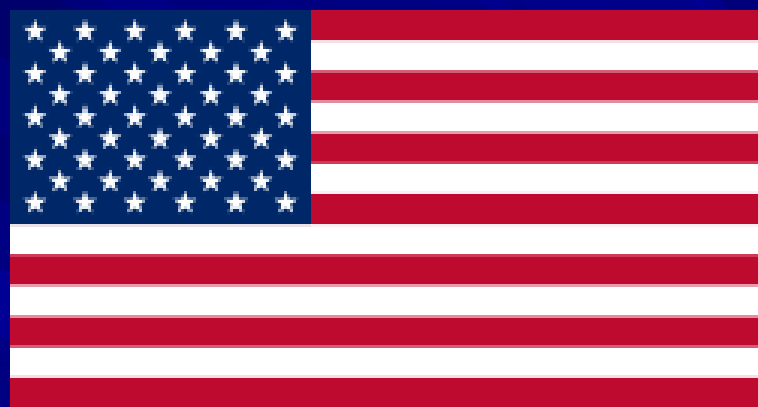


Expanding Yemen's Exports under the GSP Program



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Summary of Presentation

- **U.S. imports from Yemen overall and through the U.S. Generalized System of Preferences (GSP) Program**
- **Using the U.S. GSP program**
- **Increasing Yemen's exports**

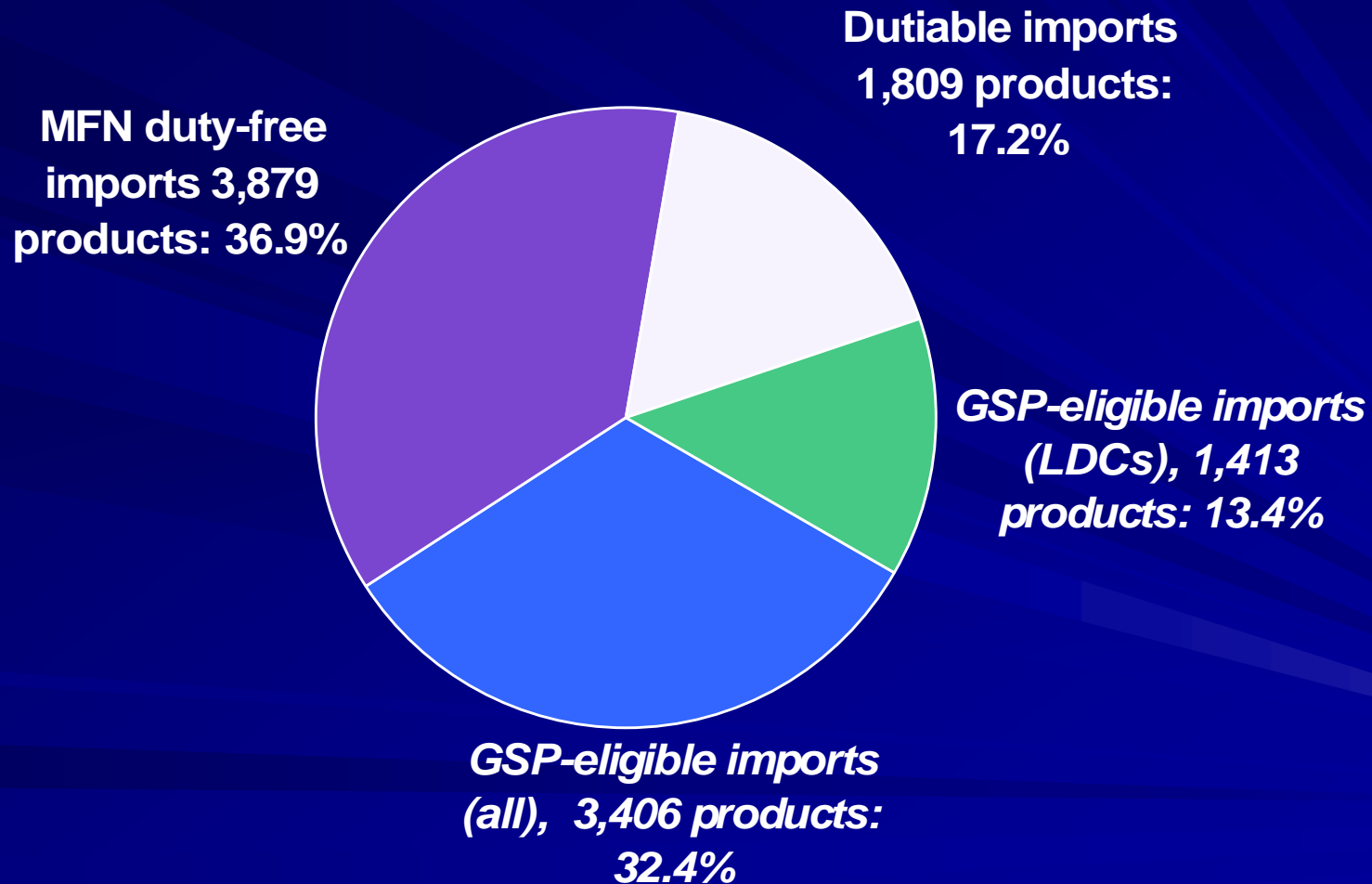
U.S. imports from Yemen (2007)

- **\$292 million, a 34.7 percent increase (\$155 million) from 2006. Nearly all imports were oil.**
- **Five largest import categories:**
 - **Mineral Fuel (crude oil): \$284 million**
 - **Spices, Coffee and Tea: \$4 million**
 - **Special Other (returns): \$984,000**
 - **Art and Antiques: \$902,000**
 - **Special Import Provisions (repairs): \$872,000**

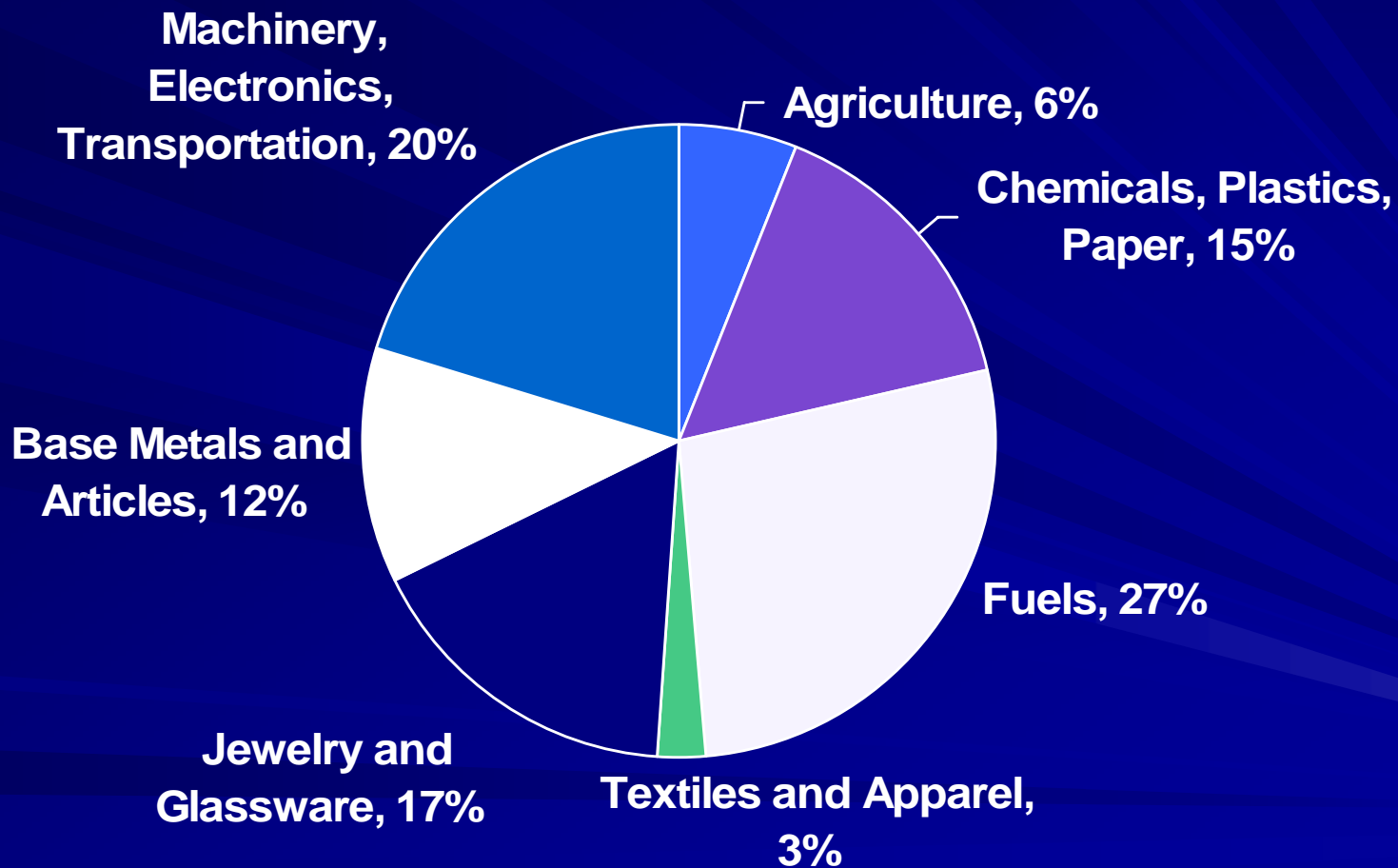
GSP Program

- **Yemen has been a GSP beneficiary since program began**
- **GSP provides duty-free treatment to 4,800 types of exports from Yemen (as a LDC)**
- **Gives Yemeni exports an advantage in U.S. market – not charged tariffs so cost less to U.S. importers**
- **Major U.S. import program: \$30.8 billion in 2007**

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



Types of U.S. imports that received GSP duty-free treatment in 2006



Neighbors' use of GSP

- **Lebanon (47% of all exports to U.S.)**
- **West Bank (38.2%)**
- **Oman (9.8%)** – \$72m in gold and other jewelry
- **Egypt (2.6%)**
- **Djibouti (1.6%)*** - Cereal flours, other than of wheat or meslin, rye, corn, rice or buckwheat
- **Eritrea (0%)** – “Agarbatti” incense (2002)
- **Ethiopia (4.8%)*** - \$1.2m in foliage, branches, parts of plants and grasses for flower arrangements; \$830,000 in unrooted cuttings and slips of live plants; \$717k in fresh flowers, \$600k in dried kidney beans, \$530k in nuts and seeds, etc.

***Least-developed Country**

U.S. Imports from Yemen Under GSP

- **2005: \$207,004,509**
- **2006: \$390,221,087**
- **2007: \$284,276,749**
 - **U.S. imports of oil under GSP down 27%**

U.S. Imports from Yemen Under GSP in 2007

- 1. Crude oil : \$264,937,568 in U.S. imports (93% of all U.S. imports from Yemen under GSP; MFN tariff rate saved of 10.5 cents/barrel;**
- 2. Fuel oil: \$19,328,758; tariffs saved - 5.25 cents per barrel;**
- 3. Base metal castors: \$4,735; tariffs saved of 5.7%;**
- 4. Pigments used to make paints and dyes: \$3,000; tariffs saved of 3.1%;**
- 5. Portable iron or steel non-electric domestic cooking appliances and plate warmers for gas fuel: \$2,688; tariffs saved of 5.7 percent**

Which Products are Eligible for Duty-Free GSP Treatment?

- **Eligible**: manufactured items and inputs, jewelry, skins, many carpets, certain agricultural products, chemicals, marble, and minerals
- **Not eligible**: most textiles and leather goods, footwear, home décor textiles

How to Qualify for Duty-free Treatment under GSP

- (1) GSP eligible product***
- (2) Exported directly to U.S. or pass through another country under a “through bill of lading” to the U.S.**
- (3) Growth or product of Yemen, or if imported input, local content & processing equal 35% of product value**
- (4) Importer must request duty-free treatment for item by writing an “A” on the U.S. Customs Entry Form (tariff refunds can be requested)**

A GSP-eligible from all countries

A+ GSP-eligible from least-developed countries

A* a country other than Yemen not eligible

Expanding Use of GSP Benefits

- 1. Ensure products get GSP duty-free treatment when eligible**
- 2. Increase exports of current GSP-eligible products; look at neighbors' exports**
- 3. Identify Yemen's exports to other countries that would get GSP if exported to U.S.**
- 4. Export handicrafts and home décor items**

Claim the GSP Savings

- **U.S. importers have not claimed these exports from Yemen under GSP (2005-2007):**
 - **\$53,034 in parts and accessories of motor vehicles (tariff rate of 2.5%)**
 - **\$44,480 in edible mixtures and preps (tariff: 8.8 cents/kg)**
 - **\$3,136 in natural honey (tariff: 1.9 cents/kg)**
 - **\$2,780 in insulated electronic conductors (tariff: 2.6%)**
 - **\$1,082 in rubber gaskets, washers and other seals (tariff: 2.5%)**
 - **\$418 in pillows, cushions and similar furnishings, other than of cotton (6%)**

Export other GSP-eligible items that Yemen did export to the U.S. but not recently

- **Vinyl floor tiles (tariff: 5.3%)**
- **Women's and girls' silk blend dresses (6.9%)**
- **Silver jewelry (5%)**
- **Imitation jewelry (11%)**
- **Tank and pipe valves (2%)**

Export GSP-eligible products to the U.S. that Yemen sends elsewhere

- **Coffee blends (such as mocha coffee)**
- **Dried and salted fish**
- **Fruits and vegetables, especially dried**
- **Nuts**
- **Hides**
- **Handicrafts and home décor items**

Other GSP Export Strategies

- **Moving up the value-added chain of production creates opportunities for higher-skilled jobs.**
- **For example, hides and skins are exported to other countries from Yemen.**
- **Hides and skins could be made into GSP-eligible leather goods (belts, shoe laces, and sports gloves and handbags) and exported duty-free to the U.S.**

Export Home Décor Items Duty-Free: Growing U.S. Demand

- **Embroidered items**
- **Carpets, kilims, and rugs**
- **Ceramic ware**
- **Incense**
- **Baskets of bamboo, rattan, palm leaf and other vegetable material**
- **Wall hangings and sculpture**
- **Wood statues, boxes, and other items**











Export Handicrafts

- **Artisans can export duty-free...**
 - hand-loomed fabrics
 - additional hand-loomed and folklore wall hangings and pillow covers
- **...when Yemeni government enters into a certified handicraft arrangement with the U.S., then certifies the products as handmade**

Outreach and Education

- **Outreach to increase the use of GSP duty-free benefits by Yemeni exporters and producers is a top U.S. priority**
- **Outreach tools**
 - seminars (in-person, via teleconference, videoconference);
 - GSP guides and export analyses (Arabic and English) for Yemeni government, Chambers of Commerce, PRTs, USAID and USAID contractors and other organizations
 - news articles and public service radio announcements
- **USTR also works with key U.S. importers**

For Additional Information

Office of the U.S. Trade Representative

GSP guidebook, lists of GSP-eligible and ineligible products, notices:

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

U.S. Tariff Schedule

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

For Additional Information

- **Foreign Agricultural Service: Cairo (FAS office in Cairo has regional responsibilities for Egypt, Jordan, Syria, Lebanon, Saudi Arabia, Yemen, Iraq, Libya and Israel)**
 - **AgCairo@usda.gov**
- **Department of Homeland Security: Customs & Border Protection:**
 - <http://www.customs.gov/xp/cgov/import/>**
 - **Customs Entry Form 7501:**
<https://forms.customs.gov/customsrf/getformharness.asp?formName=cf-7501-form.xft>
 - **<http://www.customs.treas.gov/xp/cgov/toolbox/publications/>**

Shukran !

