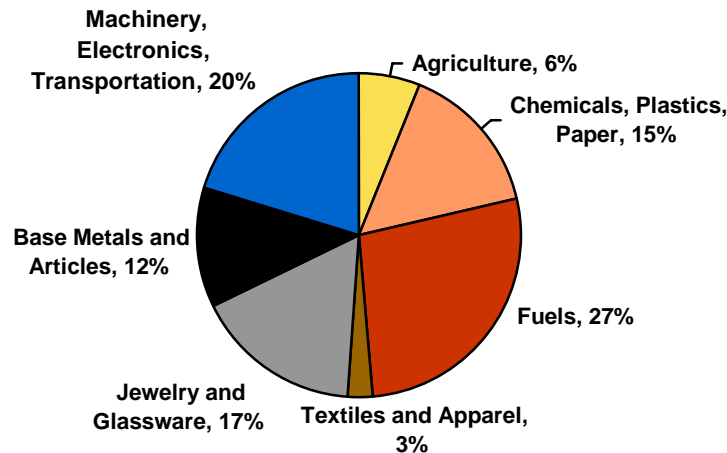


**Macedonia and the U.S. Generalized System of Preferences (GSP) Program**  
**How to Use GSP Duty-Free Benefits to Increase Macedonia's Exports**  
**March 2008**

**What is GSP?**

The U.S. GSP program provides significant opportunities for Macedonia to increase its exports to the United States. GSP provides duty-free treatment for about 3,400 types of exports from Macedonia and 130 other developing countries. The purpose of the GSP program is to give these exports a competitive edge in the U.S. market. U.S. companies and customers are especially interested in buying goods through the GSP program because the exports are not charged tariffs, upon entering the United States, which can range from two percent to seventeen percent of the items' cost. U.S. imports under GSP from all beneficiary countries totaled \$32.6 billion in 2006 and \$30.8 billion in 2007.

Many items are eligible for GSP duty-free treatment. These include most manufactured goods; inputs used in manufacturing; jewelry; many types of carpets; agricultural and fishery products; and many types of chemicals, marble, and minerals. Not eligible for GSP duty-free treatment are certain textiles and apparel; watches; some footwear, handbags, and other leather items; luggage; most cloths and sheets for kitchen and bedroom use; and work gloves. The chart below shows the percentage of product types entering the United States under the GSP program in 2006.



**How does a U.S. import from Macedonia receive GSP duty-free treatment?**

A GSP-eligible import must meet the following requirements:

- be included on the list of GSP-eligible articles;
- be imported into the United States directly from Macedonia or pass through another country under a bill of lading
- be the growth, product, or manufacture of Macedonia;
- if some materials used to make the product are imported into Macedonia, the cost of the Macedonian materials plus the cost of processing must equal at least 35 percent of the product's sales price;
  - imported materials can count toward that 35 percent only if the imported materials are "substantially transformed" and then used to produce or manufacture the export

- “substantially transformed” means that the imported items go through at least two types of changes in form from when they were first imported
- **MOST IMPORTANTLY:** The importer must request duty-free treatment under GSP by placing an “A,” in front of the Harmonized Tariff Schedule of the United States number that identifies the imported article on U.S. Customs Entry Form 7501 (see Attachment One).

**What documents are needed to ensure GSP duty-free treatment?**

- For agricultural exports:
  1. Producer’s statement verifying which town and farm the product is grown on;
  2. Description of product and quantity;
  3. Dated invoices for costs incurred.
- To verify the 35 percent rule-of-origin requirement:
  1. Dated invoices for materials used to produce the good, showing from where the materials came;
  2. Description of product and quantity.
- If processing operations are involved:
  1. Description of processing and location;
  2. Documentation of the direct costs of processing operations.

NOTE: The importer must keep all documents for at least five years.

**For more information:**

- The GSP Guidebook, lists of GSP-eligible products and other information: [http://www.ustr.gov/Trade\\_Development/Preference\\_Programs/GSP/Section\\_Index.html](http://www.ustr.gov/Trade_Development/Preference_Programs/GSP/Section_Index.html)
- The U.S. Harmonized Tariff Schedule is at <http://www.usitc.gov/tata/hts/>
- GSP-eligible products: [http://dataweb.usitc.gov/scripts/gsp/gsp\\_tariff.asp](http://dataweb.usitc.gov/scripts/gsp/gsp_tariff.asp)
- U.S. Customs’ import procedures information: <http://www.cbp.gov/>  
Record-keeping requirements: [http://www.cbp.gov/xp/cgov/import/reg\\_audit/archive/gsp.xml](http://www.cbp.gov/xp/cgov/import/reg_audit/archive/gsp.xml)

# Attachment One

## SAMPLE U.S. CUSTOMS ENTRY FORM 7501

05-1-1-2007 10:58am From Trade Corporation

0023441206

1 187 P 003/002 F-036

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. Surety No.		5. Bond Type 8		6. Port Code 2704		7. Entry Date 03/24/2006				
8. Importing Carrier			9. Mode of Transport 12		10. Country of Origin TR			11. In-Port Code 09/24/2006		
12. Bill of Lading No.			13. Manufacturer ID		14. Exporting Country TR			15. Export Date 03/30/2006		
16. I.T. No.		17. I.T. Date		18. Foreign Port of Loading 55735		20. U.S. Port of Unloading 2704				
21. Location of Goods/B.O. No.			22. Consignee No. SAME		23. Importer No.		24. Reference No.			
25. Ultimate Consignee Name and address					28. Importer of Record Name and address					
City					City					
State IN					State IN					
Zip					Zip					
27. Line No.		28. Description of Merchandise			32. A. Entered Value B. CHGS C. Relationship		33. A. HTSUS Rate B. ADCVD Rate C. IRC Rate D. Viss No.		34. Duty Br. Dollars Cents	
		M W465000914 11 B03CER1365LY			NOT RELATED		2700 CABS			
		INVOICE 00001			51840		FREE		0.00	
		DISPOSED SHAMLES RUBBER GL			C3959		0.125%		64.00	
		4015.19.1010 16940 112500 DDR					0.21%		108.86	
		HARBOR MAINTENANCE FEE			<b>AS ENTERED</b>					
		MERCHANDISE PROCESSING FEE								
35. Total Entered Value				CBP USE ONLY				TOTALS		
Other Fee Summary for Block 39 357 467 106.86 64.80 \$ 51,840.00 Total Other Fees \$ 173.66				A. LO CODE 355		B. Ascertained Duty		37. Duty		
				REASON CODE		C. Ascertained Tax		38. Tax		
				<i>As per supplies</i>		D. Ascertained Other		39. Other		
						E. Ascertained Total		40. Total		
								173.66		
								173.66		
36. DECLARATION OF IMPORTER OF RECORD (OWNER OR PURCHASER) OR AUTHORIZED AGENT										
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 or purchaser or agent thereof. I further declare that the merchandise <input checked="" type="checkbox"/> was obtained pursuant to a purchase or agreement to purchase and that the prices set forth in the invoice are true, OR <input type="checkbox"/> was not obtained pursuant to a purchase or agreement to purchase and the statements in the invoice as to value or price are true to the best of my knowledge and belief. I also declare that the statements in this document's header fully disclose to the best of my knowledge and belief the true prices, values, quantities, rebates, drawbacks, fees, commissions, and royalties and are true and correct, and that all goods or services provided to the seller of the merchandise either free of or reduced cost are fully disclosed. I will immediately furnish to the appropriate CBP office any information showing a different statement of facts.										
41. DECLARANT NAME				TITEL				DATE		
				<i>[Signature]</i>				10/12/2006		
42. Broker/Editor Information (Name, address, phone number)				43. Broker/Importer File No. 6841						

CBP Form 7501 (04/05)