		55. S. HTSUS Rate 0.21%	
73. T. HTSUS No. A		74. T. Manufacturer City 0015.19.1010		56. T. HTSUS Rate 0.21%	
75. U. HTSUS No. A		76. U. Manufacturer City 0015.19.1010		57. U. HTSUS Rate 0.21%	
77. V. HTSUS No. A		78. V. Manufacturer City 0015.19.1010		58. V. HTSUS Rate 0.21%	
79. W. HTSUS No. A		80. W. Manufacturer City 0015.19.1010		59. W. HTSUS Rate 0.21%	
81. X. HTSUS No. A		82. X. Manufacturer City 0015.19.1010		60. X. HTSUS Rate 0.21%	
83. Y. HTSUS No. A		84. Y. Manufacturer City 0015.19.1010		61. Y. HTSUS Rate 0.21%	
85. Z. HTSUS No. A		86. Z. Manufacturer City 0015.19.1010		62. Z. HTSUS Rate 0.21%	
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89. AB. HTSUS No. A		90. AB. Manufacturer City 0015.19.1010		64. AB. HTSUS Rate 0.21%	
91. AC. HTSUS No. A		92. AC. Manufacturer City 0015.19.1010		65. AC. HTSUS Rate 0.21%	
93. AD. HTSUS No. A		94. AD. Manufacturer City 0015.19.1010		66. AD. HTSUS Rate 0.21%	
95. AE. HTSUS No. A		96. AE. Manufacturer City 0015.19.1010		67. AE. HTSUS Rate 0.21%	
97. AF. HTSUS No. A		98. AF. Manufacturer City 0015.19.1010		68. AF. HTSUS Rate 0.21%	
99. AG. HTSUS No. A		100. AG. Manufacturer City 0015.19.1010		69. AG. HTSUS Rate 0.21%	
101. AH. HTSUS No. A		102. AH. Manufacturer City 0015.19.1010		70. AH. HTSUS Rate 0.21%	
103. AI. HTSUS No. A		104. AI. Manufacturer City 0015.19.1010		71. AI. HTSUS Rate 0.21%	
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113. AN. HTSUS No. A		114. AN. Manufacturer City 0015.19.1010		76. AN. HTSUS Rate 0.21%	
115. AO. HTSUS No. A		116. AO. Manufacturer City 0015.19.1010		77. AO. HTSUS Rate 0.21%	
117. AP. HTSUS No. A		118. AP. Manufacturer City 0015.19.1010		78. AP. HTSUS Rate 0.21%	
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121. AR. HTSUS No. A		122. AR. Manufacturer City 0015.19.1010		80. AR. HTSUS Rate 0.21%	
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131. AW. HTSUS No. A		132. AW. Manufacturer City 0015.19.1010		85. AW. HTSUS Rate 0.21%	
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157. BJ. HTSUS No. A		158. BJ. Manufacturer City 0015.19.1010		98. BJ. HTSUS Rate 0.21%	
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161. BL. HTSUS No. A		162. BL. Manufacturer City 0015.19.1010		100. BL. HTSUS Rate 0.21%	
163. BM. HTSUS No. A		164. BM. Manufacturer City 0015.19.1010		101. BM. HTSUS Rate 0.21%	
165. BN. HTSUS No. A		166. BN. Manufacturer City 0015.19.1010		102. BN. HTSUS Rate 0.21%	
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169. BP. HTSUS No. A		170. BP. Manufacturer City 0015.19.1010		104. BP. HTSUS Rate 0.21%	
171. BQ. HTSUS No. A		172. BQ. Manufacturer City 0015.19.1010		105. BQ. HTSUS Rate 0.21%	
173. BR. HTSUS No. A		174. BR. Manufacturer City 0015.19.1010		106. BR. HTSUS Rate 0.21%	
175. BS. HTSUS No. A		176. BS. Manufacturer City 0015.19.1010		107. BS. HTSUS Rate 0.21%	
177. BT. HTSUS No. A		178. BT. Manufacturer City 0015.19.1010		108. BT. HTSUS Rate 0.21%	
179. BU. HTSUS No. A		180. BU. Manufacturer City 0015.19.1010		109. BU. HTSUS Rate 0.21%	
181. BV. HTSUS No. A		182. BV. Manufacturer City 0015.19.1010		110. BV. HTSUS Rate 0.21%	
183. BW. HTSUS No. A		184. BW. Manufacturer City 0015.19.1010		111. BW. HTSUS Rate 0.21%	
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201. CF. HTSUS No. A		202. CF. Manufacturer City 0015.19.1010		120. CF. HTSUS Rate 0.21%	
203. CG. HTSUS No. A		204. CG. Manufacturer City 0015.19.1010		121. CG. HTSUS Rate 0.21%	
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207. CI. HTSUS No. A		208. CI. Manufacturer City 0015.19.1010		123. CI. HTSUS Rate 0.21%	
209. CJ. HTSUS No. A		210. CJ. Manufacturer City 0015.19.1010		124. CJ. HTSUS Rate 0.21%	
211. CK. HTSUS No. A		212. CK. Manufacturer City 0015.19.1010		125. CK. HTSUS Rate 0.21%	
213. CL. HTSUS No. A		214. CL. Manufacturer City 0015.19.1010		126. CL. HTSUS Rate 0.21%	
215. CM. HTSUS No. A		216. CM. Manufacturer City 0015.19.1010		127. CM. HTSUS Rate 0.21%	
217. CN. HTSUS No. A		218. CN. Manufacturer City 0015.19.1010		128. CN. HTSUS Rate 0.21%	
219. CO. HTSUS No. A		220. CO. Manufacturer City 0015.19.1010		129. CO. HTSUS Rate 0.21%	
221. CP. HTSUS No. A		222. CP. Manufacturer City 0015.19.1010		130. CP. HTSUS Rate 0.21%	
223. CQ. HTSUS No. A		224. CQ. Manufacturer City 0015.19.1010		131. CQ. HTSUS Rate 0.21%	
225. CR. HTSUS No. A		226. CR. Manufacturer City 0015.19.1010		132. CR. HTSUS Rate 0.21%	
227. CS. HTSUS No. A		228. CS. Manufacturer City 0015.19.1010		133. CS. HTSUS Rate 0.21%	
229. CT. HTSUS No. A		230. CT. Manufacturer City 0015.19.1010		134. CT. HTSUS Rate 0.21%	
231. CU. HTSUS No. A		232. CU. Manufacturer City 0015.19.1010		135. CU. HTSUS Rate 0.21%	
233. CV. HTSUS No. A		234. CV. Manufacturer City 0015.19.1010		136. CV. HTSUS Rate 0.21%	
235. CW. HTSUS No. A		236. CW. Manufacturer City 0015.19.1010		137. CW. HTSUS Rate 0.21%	
237. CX. HTSUS No. A		238. CX. Manufacturer City 0015.19.1010		138. CX. HTSUS Rate 0.21%	
239. CY. HTSUS No. A		240. CY. Manufacturer City 0015.19.1010		139. CY. HTSUS Rate 0.21%	
241. CZ. HTSUS No. A		242. CZ. Manufacturer City 0015.19.1010		140. CZ. HTSUS Rate 0.21%	
243. DA. HTSUS No. A		244. DA. Manufacturer City 0015.19.1010		141. DA. HTSUS Rate 0.21%	
245. DB. HTSUS No. A		246. DB. Manufacturer City 0015.19.1010		142. DB. HTSUS Rate 0.21%	
247. DC. HTSUS No. A		248. DC. Manufacturer City 0015.19.1010		143. DC. HTSUS Rate 0.21%	
249. DD. HTSUS No. A		250. DD. Manufacturer City 0015.19.1010		144. DD. HTSUS Rate 0.21%	
251. DE. HTSUS No. A		252. DE. Manufacturer City 0015.19.1010		145. DE. HTSUS Rate 0.21%	
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261. DJ. HTSUS No. A		262. DJ. Manufacturer City 0015.19.1010		150. DJ. HTSUS Rate 0.21%	
263. DK. HTSUS No. A		264. DK. Manufacturer City 0015.19.1010		151. DK. HTSUS Rate 0.21%	
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273. DP. HTSUS No. A		274. DP. Manufacturer City 0015.19.1010		156. DP. HTSUS Rate 0.21%	
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279. DS. HTSUS No. A		280. DS. Manufacturer City 0015.19.1010		159. DS. HTSUS Rate 0.21%	
281. DT. HTSUS No. A		282. DT. Manufacturer City 0015.19.1010		160. DT. HTSUS Rate 0.21%	
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295. EA. HTSUS No. A		296. EA. Manufacturer City 0015.19.1010		167. EA. HTSUS Rate 0.21%	
297. EB. HTSUS No. A		298. EB. Manufacturer City 0015.19.1010		168. EB. HTSUS Rate 0.21%	
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303. EE. HTSUS No. A		304. EE. Manufacturer City 0015.19.1010		171. EE. HTSUS Rate 0.21%	
305. EF. HTSUS No. A		306. EF. Manufacturer City 0015.19.1010</			

Phyto-Sanitary & Sanitary Requirements

- **U.S. Food and Drug Administration (FDA)** regulates all food (except most beef and poultry), cosmetics, biologics, drugs & some electronics.
- **Product Requirements:** pure & wholesome; safe to eat; produced under sanitary conditions; informative & truthful labels in English
- **Importer files notice and bond to Customs, which contacts FDA.** A test may be required.
- **Bioterrorism Act:** Requires registry of foreign facilities with FDA, including producers, that export food.

Job of the Exporter?



- Remind the U.S. importer that your product is eligible for duty-free entry under GSP and to mark “A” on U.S. Customs Entry Form
- Keep good records (cost of production; where produced; if using imported components – where they are from and their cost)



Record Keeping

- Producers are required to keep records for 5 years.
- Verification of 35% Rule of Origin:
 - Dated invoices for materials used to produce goods and from where
 - Description of product, quantity, and costs
- If processing operations are involved:
 - Description of processing and location
 - Direct costs of processing operations
- For Agricultural Exports:
 - Producer's statement verifying on which farm and town the product is grown
 - Description of product and quantity
 - Dated invoices for costs incurred



Ways to Increase Bolivia's Exports Using GSP Benefits



- Ensure that **GSP** treatment is claimed for current eligible exports.
- Identify exports to other countries that could enter the U.S. duty free under **GSP**.
- Identify additional exports by looking at products that are eligible for **GSP** duty-free treatment.



U.S. and Bolivia Trade

- **In 2009, Bolivia exported products valued at \$504,540,782 to the U.S.**
- **25% entered under GSP.**
- **Out of 3,400 GSP eligible products, Bolivia currently exports just 105 to the United States.**
- **In 2009, Bolivia exported \$860,000 in products that were eligible for GSP preferences but which did not claim them.**

Bolivia's Current GSP-Eligible Exports

- Precious metals
- Jewelry
- Wood Products
- Silverware
- Palm Hearts
- Ceramic Arts

Some of Bolivia's GSP-Eligible World Exports

- **Cocoa Powder**
- **Wine**
- **Potatoes**
- **Dried Fruit and Berries**
- **Nuts**
- **Dried Flowers**
- **Wood Sculpture**
- **Traditional Games**
- **Musical Instruments**
- **Paintings, Sculpture, Wall-Hangings**
- **Hats**
- **Carpets**
- **Baskets**



Further Information

Commercial Office, U.S. Embassy

http://bolivia.usembassy.gov/gold_key_services.html
commercelapaz@state.gov

Office of the U.S. Trade Representative GSP Website:

http://www.ustr.gov/Trade_Development/Preference_Programs/GSP/Section_Index.html

GSP Guidebook

http://www.ustr.gov/webfm_send/1597

Customs & Border Protection:

<http://www.customs.gov/xp/cgov/import>

CUSTOMS FORM 7501:

<https://forms.customs.gov/customsrf/getformharness.asp?formName=cf-7501-form.xft>

U.S. Tariff Schedule:

<http://www.usitc.gov/tata/hts>