

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



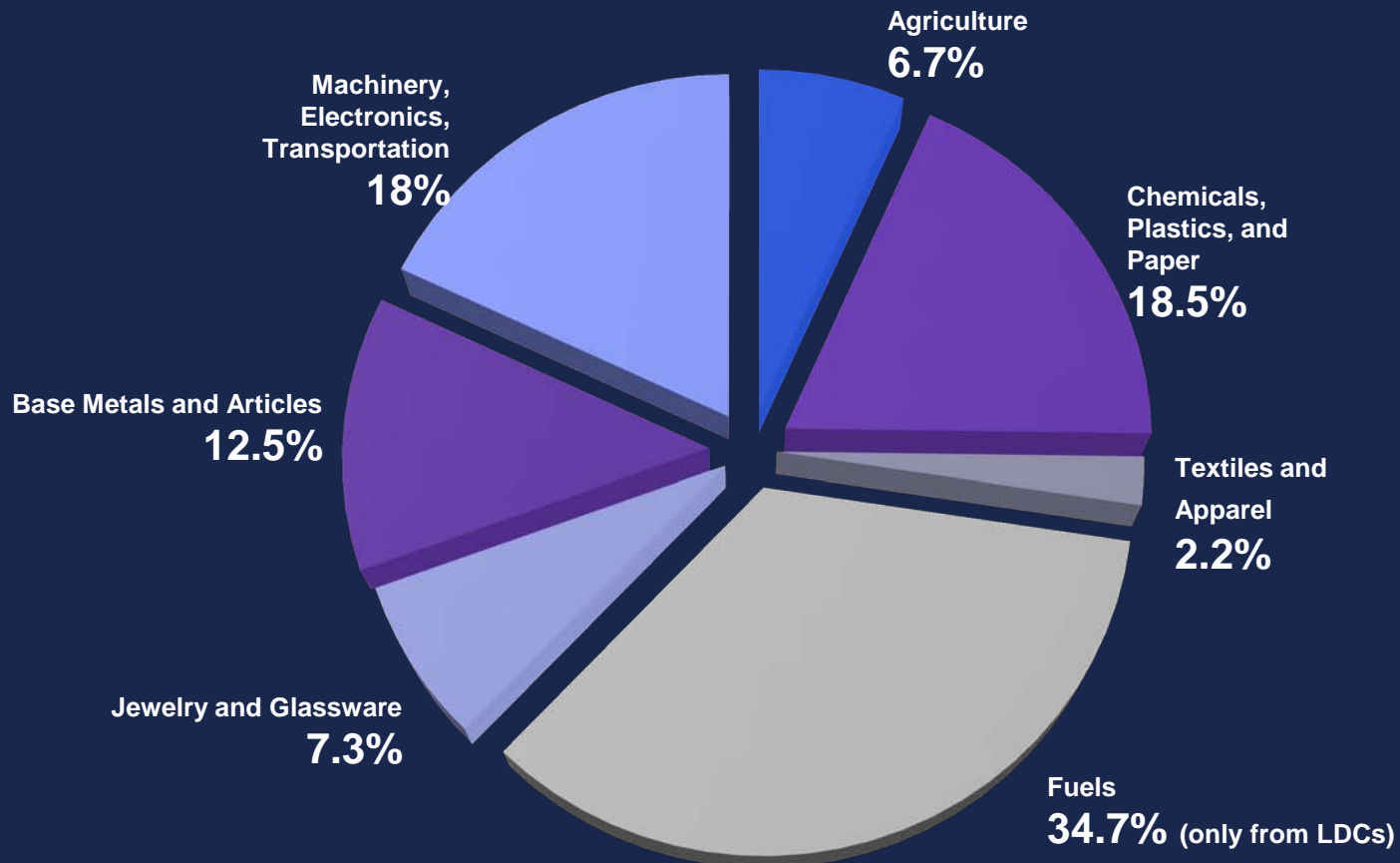
- Created by Congress in 1974.
- Gives enhanced access to U.S. for developing countries' products and expanded choices for U.S. industries and consumers
- Provides duty-free treatment for over 3,450 types of products from 131 developing countries.
- In 2009, GSP imports from around the world totaled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

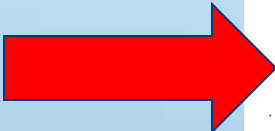
- U.S. importer must request duty-free treatment for the import.
- How? Importer writes an “A” before the tariff number on Customs entry form 7501.
- If importer forgets: can apply to U.S. Customs for refund.

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. Mer Commodity No 8WC 000		12. Entry Type 01 ABL/A		13. Summary Date 10/04/2006	
7. Bureau No 9		8. Bond Type 2704		7. Entry Date 09/24/2006	
E. Importing Carrier		B. Mode of Transport 11		10. Country of Origin TR	
12. Manufacturer ID		13. Manufacturer ID		14. Exporting Country TR	
16. I.T. No.		17. I.T. Date		18. Foreign Port of Loading 55735	
16. I.T. Date		16. Mailing Date		20. U.S. Port of Unloading 2104	
21. Location of Goods (G.D. No.)		22. Consignee No. SAME		23. Importer No.	
25. Ultimate Consignee Name and Address		28. Importer of Record Name and Address			
City		State IN		Zip	
City		State IN		Zip	
27. Line No.		28. Description of Merchandise		31. A. Entered Value	
A. HTSUS No.		B. Gross Weight		B. HTSUS Rate	
B. ADVIN Code No.		C. Manifest Qty		C. Rate	
H 9465000914		II 8050CR1365LY		D. Rate	
INVOICE 00001		NOT RELATED		E. Rate	
001 DISPOSED SAMPLE RUBBER GL		51840		FREE	
A 8015.19.1010		16940 112500 DDR		0.125%	
HARBOR MAINTENANCE FEE		C3959		0.21%	
MERCHANDISE PROCESSING FEE		AS ENTERED		64.00	
				108.86	
Other Fee Summary for Block 39		32. Total Entered Value		CBP USE ONLY	
487 108.86		51,840.00		A. Duty Code	
502 00.00		Total Other Fees		B. Assessed Duty	
		173.66		C. Assessed Tax	
				D. Assessed Other	
				E. Assessed Total	
				37. Duty	
				38. Tax	
				39. Other	
				40. Total	
				173.66	
				173.66	
36. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT		41. DECLARANT NAME		DATE	
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 checked="" type="checkbox"/> owner		TITLE		10/11/2006	
I further declare that the merchandise <input type="checkbox"/> was obtained pursuant to a purchase or agreement to purchase and the statements in this invoice are true, OR <input type="checkbox"/> was not obtained pursuant to a purchase or agreement to purchase and the statements in this invoice are false or not true to the best of my knowledge and belief. I also declare that the statements in this document here-in filed fully disclose to the best of my knowledge and belief the true price, value, quantities, marks, descriptions, fees, commissions, and royalties and are true and correct, and goods or services provided to the seller of the merchandise either free or at reduced cost are fully disclosed.		43. Broker/Importer File No.		CBP Form 501 (04/06)	
I will immediately furnish to the appropriate CBP office any information showing a different status of this merchandise.		6841			
47. Broker/Importer Information (Name, address, phone number)		RECORD			



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)

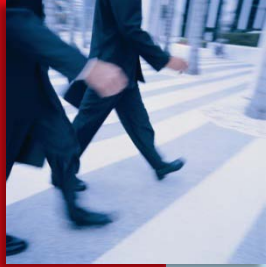


Record Keeping

- 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>