

MARKET ACCESS SERIES

# Pakistan and the US GSP Opportunity

OCTOBER 2020



The  
Pakistan  
Business  
Council

FOSTERING ECONOMIC GROWTH



# **Pakistan and the US GSP Opportunity**



# Pakistan and the US GSP Opportunity

MARKET ACCESS SERIES

October 2020

The Pakistan Business Council (PBC)



# Table of Contents

<i>Acknowledgements</i>	x
<i>The Pakistan Business Council: An Overview</i>	<i>xi</i>
<i>The PBC's Founding Objectives</i>	<i>xii</i>
<i>The PBC's Member Companies</i>	<i>xiii</i>
<b>Executive Summary</b>	<b>1</b>
<b>Key Findings</b>	<b>5</b>
<b>The US GSP Program</b>	<b>5</b>
<b>US – Pakistan Bilateral and GSP Trade</b>	<b>6</b>
<b>Potential Exports for GSP Eligible Items</b>	<b>6</b>
<b>Recommendations</b>	<b>8</b>
<b>Study Objectives</b>	<b>10</b>
<b>Data Limitations</b>	<b>10</b>
<b>Acronyms</b>	<b>11</b>
<b>Introduction</b>	<b>13</b>
<b>Overview of the GSP Program</b>	<b>14</b>
<b>International GSP Programs</b>	<b>14</b>
<b>The US GSP Program</b>	<b>15</b>
<b>Goal of the US GSP Scheme</b>	<b>16</b>
<b>The US GSP in Numbers</b>	<b>17</b>
Top 15 US GSP beneficiary Countries	17
Top 25 US GSP Imports	18
<b>Total US Imports from Countries which are GSP Beneficiaries</b>	<b>19</b>
<b>Definition of GSP Utilization Rates and the Measurement Methodology</b>	<b>20</b>
<b>Utilization of the US GSP Scheme by the Top 15 Beneficiaries</b>	<b>21</b>
<b>Top US GSP Imports from Major Beneficiary Countries</b>	<b>22</b>
<b>Recent Updates to the US GSP Program</b>	<b>37</b>
<b>India and Turkey Removed from the GSP Program</b>	<b>38</b>
Top 20 US Imports from India under all Trade Programs	38
Top 20 US Imports from India under the GSP Scheme	42
US GSP Figures: India	44
Top 20 US Imports from Turkey under all Trade Programs	45
Top 20 US Imports from Turkey under the GSP Scheme	48
US GSP Figures: Turkey	50
<b>India &amp; Turkey Possible Beneficiaries of the US – China Trade War?</b>	<b>50</b>
<b>The US GSP Opportunity</b>	<b>51</b>
<b>Pakistan – US Bilateral Trade</b>	<b>55</b>
<b>Pakistan's GSP Status</b>	<b>57</b>

Top 20 US Imports from Pakistan under all Trade Programs (HS-08 Level)	58
Top 10 US Imports from Pakistan under the GSP Scheme (HS-02 Level)	59
Trade Potential for Pakistan under the US GSP Program	60
Top US Imports from Pakistan under the GSP Scheme (HS-08 Level)	60
US High Potential Imports from Pakistan (HS-06 Level) – under GSP	64
Top 20 Potential Imports from Pakistan (HS-06 Level)	64
<b>Annexure 1</b>	<b>66</b>
Removal of GSP benefits from India and Turkey – an Opportunity for Pakistan?	66
<b>Annexure 2</b>	<b>70</b>
<b>Sources</b>	<b>91</b>

# List of Tables

Table 1: High Potential Import Items for GSP Benefit (HS-06 Level)	9
Table 2: Documents Needed to Ensure GSP Duty-Free Treatment	16
Table 3: Top 15 US GSP Beneficiaries in 2019	17
Table 4: Top 25 US GSP Imports in 2019	18
Table 5: Top 10 US GSP Imports from Thailand	22
Table 6: Top 10 US GSP Imports from Indonesia	23
Table 7: Top 10 US GSP Imports from Brazil	24
Table 8: Top 10 US GSP Imports from the Philippines	25
Table 9: Top 10 US GSP Imports from Cambodia	26
Table 10: Top 10 US GSP Imports from South Africa	27
Table 11: Top 10 US GSP Imports from Ecuador	28
Table 12: Top 10 US GSP Imports from Argentina	29
Table 13: Top 10 US GSP Imports from Pakistan	30
Table 14: Top 10 US GSP Imports from Burma	31
Table 15: Top 10 US GSP Imports from Sri Lanka	32
Table 16: Top 10 US GSP Imports from Egypt	33
Table 17: Top 10 US GSP Imports from Kazakhstan	34
Table 18: Top 10 US GSP Imports from Tunisia	35
Table 19: Top 10 US GSP Imports from Georgia	36
Table 20: Top 20 US Imports from India	39
Table 21: Top 20 US Imports from India under the GSP Scheme	42
Table 22: US GSP Figures – India	44
Table 23: Top 20 US Imports from Turkey	45
Table 24: Top 20 US Imports from Turkey under the GSP Scheme	48
Table 25: GSP Figures – Turkey	50
Table 26: Top 50 US GSP Imports from the World	51
Table 27: Pakistan: GSP Figures and Facts	57
Table 28: US GSP Imports from Pakistan (HS-02 Level)	57
Table 29: Top 20 US Imports from Pakistan (HS-08 Level)	58
Table 30: Top 10 US Imports from Pakistan under the GSP Scheme (HS-02 Level)	59
Table 31: Top US GSP Imports from Pakistan (HS-08 Level) under Table 30	60
Table 32: Top 20 US Potential Imports from Pakistan (HS-06 Level)	64
Table 33: Trade Effects of India’s GSP Removal	66
Table 34: India: GSP Utilization Rate	67
Table 35: Trade Effects of Turkey’s GSP Removal	68
Table 36: Top 15 US GSP Beneficiaries (2019)	70
Table 37: Top US Imports from India (2018)	71

Table 38: Top US GSP Imports from Turkey (2018)	72
Table 39: Top US Imports from Pakistan (HS-02 Level)	73
Table 40: Top 20 US GSP Imports from Pakistan (HS-08 Level)	74
Table 41: US GSP Imports from Pakistan with Value Greater than \$1.0 million	76
Table 42: Pakistan's Other High Potential Items (HS-06 Level)	78
Table 43: List of GSP Items under Trade Potential from Table 32	80
Table 44: Top 200 US GSP imports from World (2019)	82

# List of Figures

Figure 1: US GSP in Numbers	17
Figure 2: Total US Imports from Countries which are GSP Beneficiaries	19
Figure 3: Categorization of Preferential Imports by Duty Schemes	20
Figure 4: GSP Utilization and Proportion of Total Imports	21
Figure 5: Top Thai Exports to the US under GSP	37
Figure 6: India's Global Engineering Exports	43
Figure 7: Pakistan – US Bilateral Trade	55
Figure 8: Country-wise FDI – Pakistan	55
Figure 9: Sector-wise FDI – Pakistan	55
Figure 10: Pakistan's Export Concentration	56
Figure 11: US Imports from Pakistan CAGR (2015-19)	56
Figure 12: EU GSP Plus	90
Figure 13: Export Incentives offered by the Government of India	90

## Acknowledgements

Team Leader  
**Samir S. Amir**

Lead Researcher  
**Ramsha Hameed**

## Disclaimer

The findings, interpretations and conclusions expressed do not necessarily reflect the views of the Board of Directors and Members of the Pakistan Business Council or the companies they represent.

Any conclusions and analysis based on the data from USITC DataWeb, ITC Trade Map, ITC Market Access Map, Pakistan Bureau of Statistics, UN COMTRADE, the World Bank and World Integrated Trade Solution are the responsibility of the author(s) and do not necessarily reflect the opinion of the ITC or the World Bank. Although every effort has been made to cross-check and verify the authenticity of the data, the Pakistan Business Council, or the author(s), do not guarantee the data included in this work. All data and statistics used are correct as of 3rd August, 2020 and may be subject to change.

For any queries or feedback regarding this report, please contact [samir@pbc.org.pk](mailto:samir@pbc.org.pk) or [ramsha@pbc.org.pk](mailto:ramsha@pbc.org.pk)

# The Pakistan Business Council: An Overview

---

The Pakistan Business Council (PBC) is a business policy advocacy platform, established in 2005 by 14 (now 83) of Pakistan's largest private-sector businesses and conglomerates, including multinationals. PBC businesses cover nearly all sectors of the formal economy. It is a professionally-run organization headed by a full-time chief executive officer.

The PBC is a not-for-profit entity, registered under Section 42 of the Companies Ordinance 1984. Though it is not required under the law to do so, the PBC follows to the greatest extent possible, the Code of Corporate Governance as applicable to listed companies.

The PBC is a pan-industry advocacy group. It is not a trade body nor does it advocate for any specific business sector. Rather, its key advocacy thrust is on easing barriers to allow Pakistani businesses to compete in regional and global arenas. The PBC conducts research and holds conferences and seminars to facilitate the flow of relevant information to all stakeholders in order to help create an informed view on the major issues faced by Pakistan.

The PBC works closely with relevant government departments, ministries, regulators and institutions, as well as other stakeholders including professional bodies, to develop consensus on major issues which impact the conduct of business in and from Pakistan. The PBC has submitted key position papers and recommendations to the government on legislation and other government policies affecting businesses. It also serves on various taskforces and committees of the Government of Pakistan as well as those of the State Bank, the SECP and other regulators with the objective to provide policy assistance on new initiatives and reforms.

## The PBC's Founding Objectives

---

- To provide for the formation and exchange of views on any question connected with the conduct of business in and from Pakistan.
- To conduct, organize, set up, administer and manage campaigns, surveys, focus groups, workshops, seminars and fieldwork for carrying out research and raising awareness in regard to matters affecting businesses in Pakistan.
- To acquire, collect, compile, analyze, publish and provide statistics, data analysis and other information relating to businesses of any kind, nature or description and on opportunities for such businesses within and outside Pakistan.
- To promote and facilitate the integration of businesses in Pakistan into the World economy and to encourage in the development and growth of Pakistani multinationals.
- To interact with governments in the economic development of Pakistan and to facilitate, foster and further the economic, social and human resource development of Pakistan.

# The PBC's Member Companies





LOTTE



NIMIR



SIEMENS

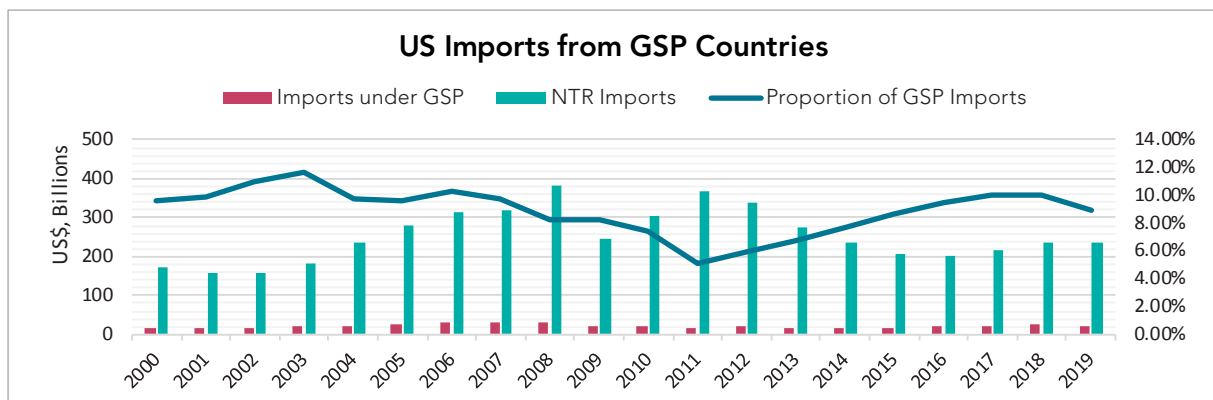
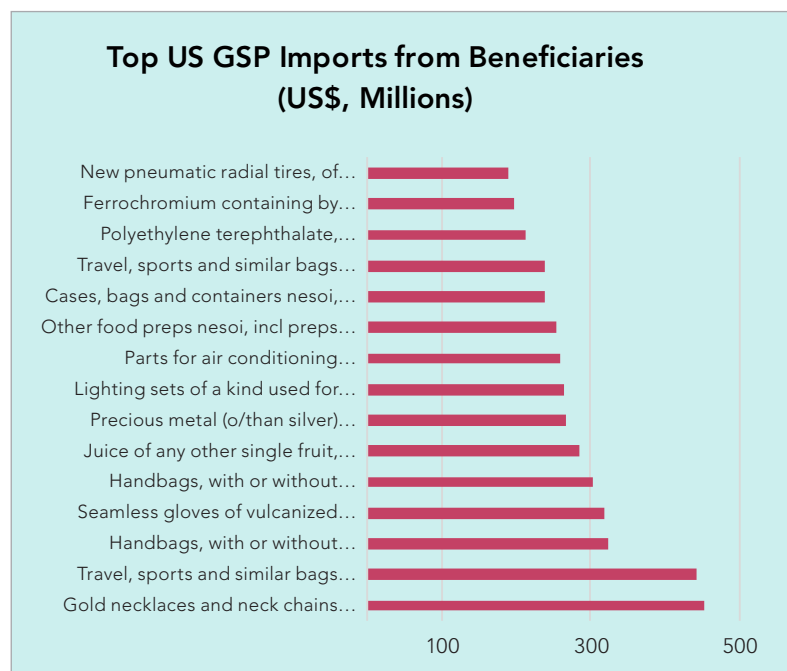


## Executive Summary

The United States GSP program provides preferential duty-free entry for about 5,000 products imported into the US. A total of 119 beneficiary developing countries (BDCs) and territories, and 44 least developed beneficiary developing countries (LDBDCs) benefit from this program. The Scheme's stated goal is to promote the development of emerging economies; to stir economic growth via the promotion of trade; to stimulate US exports in the markets of developing countries; and to promote trade liberalization in beneficiary countries.

In 2019, the US imported \$20.8 billion worth of goods under the GSP program, with Thailand (\$4.8 billion) taking the top position followed by Indonesia (\$2.7 billion), Brazil (\$2.2 billion), and the Philippines (\$1.8 billion).

Despite the GSP being one of the largest trade programs of the US, the graph below indicates that US imports entering under the GSP program have been relatively static, averaging about 10.0 percent per year of all imports from GSP beneficiaries. Several factors could explain this phenomenon including the uncertainty based around the short-term GSP renewals and long pauses between program authorization periods. Moreover, the suspension, termination or graduation of some countries from GSP eligibility, the exclusion of certain products due to CNLs and the entry of some countries into FTAs with the US and thus being removed from the GSP scheme, are other reasons for the static growth rate in GSP imports from beneficiaries.



In 2019, President Trump removed India and Turkey, two of the largest beneficiaries, from the GSP program. India was removed due to insufficient access provided to US exporters, whereas Turkey was removed due to rapid growth of the Turkish economy. Before its removal from the program, the preferential trade treatment for India under the GSP program allowed close to \$6.3 billion (2018) worth of Indian imports to enter the US

duty-free. Analysis of US imports from India indicates that for all 1,945 product lines at the HS-08-digit level that benefited from duty-free access in 2018, imports from India for the same items in 2019 increased to \$9.5 billion, a rise of \$824.9<sup>1</sup> million, or 9.4 percent from the previous year. With the removal of India's GSP status, almost half of the product lines imported under the category of textiles and textile articles, previously eligible for duty-free entry into the US, witnessed a decline in import value. To ensure India's exports to the US do not suffer a loss of competitiveness once the concessional duties enjoyed under the GSP were withdrawn, the Government of India extended rebate schemes to allow reimbursement of duties on several GSP eligible items.

Similar is the case for Turkey, where the US imported more than \$1.9 billion under the GSP scheme in 2018, making Turkey one of the largest beneficiary of the program. Analysis of the US's total imports from Turkey shows that despite the loss of duty benefits, Turkey still managed to increase its exports to the US by 8.1 percent in 2019 for all goods that were eligible for GSP benefits in 2018.

A recent report by the Coalition for Generalized System of Preferences (GSP) revealed that as the US administration had imposed tariffs on a wide range of Chinese goods due to the US – China trade war, US companies resorted to importing goods from countries which were GSP eligible including Turkey, India, Indonesia, Thailand, and Cambodia. Import figures for March and April 2019 indicate that Turkey and India, before they were removed from the program, were among the top two countries benefiting from the GSP program after additional tariffs were imposed on China. According to the same report, 97.0 percent of increased 2019 GSP imports from Turkey are on the China Section 301 list. More specifically, over 97.0 percent of the rising imports from India in 2019 are on the China Section 301 lists. According to the report, due to the US-China trade war, many imports which were eligible for GSP benefits under the Section 301 list shifted from China and diverted to India and Turkey during the first quarter of 2019

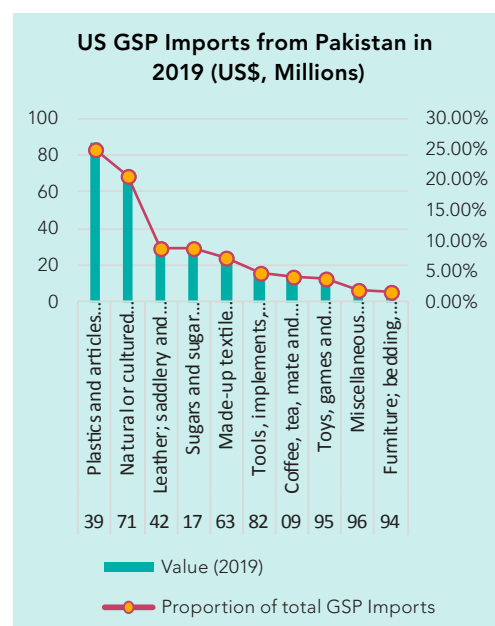
## US – Pakistan Trade

For more than 70 years, Pakistan and the US have built a multifaceted and broad-based relationship. The US plays a significant role in Pakistan's trade. In 2019, the US was Pakistan's largest export destination, with two-way trade reaching a record value of \$6.6 billion with Pakistani exports of \$3.9 billion. In addition to the normal MFN status that Pakistan enjoys in its trade with the US, Pakistan is also a beneficiary of the US GSP scheme. The GSP scheme allows Pakistan to export more than 3,500 items (at the HS-08 Level) to the US duty-free.

This report aims to develop a better understanding of the US GSP scheme and identify opportunities under this trade program for products where Pakistan has international presence and export capabilities, and which can be diverted to the US market.

2019	
Total US Imports from Pakistan	\$3,952.5 million
Imports from Pakistan under GSP	\$344.6 million
GSP as a Percentage of Total Imports	8.72%
Total Imported from Pakistan (GSP Eligible)	\$371.7 million
Utilization rate	92.71%

As of 2019, Pakistan is the ninth-largest beneficiary of the program. Approximately 8.7 percent of the US's total imports from Pakistan, a value of \$344.6 million, were imported under the GSP program.



<sup>1</sup> US imports from India for all GSP-eligible items, including those that did not receive preferential treatment, was \$8.7 billion in 2018. Only \$6.3 billion of Indian imports were given preferential treatment.

The top 10 categories at the HS-02 Level of US GSP imports were valued at \$300.9 million, contributing a share of 87.3 percent to total US imports from Pakistan under the GSP scheme. HS-39 'Plastics ...' was the largest import category under the GSP program. US importers imported \$86.3 million worth of plastics duty-free from Pakistan. Plastics is also one of the top GSP import categories, with over \$1.6 billion imported by the US in 2019. HS-71 'Natural or colored pearls, precious metals' is another top import category from Pakistan with over \$71.5 million imported in 2019, contributing a share of 20.7 percent in Pakistan's total GSP exports to the US.

Pakistan did not fully utilize the GSP scheme in 2019. Even though \$371.7 million goods were eligible for duty-free access into the US, zero duty preference was claimed on imports of \$344.6 million only, leading to a utilization rate of 92.7 percent only. The underutilization of many import items may indicate that Pakistani exporters or US importers are unaware that a product may be eligible for GSP treatment. As a result, they often pay duties on these products even when they don't need to do so. In addition to Table 31 under the section on Trade Potential, Table 41 in Annexure 2 lists 36 items the US imported from Pakistan at the HS-08 level, sorted according to the lowest utilization rates, that had an import value greater than \$1.0 million. It is observed that duty was paid on articles such as leather sports gloves, mittens, and mitts; certain non-cotton pillows, cushions and similar furnishings; certain athletic articles and equipment; miscellaneous iron, and steel articles, and; certain cotton fabrics coated, covered or laminated with plastics. The Government of Pakistan needs to provide information to exporters in Pakistan, and their US counterparts, to help identify GSP-eligible products that are being imported into the US to ensure that GSP benefits are claimed.

This report focuses on the potential for bilateral trade between the two countries. Pakistan's aggregate trade potential to the US for the 20 high potential commodities (at the HS-06 level) amounted to approximately \$2.0 billion in 2019. These contain significant number of items (at the HS-08 level) eligible for GSP benefits. HS-100630 'Rice, semi-milled or wholly milled, ...' holds the highest potential of import to the US worth \$917.7 million; however, the US imported only \$26.7 million worth of this product category from Pakistan. The GSP-eligible tariff line under the above-mentioned 6-digit category is HS-10063010 'Rice semi-milled or wholly milled, whether or not polished or glazed ...'. According to Table 40 in Annexure 2, US imported more than \$31.1 million of HS-10063010 in 2019 globally, whereas it imported only \$3.8 million duty-free from Pakistan. Since Pakistan exported \$1.7 billion worth of rice to the world, Pakistani exporters can look to target the US market and shift resources/production units to export other goods such as rice that fall under the GSP scheme.

Moreover, HS-390761 'Plastics', the second-highest 6-digit GSP category imported by the US from Pakistan, and the 4-digit category under HS-0804 'Dates, figs, guavas, mangoes, etc ...', are among those commodity groups which have a high trade potential, but are currently being exported to the US in small quantities. Given Pakistan's agri-based economy and vast experience in agri-products, exporters should take advantage of the few items under agricultural products that are eligible for duty-free entry into the US. There is also immense potential for articles under HS-621600 'Gloves, mittens and mitts, of all types of textile materials ...'. The item HS-62160046 'Gloves, mittens & mitts, for sports use ...' falls under the category mentioned above and is a GSP eligible product. Since the US imported \$73.4 million under this 8-digit category globally whereas it imported only \$2.8 million from Pakistan, this product has potential for export to the US given Pakistan's substantial export capacity.

Even though certain product categories which Pakistan exports in substantial quantities may not be eligible for GSP benefits (such as textiles, certain footwear and handbags, luggage, work gloves, and certain leather apparel), the government should nevertheless ensure that manufacturers are not deterred from exporting these products as they are significant contributors to the national exchequer. Similarly, product categories that are eligible for GSP benefits but are not exported in substantial quantities and belong to industries that are less-advanced (such as most manufactured items and their inputs, certain agricultural produce, fishery, and industrial products like metals, chemicals, derivatives) need to be promoted by using GSP as a marketing tool.

This report also includes trade analysis under Annexure 1 that aims to study the impact on US imports following the removal of GSP benefits from India and Turkey. An initial analysis of US imports from both India and Turkey indicates that imports of articles previously eligible for duty benefits increased in 2019 despite facing tariff hikes. However, Table 35 indicates some promising commodities that Pakistani exporters can look into for enhancing exports as they seem to have lost significant share in Turkey's exports to the US. These are HS-39076100 'Polyethylene terephthalate ...', HS-68029115 'Monumental or building stone & arts. Thereof ...' and HS-40094100 'Tubes, pipes and hoses of vulcanized rubber ...'. Moreover, approximately \$62.1 million of goods imported free of duty from India under HS-71 'Natural or cultured pearls, precious or semi-precious stones ...' in 2018 now face new tariffs between 1 percent and 7 percent. Since HS-71 is the second-largest GSP category imported by the US from Pakistan, this is also a GSP category in which both India and Turkey are significant import sources for the US, and the removal of these two countries as beneficiaries (in 2019) has opened up considerable potential for Pakistani exporters.

Based on the findings of this study, the PBC recommends that the Government of Pakistan should ensure GSP benefits are claimed by exporters – in 2019, more than \$27.1 million of GSP eligible imports from Pakistan were assessed for duties unnecessarily. It would also be beneficial to use GSP as a market entry tool and focus on goods that are GSP eligible, such as; silk fabrics and apparel including dresses, women's suits, scarves, hand-loomed cotton and fabrics, some types of gloves and mittens, national flags, and hand-loomed and hand-hooked carpets. However, importance also needs to be given to non-traditional export goods, such as jewelry, rubber goods, plastics, motor vehicle parts, which are GSP eligible and imported by the US in substantial quantities. Even though US GSP imports from Pakistan are well below the Competitive Need Limit (CNL), in case Pakistan appears to be nearing any provision of the CNL, Pakistani diplomats need to monitor the CNL thresholds continually and engage in intense diplomacy to seek a waiver in case of a breach. Lastly, at the HS-06 level, Pakistan has an aggregate trade potential to export more than \$2.0 billion to the US for the 20-high potential GSP commodities. According to Table 42, it has a further export potential of \$246.8 million for 30 additional goods to the US. Given these figures at the HS-06 level, the PBC recommends that exporters should look to target the US market and shift resources/production to export goods at the tariff line that fall under the GSP scheme.

# Key Findings

## The US GSP Program

- The United States Generalized System of Preferences (GSP) program provides preferential duty-free entry for about 5,000 products (3,500 for BDC<sup>2</sup>s and 1,500 additional for LDBDC<sup>3</sup>s) imported into the US from 119 BDCs, including 17 non-independent territories and 44 LDBDCs
- The US imported goods worth \$20.8 billion under the GSP program in 2019., Thailand was the largest beneficiary, followed by Indonesia, Brazil, the Philippines, and Cambodia. The top 15 beneficiaries contributed a total of \$16.3 billion to US imports under the scheme in 2019. In the same year, Georgia had the highest<sup>4</sup> GSP utilization<sup>5</sup> rate of 99.6 percent, whereas South Africa had the lowest utilization rate of just 56.3 percent. Moreover, Thailand, the largest beneficiary for 2019, had a 73.3 percent utilization rate
- Not all imported goods from preference-receiving sources are eligible for preferential duties. Key factors explaining low utilization rates include rules of origin and the related administrative burden as well as lack of knowledge of import and export procedures
- In 2018, the US imported goods worth \$6.3 billion from India under the GSP program, and India was the US's 10th largest supplier for total US imports in 2018. For 2019, the top 20 imported items from India, under all trade programs, were valued at \$27.4 billion – a 46.9 percent share of total imports from India which were valued at \$58.4 billion
- The top 20 GSP items imported from India, combined, were valued at \$1.8 billion in 2018; however, US importers failed to fully utilize the GSP program as the total imports, under all tariff programs, for the top 20 GSP eligible products was \$2.1 billion, – indicating a utilization rate of approximately 86.4 percent. The tariff on the US's top 20 GSP imports from India in 2018 increased in 2019 from 0 percent to a range between 2 and 7 percent. The imposition of tariffs did not however, hinder imports of the previously GSP eligible items; instead, for the same goods, the total import value increased in 2019 by \$7.3 million. For all 1,945 product lines previously eligible for GSP, imports for the same items in 2019 rose to \$9.5 billion, an increase of 50.3 percent from its value of \$6.3 billion in 2018. As imports from India rose for its former top 20 GSP items, US imports from the rest of the world for the same goods fell by \$720.4 million
- Overall, US imports from India grew by 50.3 percent<sup>6</sup> in 2019 for articles that were GSP-eligible in 2018. This is due to several factors including additional assistance provided by the Indian government in the form of rebates and other support, as well as the diversion of US imports from China to India due to the US – China trade war<sup>7</sup>
- In 2019, Turkey was the United States 30<sup>th</sup> largest import partner. Turkey was also one of the largest beneficiaries of the US GSP scheme, with over \$1.9 billion imported by the US duty-free in 2018. However, it lost its GSP status in 2019 due to having a high Gross National Income (GNI)

2 BDC – Beneficiary Developing Countries

3 LDBDC – Least Developed Beneficiary Developing Country

4 From the top 15 US GSP beneficiaries

5 Utilization refers to the proportion of trade, which is eligible for trade preferences, and which, in practice, receives preferential treatment

6 The 2018 value used in this calculation only includes goods that were granted duty-free entry

7 GSP countries like India to benefit from US trade war with China: <https://economictimes.indiatimes.com/articleshow/69343500.cms>

- The top 20 GSP goods imported from Turkey in 2018, combined, were valued at \$1.05 billion; however, the total value of US imports from Turkey of these 20 items combined under all tariff programs was \$1.16 billion. This indicates a utilization rate of 90.7<sup>8</sup> percent
- After the implementation of tariffs, Turkey's top 20 GSP exports fell by a combined value of \$59.2 million in 2019, a 5.0 percent decrease from the previous year. However, overall imports from Turkey in 2019 for formerly GSP eligible items increased by \$209.1 million, a rise of 8.1 percent. Moreover, total US imports from Turkey increased in 2019 by \$311.0 million

## US – Pakistan Bilateral and GSP Trade

- In 2019, the US reported \$3.9 billion imports from Pakistan, making it Pakistan's largest export partner.
- As of 2019, Pakistan is the ninth-largest beneficiary of the US GSP scheme. Approximately 8.7 percent of total imports, translating into a value of \$344.6 million, were imported from Pakistan under the GSP program. Even though \$371.7 million goods were eligible for duty-free access into the US in 2019, US importers claimed zero duty preference on \$344.6 million goods, leading to a utilization rate of 92.7 percent
- US imports from Pakistan under the GSP program have grown steadily over the years. They achieved their highest value in 2019, with imports worth \$344.6 million entering the US duty-free, this was up from \$180.4 million in 2015 indicating a CAGR of 17.5 percent
- HS-39 'Plastics ...', was the largest category, with a share of 25.0 percent in total GSP imports by the US, followed by articles of jewelry under HS-71, with a share of 20.7 percent, and a CAGR of 45.6 percent. The top 20 GSP imports (HS-08 level), aggregated, were valued at \$278.2 million, accounting for 80.7 percent of the US's total GSP imports from Pakistan in 2019
- HS-71131950 'Precious metal (o/than silver) articles of jewelry ...' and HS-39076100 'Polyethylene terephthalate ...' are part of the top 15 US imports from Pakistan which are eligible for GSP benefits, with a share of 1.7 percent and 1.5 percent, respectively. The US imported \$5.4 billion of HS-71131950 from the world whereas it imported a mere \$69.2 million from Pakistan – an insignificant share of 1.2 percent in its total imports

## Potential Exports for GSP Eligible Items

- Pakistan's aggregate trade potential for the 20-high potential GSP eligible items at HS-06 amounted to approximately \$2.0 billion in 2019. Many of these products fall under the category of plastics, leather, textile, cereals, edible vegetables, and edible fruits. Table 32 on Page 64 shows that HS-39 'Plastics' as a category had the highest exports under the GSP (at the HS-06 level) with a combined export value of \$66.4 million in 2019, whereas Pakistan had the potential to increase its exports by another \$244.2 million. Since US demand for this product category (for the items listed in the table) exceeds \$1.7 billion, Pakistani plastic exporters should look more carefully into this product category for enhancing exports and availing tariff benefits
- As of 2019, Pakistan is the world's third-largest exporter of HS-100630 'Semi-milled or wholly milled rice...', exporting more than \$1.7 billion globally, with a 9.1 percent share in total world exports. Imports of HS-10063010 are GSP eligible, and the US imported \$31.1 million worth of the item in 2019. Pakistan should consider exporting more to the US given its significant export capacity

8 \$1.05 billion / \$1.16 billion = 90.7%

- There is also immense potential for articles under HS-621600 'Gloves, mittens and mitts, of all types of textile materials ...'. Pakistan exported over \$2.8 billion in 2019 under HS-62 'Articles of apparel, not knitted'. The item HS-62160046 'Gloves, mittens & mitts, for sports use ...' falls under the category mentioned above and is a GSP eligible product. Since the US imported \$73.4 million under this 8-digit category globally whereas it imported only \$2.8 million from Pakistan, this product has potential for export to the US given Pakistan's substantial export capacity
- Pakistan is considered to be a hub for producing high-quality leather and leather products. Again in Table 32 on Page 64, three items fall under the leather sector, namely HS-420321 'Gloves, mittens and mitts ...', HS-410712 'Whole hides & skins of leather ...' and HS-410792 'Leather, other, inc. sides full grains ...', that show a combined potential of \$167.6 million
- Another promising category is HS-0804 'Dates, figs, guavas, mangoes, etc ...'. Approximately \$3.7 million of guavas, mangoes, and dates were imported by the US from Pakistan under the GSP program, whereas Pakistan has the potential to supply more than \$162.2 million. Given Pakistan's agri-based economy and vast experience in agri-products, exporters should take advantage of the few items under agricultural products that are eligible for duty-free entry into the US
- Following the withdrawal of duty privileges for India and Turkey, an opportunity has arisen for Pakistan to capture part of the \$1.9 billion GSP imports of Turkish goods and \$6.3 billion of Indian goods imported under GSP
- As India lost its GSP status in 2019, more than \$62.1 million of goods imported free of duty under HS-71 'Natural or cultured pearls, precious or semi-precious stones ...' in 2018 now face tariffs between 1 and 7 percent<sup>9</sup>. Similar is the case with Turkey that exported \$228.9 million of items under this same category. HS-71 is the second-largest category imported by the US from Pakistan under the GSP scheme. Since this is a GSP category in which both India and Turkey are significant import sources for the US, the removal of these two countries as beneficiaries (in 2019) has opened up considerable potential for Pakistani exporters
- Despite the loss of duty benefits, Turkey still managed to increase its exports to the US by 8.1 percent for goods that were eligible for GSP benefits in 2018. However, as Table 35 on Page 68 indicates, there are some promising commodities that Pakistani exporters can look into for enhancing exports as they seem to have lost significant share in Turkey's exports to the US, given the spike in US tariffs. These are HS-39076100 'Polyethylene terephthalate ...', HS-68029115 'Monumental or building stone & arts. Thereof ...' and HS-40094100 'Tubes, pipes and hoses of vulcanized rubber ...'
- The GSP program imposes quantitative ceilings called Competitive Need Limitations (CNLs) on GSP benefits for all tariff items and BDCs. The GSP statute provides that a BDC is to lose its GSP eligibility with respect to a product if the CNLs are exceeded and if no waiver is granted. There are two different measures for CNLs: when U.S. imports of a particular product from a BDC during any calendar year (1) account for 50 percent or more of the value of total U.S. imports of that product; or (2) exceed a certain dollar value. In accordance with the GSP statute, the dollar-value limit is increased by \$5 million annually; the 2019 limit is \$190 million. Products from a specified BDC are considered "sufficiently competitive" when imports exceed one of these limits

<sup>9</sup> FAS.org - *Trump Administration's Proposed Removal of Generalized System of Preferences (GSP) Benefits for India and Turkey: GSP removal would reinstitute US tariffs, which, for instance, range between 1% and 7% on the top 15 US GSP imports from India, and between 1.9% and 5.5% on the top 15 US GSP imports from Turkey*

## Recommendations

---

**Ensure GSP benefits are claimed:** To fully benefit from the program, Pakistan needs to ensure better utilization of the GSP program. For 2019, \$371.7 million of goods were eligible for duty-free entry into the US; however, importers availed the benefit for \$344.6 million only, indicating a utilization rate of 92.7 percent. The remaining \$27.1 million in US imports from Pakistan were assessed for duties unnecessarily. Table 41 in Annexure 2 shows that, in 2019, the US imported 36 GSP eligible items from Pakistan at the HS-08 level that had an import value greater than \$1.0 million. This list is sorted according to commodities that indicate the lowest level of utilization. The low utilization level of many export items may indicate that Pakistani exporters or US importers are unaware that a product may be eligible for GSP treatment. As a result, they often pay duties on these products even when they don't need to. Analyzing Tables 31, 40 and 41, it is seen that duties were paid on articles such as leather sports gloves, mittens, and mitts; certain non-cotton pillows, cushions and similar furnishings; certain athletic articles and equipment; miscellaneous iron, and steel articles, and; certain cotton fabrics coated, covered or laminated with plastics. There is a need for the Government of Pakistan to provide information to exporters in Pakistan, and US importers, to help identify GSP-eligible products that are being imported into the US and to ensure that GSP benefits are claimed.

**Diversify and focus on emerging industries:** Analysis of Pakistan's export performance reveals that its export base is quite narrow and highly concentrated in a few commodities, namely textiles, apparel, leather, rice, chemicals, pharmaceuticals, and sports goods. For Pakistan, it would be beneficial to use GSP as a market entry tool and focus on goods that are GSP eligible, such as; silk fabrics and apparel including dresses, women's suits, scarves, hand-loomed cotton and fabrics, some types of gloves and mittens, national flags, and hand-loomed and hand-hooked carpets. However, importance also needs to be given to non-traditional export goods, some of which are GSP eligible and imported by the US in substantial quantities. These include items under jewelry, rubber goods, plastics, motor vehicle parts, electric fixtures, and fittings, etc. Table 26 on Page 51 lists the top 50 US GSP imports from the world which Pakistani manufacturers can look to exploit.

**Trade Diplomacy could be the key for Pakistan:** The Competitive Needs Limit (CNL) provision in the US GSP program will be a significant barrier if Pakistan is to ramp up exports under the Program in the medium to long-term. A country loses its GSP eligibility for a product if a) total imports from a beneficiary exceed 50% of total US imports of that product or b) when imports exceed a specific dollar value, which in 2019 was \$190 million. There is, however, a provision for a waiver that can be granted by the US government. Though US GSP imports from Pakistan are well below the CNL thresholds, Pakistan's diplomats need to monitor the CNL thresholds continually and engage in intense diplomacy to seek a waiver in case Pakistan appears to be nearing exceeding any provision of the CNL.

**Use GSP for Market Diversification:** At the HS-06 level, Pakistan has an aggregate trade potential to export more than \$2.0 billion to the US for the 20-high potential GSP commodities. It has a further export potential of \$246.8 million for 30 additional goods to the US<sup>10</sup>. Given these figures at the HS-06 level, exporters can look to target the US market and shift resources/production to export goods at the tariff line that fall under the GSP scheme.

Pakistan exports certain goods to other countries, of which US is a significant importer. Many of these items are eligible for GSP treatment upon entering the US, such as; some footwear uppers and upperparts, parts and accessories of motor vehicles, leather handbags and gloves and certain types of plastics. There are also certain products under the category of fresh fruits and vegetables of which Pakistan exports significant quantities

---

10 See table 42 in Annexure 2

globally. Agri-exporters can focus on the US market and take advantage of the items eligible for duty-free access into the US. The following list is compiled according to commodities that indicate the highest potential to increase exports to the US, given Pakistan's supply capacity and high global demand. Moreover, Table 43 in Annexure 2 lists 41 goods at the tariff line eligible for GSP benefits that fall under the 6-digit product categories listed below.

**Table 1: High Potential Import Items for GSP Benefit (HS-06 Level)**

HTSUS Number	Description
070310	Onions and shallots, fresh or chilled
080410	Dates, fresh or dried
080450	Guavas, mangoes and mangosteens, fresh or dried
091091	Mixtures of two or more spices provided for separately in different headings of this chapter
100630	Rice, semi-milled or wholly milled, whether or not polished or glazed
170410	Chewing gum, whether or not sugar coated
170490	Sugar confectionary (including white chocolate), not containing cocoa, nesoi
210690	Food preparations nesoi
390761	Polyethylene terephthalate having a viscosity of 78 ml/g or higher
392062	Plates, sheets, film, foil and strip of plastics, not self-adhesive, non-cellular, not reinforced etc., of polyethylene
410712	Whole hides & skins of leather, full grains, grain split,
410792	Leather, other, inc. Sides full grains, grain split, further preped after tanning
420321	Specially designed gloves for use in sport, of leather or composition leather
611610	Gloves impregnated, coated or covered with plastics or rubber, knitted or crocheted
611692	Gloves nesoi, mittens and mitts, of cotton, knitted or crocheted
761510	Aluminum table, kitchen or other household articles and parts thereof; pot scourers, scouring or polishing pads, gloves
821420	Manicure or pedicure sets and instruments (including nail files) and base metal parts thereof
841451	Fans, table, floor, wall, window, ceiling or roof, with self-contained electric motor of an output not exceeding 125 w
940490	Articles of bedding and similar furnishings (except mattresses and sleeping bags),
950662	Inflatable balls

## Study Objectives

---

- To develop a better understanding of the Generalized System of Preferences (GSP) in general and the US GSP program in particular
- Identify the current top beneficiary countries of the US GSP program and the major items imported by US importers under the program
- Plot import trends of major US GSP imports through the Cumulative Annual Growth Rate (CAGR) method to identify high potential items
- Study the likely impact on US imports under the GSP program after the withdrawal of the GSP facility from Turkey & India in 2018
- To assess the US GSP scheme's impact on Pakistan's exports to the US, with a particular emphasis on the period 2015-2019
- To identify opportunities under the US GSP scheme for products where Pakistan has some international presence and export capabilities, and which can be diverted to the US market.
- To make general recommendations to policymakers and industry to exploit the untapped opportunities available in the US market under the GSP program so as to enhance Pakistan's exports to the US

## Data Limitations

---

- To minimize discrepancy in trade data, values for US imports from all countries, including Pakistan, have been sourced from USITC DataWeb<sup>11</sup>
- The United States reports trade data using product codes at the HS-08 level, which are different from those used by Pakistan Customs. Therefore, products which are listed as eligible for GSP benefits by USTR, cannot be fully matched with trade data reported by Pakistan and currently available on Trade Map<sup>12</sup>
- Due to the mismatch of data between Trade Map and USITC, there is the possibility that estimates of trade potential<sup>13</sup> for some GSP eligible items may have been overstated in this report. This report primarily aims to identify product lines based on US data for the benefit of Pakistani exporters. It is hoped that Pakistani exporters are in a better position than the authors to tweak and exploit these opportunities

---

11 [Dataweb.usitc.gov](http://Dataweb.usitc.gov)

12 [Trademap.org](http://Trademap.org)

13 See Table 32 on Trade Potential

# Acronyms

---

AGOA	African Growth and Opportunity Act
BDC	Beneficiary Developing Country
BMC	Bush & Mount Co.
CAGR	Compound Annual Growth Rate
CBI	Caribbean Basin Initiative
CNL	Competitive Need Limit
EBA	Everything but Arms
EU	European Union
FAS	Federation of American Scientists
FDI	Foreign Direct Investment
FIEO	Federation of Indian Export Organizations
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GNI	Gross National Income
GPT	General Preferential Tariff
GoP	Government of Pakistan
GSP	Generalized System of Preferences
HS	Harmonized System of Tariff nomenclature
LDBDC	Least Developed Beneficiary Developing Countries
MFN	Most Favored Nation
NTR	Normal Trade Relations
PTA	Preferential Trade Agreement
ROO	Rules of Origin
RoSCTL	Rebate of State & Central Tax Levies Scheme
SME	Small and Medium-Sized Enterprises
TPSC	Trade Policy Staff Committee
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
US	United States of America
USD	United States Dollar
USITC	United States International Trade Commission
USTR	United States Trade Representative
WTO	World Trade Organization



## Introduction

---

For more than 70 years, Pakistan and the US have built a multifaceted and broad-based relationship. Since the Cold War era, the US and Pakistan have been strategic partners, where robust economic and cultural cooperation complements the strategic and security relationship between the two countries. The US has historically been one of Pakistan's most important development partners and remains a significant foreign direct investment source.

On the trade front, the US is Pakistan's largest export destination. Two-way trade between Pakistan and the US reached a record high of \$6.6 billion in 2019. In addition to the normal MFN status that Pakistan enjoys in its trade with the US, it is also a beneficiary of the US GSP scheme. The GSP scheme allows Pakistan to export more than 3,500 goods (at the HS-08 Level) to the US duty-free. In 2019, the US imported more than \$344.6 million from Pakistan under this preferential program; this accounted for nearly 8.7 percent of total US imports from Pakistan.

Pakistan and the US have also signed a Trade and Investment Framework Agreement (TIFA) to expand bilateral trade and investment in goods and services. Despite several engagements in the economic and trade area, there has been no progress regarding the signing of a possible FTA between the two countries. For the moment, the US has stated that it will not be signing an FTA with Pakistan in the near future.

This report titled *Pakistan and the US GSP Opportunity*, starts by giving a brief overview of the GSP scheme in general and the US GSP scheme in particular. It then examines the requirements for eligibility as well as recent legislative developments regarding the preferential treatment given under the US GSP program. The report then describes the implementation of the US GSP program and the economic outcomes witnessed by its recipients. It then provides a brief analysis of the opportunities created for Pakistan by the removal of both India and Turkey from the list of GSP beneficiaries. Before concluding, the report analyzes the benefits accrued to Pakistan as a GSP beneficiary and concludes by discussing possible options for the Government of Pakistan and Pakistani exporters to fully utilize the trade preference program.

## Overview of the GSP Program

---

The Generalized System of Preferences (GSP) was instituted in 1971 under patronage of UNCTAD<sup>14</sup> and is primarily designed to create an enabling trading platform for developing countries. The objective of this non-reciprocal system of preferences is to promote productive capacity development and increased trade, mainly for least developed countries (LDCs) to increase their export earnings, promote industrialization and to accelerate the rate of economic growth.

## International GSP Programs

---

There are 13 developed countries that implement GSP programs. They are Australia, Belarus, Canada, the European Union, Iceland, Japan, Kazakhstan, New Zealand, Norway, the Russian Federation, Switzerland, Turkey and the United States of America. Each of these preference-granting countries have established particular criteria and conditions for defining and identifying developing country beneficiaries and have exempted duties on most manufactured items and certain 'import sensitive' agricultural goods for these beneficiaries. In terms of GSP product coverage, the EU's program, which offers 'Everything but Arms (EBA),' for LDCs, is the most inclusive. The EU also offers specific incentive-based programs that provide enhanced benefits to beneficiaries that demonstrate the commitment to ratify and implement the 27 conventions required under the EU GSP+ program<sup>15</sup>.

Canada's General Preferential Tariff (GPT), first implemented in 1974, provides duty-free or reduced tariff rates for designated developing country beneficiaries. It was introduced to help developing countries increase their exports by providing tariff reductions up to one-third of the Most Favored Nation (MFN) rate. The preference scheme is currently authorized until December 31, 2024.

Japan's GSP Program provides preferential tariff treatment to 138 developing countries and five territories. Reduced or duty-free status is provided for 408 products in the agricultural and fisheries sectors and 3,151 industrial/manufactured products. Forty-seven LDCs receive duty-free quota-free market access for the products mentioned above and for other additional items.

---

14 United Nations Conference on Trade and Development

15 See Annexure 2 for the three different preference arrangements offered under the EU GSP+ program

## The US GSP Program

The United States GSP program was authorized under the Trade Act of 1974 and came into force on January 1, 1976. The scheme provides preferential duty-free entry for about 5,000 products imported into the United States from 119 designated Developing Beneficiary Countries (BDCs) and territories, and 44 Least Developed Beneficiary Developing Countries <sup>16</sup>(LDBDCs). All products that are eligible for preferential treatment under the scheme enter duty-free into the United States. Other US trade preference programs are regionally focused, including the African Growth and Opportunity Act (AGOA) and the Caribbean Basin Initiative (CBI, includes preference programs for Haiti).

For an import to qualify for duty-free treatment under the US GSP program, it must fulfil the following three requirements:

- i) It must be from a designated beneficiary country;
- ii) It must be eligible for GSP treatment;
- iii) It must meet the GSP rules of origin.

Many, but not all, developing countries and territories are designated as GSP beneficiaries. The US GSP program distinguishes between two categories of countries. Forty-four are considered to be LDBDCs whereas one-hundred and nineteen are categorized as BDCs. LDBDCs enjoy two advantages not shared by BDCs: over 1,500 additional products are eligible for GSP treatment and, imports from these LDBDCs are not subject to the Competitive Needs Limitations (CNLs). Moreover, the GSP status of a BDC may be terminated, suspended or limited if it is determined that a country is sufficiently competitive or developed.

In May 2019, US President Donald Trump terminated Turkey's GSP eligibility for this reason. Mandatory GSP country graduation occurs when a country is deemed to be a 'high income country' as defined by World Bank statistics (a Gross National Income per capita of more than or equal to \$12,055 as of July 1, 2019). Countries like Seychelles, Uruguay and Venezuela had previously graduated from the program as they were considered 'high income' countries, effective January 1, 2017.

A country may also be suspended, withdrawn or terminated from the program if does not comply with one or more of the program's requirements. On May 31, 2019, India was removed as a GSP beneficiary due to inequitable access given to US exporters to its markets. Additionally, if a country becomes part of an association of countries specifically excluded from the GSP scheme, that country is mandatorily withdrawn from it. Similarly, if a developing country enters into a free trade agreement (FTA) with the US, it may lose its GSP eligibility in favor of the FTA's reciprocal concessions.

Articles eligible for duty-free treatment are defined at the eight-digit level of the Harmonized Tariff Schedule of the United States (HTSUS). Products eligible for GSP treatment include most dutiable manufactures and semi-manufactures, selected agricultural, fishery, and primary industrial products. However, 'import-sensitive' products (e.g., most textiles and apparel) are expressly excluded, and limits are placed on the quantity or value of any one product imported from any one beneficiary. Eligible products are identified by the letter A. This designation is further qualified in the case of products for which some countries are denied duty-free treatment (A\*) and products that are eligible for duty-free treatment only when imported from an LDBDC (A+).

Eligible products must also meet specific Rules-Of-Origin (ROO) requirements to receive duty-free treatment. Items are eligible for duty-free treatment if they are imported directly into the US from the beneficiary country,

<sup>16</sup> LDBDCs are designated as such pursuant to section 502(a)(2) of the Trade Act of 1974, as amended, and, in practice, are typically GSP beneficiaries that are on the United Nations' list of least developed countries

without passing through the territory/commerce of any other country. Moreover, at least 35.0 percent of the appraised value of the article imported must be the 'growth, product, or manufacture' of a beneficiary country. Imported materials can be counted towards the 35.0 percent value-added requirement only if they are "substantially transformed" into new and different constituent materials of which the eligible article is composed.

**Table 2: Documents Needed to Ensure GSP Duty-Free Treatment**

<b>The US Customs and Border Protection may request for various documents to ensure GSP treatment. Examples include:</b>	Another restriction that the scheme imposes apart from ROO is Competitive Needs Limit (CNL) requirements. CNLs are intended to prevent the scheme's extension to countries that are already competitive in the production of an item. CNLs set a ceiling on GSP benefits for each product and country. The US can suspend GSP treatment for BDCs if imports of a single product from a beneficiary exceeds a specific value, which increases by \$5 million each year (i.e., \$190 million in 2019 and \$195 million in 2020); or 50.0 percent or more of total US imports of a product entering under the GSP program comes from a single country. However, BDCs may petition for CNL waivers which are reviewed on a case by case basis. LDBDCs are exempt from CNL requirements.
GSP Declaration (see 19 CFR Part 10.173)	
Bill of Materials	
Invoices	
Purchase Orders	
Production records kept in the ordinary course of business	
Payroll information to document labor costs	
Factory profile	
Affidavit with supporting documentation	

CNLs can be waived if: Interested parties petition for a waiver during the annual review process; eligible articles are not produced in the US; or petition for a *De Minimis* waiver is submitted incase total US imports for an item are less than a certain value (\$24.5 million in 2019).

The GSP Subcommittee of the Trade Policy Staff Committee (TPSC), chaired by USTR, conducts an annual review during which changes can be considered to the list of articles and countries eligible for duty-free treatment under the preference scheme. These modifications are then implemented by executive order, or by Presidential Proclamation, published in the Federal Register, and are then reflected in the HTSUS posted by the USITC.

## Goal of the US GSP Scheme

The US GSP scheme's stated goal is to promote the development of emerging economies, to stir economic growth via the promotion of trade and not through aid, to stimulate US exports in the markets of developing countries and to promote trade liberalization in beneficiary countries. Since the economic success of a country is dependent on several factors such as governance, stability, availability of infrastructure and sound economic policies with the provisions of institutions as well as legal and financial frameworks that encourage foreign investment, it is difficult to gauge the success of any single program that developed countries may offer to assist poorer countries. External macroeconomic factors, including global economic growth, exchange rates, worldwide economic shocks, and regional stability, may also impact a developing country's growth.

## The US GSP in Numbers

FIGURE 1: US GSP in Numbers

### The US GSP Program

Year GSP first instituted: **1976**

Total US imports under GSP in 2019: **\$20.8 billion**

Number of GSP beneficiary countries and territories: **119**

Number of GSP beneficiaries that are least developed countries (LDCs): **44**

### Top 15 US GSP Beneficiary Countries

The following table lists the top 15 GSP beneficiaries in 2019. The US imported \$20.8 billion under the GSP program in 2019. Thailand was the top beneficiary followed by Indonesia, Brazil, the Philippines, and Cambodia. The top 15 beneficiaries exported a total of \$16.3 billion to the US under the scheme.

Table 3: Top 15 US GSP beneficiaries in 2019

Beneficiaries	Ranking	Imports Under GSP (US\$, Billions)
Thailand	1st	4.83
Indonesia	2nd	2.70
Brazil	3rd	2.28
Philippines	4th	1.87
Cambodia	5th	1.60
South Africa	6th	0.75
Ecuador	7th	0.49
Argentina	8th	0.38
Pakistan	9th	0.34
Burma	10th	0.28
Sri Lanka	11th	0.20
Egypt	12th	0.19
Kazakhstan	13th	0.16
Tunisia	14th	0.15
Georgia	15th	0.11

Source: USITC DataWeb

## Top 25 US GSP Imports

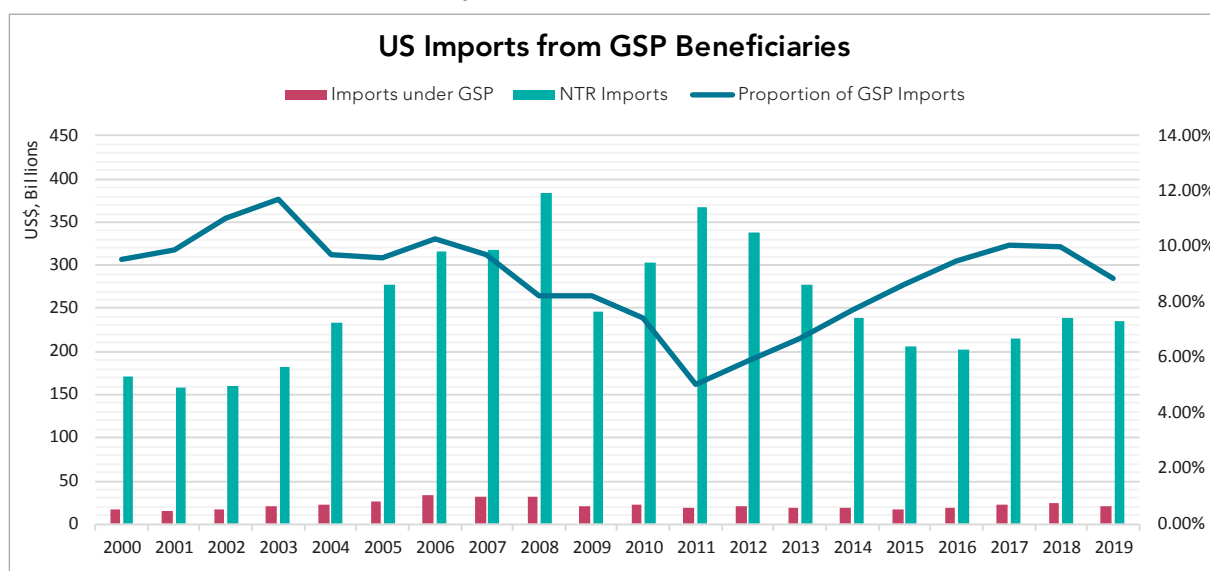
**Table 4: Top 25 US GSP Imports in 2019**

HTSUS Code	Description	Value (2018) US\$	Value (2019) US\$	Growth Rate (2015-19)
71131929	Gold necklaces and neck chains (o/than of rope or mixed links)	428,997,701	452,485,602	23.63%
42029231	Travel, sports and similar bags with outer surface of MMF textile materials	180,301,159	441,701,831	-
42022215	Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics	197,348,188	324,437,527	-
40151910	Seamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves	293,581,162	319,510,922	6.58%
42022190	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesoi, over \$20 ea.	220,184,248	302,397,401	-
20098970	Juice of any other single fruit, nesoi, (including berries), concentrated or not concentrated	40,644,116	285,212,102	-
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	192,401,214	265,896,117	28.23%
94053000	Lighting sets of a kind used for Christmas trees	87,880,754	264,225,933	61.50%
84159080	Parts for air conditioning machines, nesoi	219,236,283	259,545,784	-0.29%
21069098	Other food preps nesoi, incl preps for the manufacture of beverages, non-dairy coffee whiteners, herbal teas and flavored honey	257,227,185	254,936,872	-
42029190	Cases, bags and containers nesoi, other than golf bags, with outer surface of leather, of composition leather	207,030,060	239,398,641	-
42029245	Travel, sports and similar bags with outer surface of plastic sheeting	172,968,637	238,248,796	-
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	205,997,345	213,103,846	-
72024100	Ferrocromium containing by weight more than 4 percent of carbon	365,327,733	197,484,785	-6.51%
40112010	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	163,157,502	189,473,940	21.97%
90015000	Spectacle lenses of materials other than glass, unmounted	171,238,351	172,137,561	4.23%
40111010	New pneumatic radial tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	167,014,344	171,430,084	0.99%
94042100	Mattresses, of cellular rubber or plastics, whether or not covered	5,858,306	155,137,909	321.29%
17049035	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	179,249,306	144,185,817	4.08%
87089968	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for power trains nesoi	151,545,005	143,998,229	15.42%
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	175,862,370	143,903,003	4.14%
44182080	Doors of wood, other than French doors	137,226,085	137,849,863	10.49%
39253010	Blinds (including venetian blinds), of plastics	107,068,188	135,617,388	63.10%
87089475	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705, parts of steering wheels/columns/boxes, nesoi	220,680,911	134,881,252	-8.88%
84831030	Camshafts and crankshafts nesoi	166,078,120	134,241,324	-5.65%

Source: USITC DataWeb

## Total US Imports from Countries which are GSP Beneficiaries

FIGURE 2: Total US Imports from Countries which are GSP Beneficiaries



Source: USITC DataWeb

From 2000 to 2008, US imports<sup>17</sup> from all GSP beneficiaries increased significantly in value terms, from \$172.0 billion in 2000 to a peak of \$384.3 billion in 2008. However, in 2009, imports decreased by 36.0 percent to \$245.7 billion, mainly due to the global financial crisis. Total imports increased in 2011 to \$366.6 billion, but again gradually decreased to \$201.3 billion in 2016. Total imports from GSP-eligible countries picked up in 2017, reaching a value of \$215.0 billion rising further in 2018 to \$238.2 billion. In 2019 imports declined by around \$3.1 billion to reach a final value of \$235.1 billion. One explanation for this decline could be the removal of Turkey & India from the list of GSP beneficiary countries.

As seen from the blue line in the graph above, imports entering under the GSP program have been relatively static, averaging about 10.0 percent annually of all imports from GSP beneficiaries. Several factors could explain this phenomenon, including the uncertainly based on short-term GSP renewals and long pauses between program authorization periods. Moreover, the suspension, termination or graduation of some countries from GSP eligibility, the exclusion of certain products due to CNLs and the entry of some countries into FTAs with the US and thus being removed from the GSP scheme, are other possible explanations for a stable contribution of GSP imports to total imports from beneficiaries.

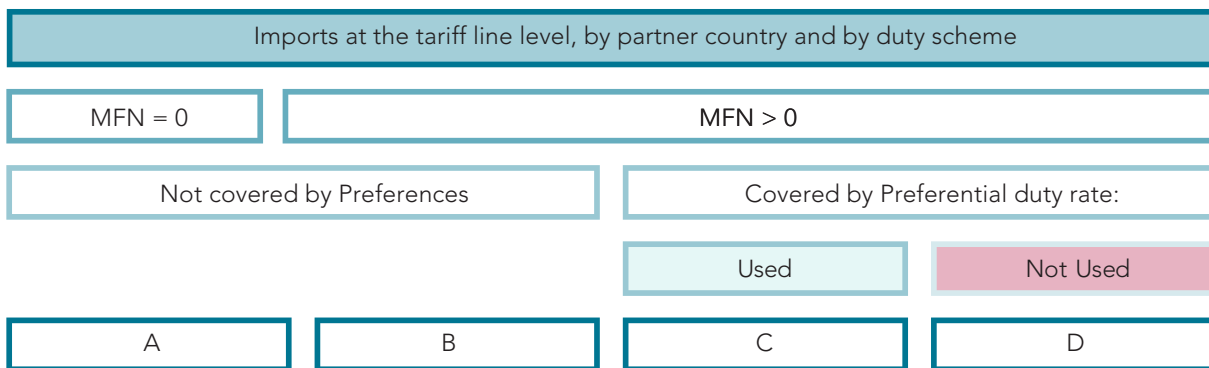
<sup>17</sup> Includes imports entering the United States without preferential tariff treatment

## Definition of GSP Utilization Rates and the Measurement Methodology

Utilization rates refer to the proportion of trade, which is eligible for trade preferences, and which, in practice, receives preferential treatment. However, not all imported goods from preference-receiving sources are eligible for preferential duties. Key factors explaining low utilization rates include rules of origin and the related administrative burden and a lack of knowledge of import and export procedures. Some academic literature suggests that benefits accruing to importers may not be worth the additional costs (such as the additional paperwork required to fulfil the local content of rule of origin) associated with claiming the preference. Additional literature suggests that some countries may not use GSP for a variety of reasons, including unfamiliarity of exporters with the program; BDC governments not sufficiently promoting the existence of available opportunities under the preference; lack of available infrastructure (for example, undeveloped or damaged roads and ports that impede the efforts to get goods into the international market); developing countries' major products could be deemed import sensitive; or a combination of all of these factors<sup>18</sup>. Moreover, tariff preferences can only be granted for tariff lines where the MFN duty is not zero. High utilization rates signal that exporters can meet origin requirements and can make effective use of preferential trade benefits. On the contrary, low levels of utilization may indicate that origin requirements cannot be met and may act as a trade barrier.

The different forms of bilateral import flow (at the tariff line level) can be shown by assigning them to the following mutually exclusive types: A, B, C or D. The most common way to measure utilization, and the one used for this analysis, is a ratio based on import value: imports that have reportedly benefited from a specific preferential duty scheme (C) in comparison to imports on all tariff lines eligible for preferential duty treatment (C + D).

**FIGURE 3: Categorization of preferential imports by duty schemes**



### Data Limitations:

There are several data limitations that may affect the calculation of utilization rates. A product can sometimes benefit from two or more preferential duty schemes; for example, preferential market access can be granted through the GSP scheme and also through another PTA.

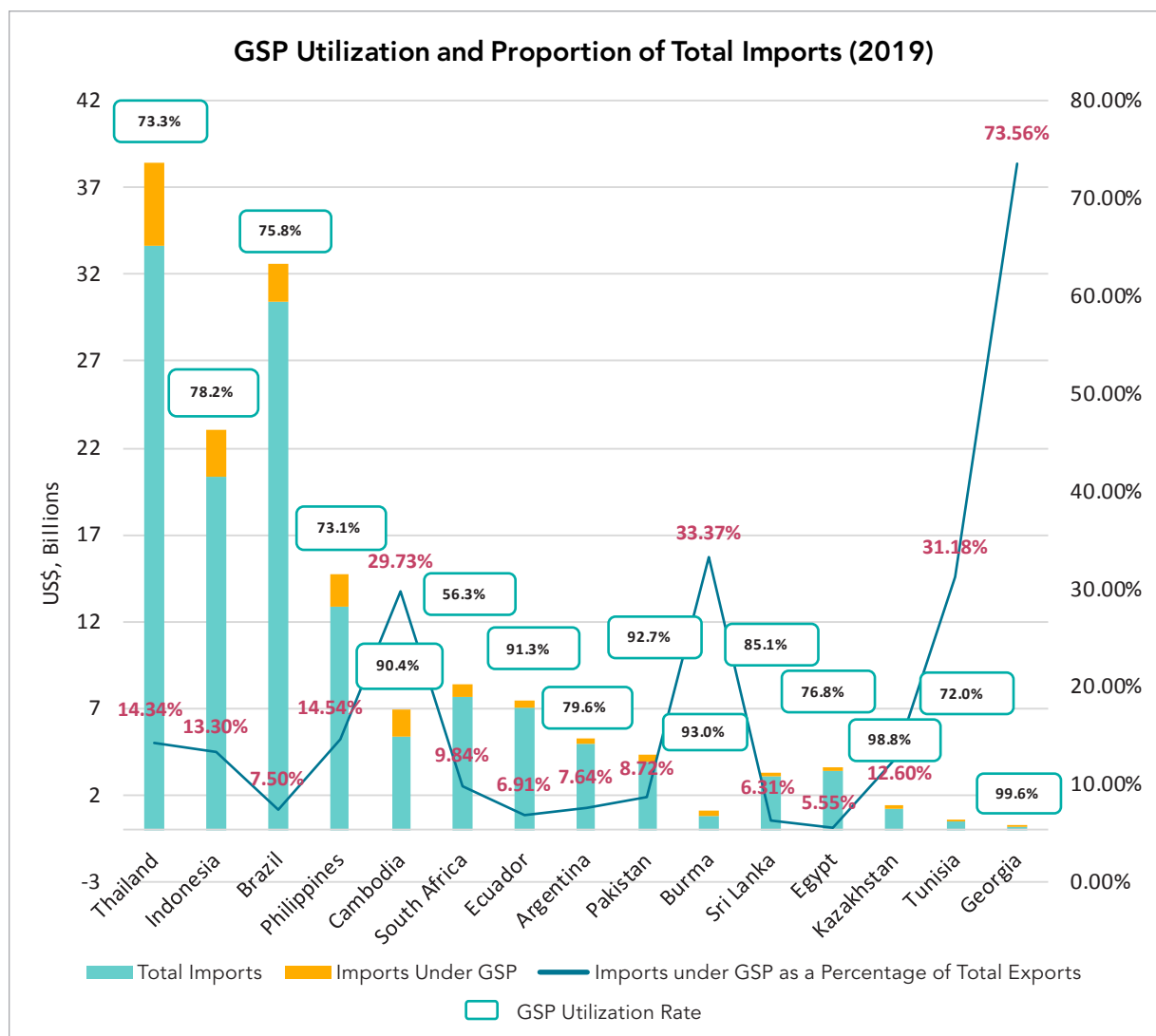
18 FAS - Generalized System of Preferences (GSP): Overview and Issues for Congress, <https://fas.org/sgp/crs/misc/RL33663.pdf>

## Utilization of the US GSP Scheme by the Top 15 Beneficiaries

The graph below depicts the proportion of GSP imports from the top 15 beneficiaries of the US GSP program and each country's utilization rate. As can be seen from the illustration, Georgia has a utilization rate of 99.6 percent, the highest in the list, whereas South Africa has the lowest utilization rate of 56.3 percent. Even though Thailand was the largest beneficiary in 2019, with GSP goods worth \$4.8 billion imported by the US, it has one of the lowest utilization rates, with just 73.3 percent of total GSP eligible imports receiving preferential access from the US.

The figure below depicts the program's utilization level (blue box) by the top US GSP beneficiaries along with each country's exports under GSP as a proportion of total exports to the US.

**FIGURE 4: GSP Utilization and Proportion of Total Imports**



Source: USITC DataWeb

## Top US GSP Imports from Major Beneficiary Countries

The following Tables lists the top US GSP imports from the top 15 beneficiaries.

**Thailand** Total Imports: \$33,640,768,454, Imports Under GSP: \$4,825,222,795, GSP Utilization: 73.3%

**Table 5: Top 10 US GSP Imports from Thailand**

HTSUS Number	Description	Imports from Thailand under GSP (2019) US\$	Imports from Thailand under all Trade Programs (2019) US\$	% of total Imports from Thailand (2019)	Utilization Rate
84159080	Parts for air conditioning machines, nesoi	253,775,537	441,589,020	0.75%	57.47%
40151910	Seamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves	229,261,567	243,665,422	0.68%	94.09%
21069098	Other food preps nesoi, incl preps for the manufacture of beverages, non-dairy coffee whiteners, herbal teas and flavored honey	180,895,468	183,013,075	0.54%	98.84%
20098970	Juice of any other single fruit, nesoi, (including berries), concentrated or not concentrated	129,725,129	131,511,004	0.39%	98.64%
90015000	Spectacle lenses of materials other than glass, unmounted	113,205,165	171,357,828	0.34%	66.06%
87089968	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for power trains nesoi	107,148,675	132,414,231	0.32%	80.92%
90049000	Spectacles, goggles and the like, corrective, protective or other, other than sunglasses	106,954,563	126,134,182	0.32%	84.79%
85044095	Static converters (for example, rectifiers), nesoi	101,356,337	167,390,983	0.30%	60.55%
84133090	Fuel, lubricating or cooling medium pumps for internal-combustion piston engines, not fitted with a measuring device, nesoi	92,729,652	94,521,816	0.28%	98.10%
22029990	Nonalcoholic beverages, nesoi, excluding fruit or vegetable juices of heading 2009	82,620,496	85,579,080	0.25%	96.54%
	<b>Sum of top 10 items</b>	<b>1,397,672,589</b>	<b>1,777,176,641</b>		

Source: USITC DataWeb

**Indonesia** Total Imports: \$20,341,704,527, Imports Under GSP: \$2,704,733,582 GSP Utilization: 78.25%

**Table 6: Top 10 US GSP Imports from Indonesia**

HTSUS Number	Description	Imports from Indonesia under GSP (2019) US\$	Imports from Indonesia under all Trade Programs (2019) US\$	% of total Imports from Indonesia (2019)	Utilization Rate
71131929	Gold necklaces and neck chains (o/than of rope or mixed links)	225,557,240	227,564,401	1.11%	99.12%
40112010	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	144,934,796	145,291,655	0.71%	99.75%
42029231	Travel, sports and similar bags with outer surface of MMF textile materials	141,987,895	150,338,670	0.70%	94.45%
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	111,895,575	117,713,857	0.55%	95.06%
38231920	Industrial monocarboxylic fatty acids or acid oils from refining derived from coconut, palm-kernel, or palm oil	95,120,067	99,379,958	0.47%	95.71%
94042100	Mattresses, of cellular rubber or plastics, whether or not covered	83,602,090	108,083,272	0.41%	77.35%
42022190	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesoi, over \$20 ea.	79,268,605	79,744,696	0.39%	99.40%
92079000	Musical instruments (o/than keyboard except accordions) nesoi, the sound of which is produced, or must be amplified, electrically	74,090,053	76,939,439	0.36%	96.30%
40151910	Seamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves	69,436,559	73,115,720	0.34%	94.97%
42029190	Cases, bags and containers nesoi, other than golf bags, with outer surface of leather, of composition leather	63,398,283	63,405,195	0.31%	99.99%
	<b>Sum of top 10 items</b>	<b>1,089,291,163</b>	<b>1,141,576,863</b>		

Source: USITC DataWeb

**Brazil** Total Imports: \$30,373,541,426, Imports Under GSP: \$2,277,408,741, GSP Utilization: 75.81%

**Table 7: Top 10 US GSP Imports from Brazil**

HTSUS Number	Description	Imports from Brazil under GSP (2019) US\$	Imports from Brazil under all Trade Programs (2019) US\$	% of total Imports from Brazil (2019)	Utilization Rate
44182080	Doors of wood, other than French doors	102,674,226	110,840,004	0.34%	92.63%
84831030	Camshafts and crankshafts nesoi	101,652,304	103,660,790	0.33%	98.06%
35030055	Gelatin sheets and derivatives, nesoi; isinglass; other glues of animal origin, nesoi	90,203,596	90,229,918	0.30%	99.97%
39023000	Propylene copolymers, in primary forms	79,159,633	79,192,994	0.26%	99.96%
85015380	AC motors nesoi, multi-phase, of an output exceeding 150 kW	59,557,479	89,409,734	0.20%	66.61%
35040050	Peptones and their derivatives; protein substances and their derivatives, nesoi; hide powder	56,835,958	56,859,565	0.19%	99.96%
28253000	Vanadium oxides and hydroxides	53,135,957	53,157,073	0.17%	99.96%
20098970	Juice of any other single fruit, nesoi, (including berries), concentrated or not concentrated	48,048,861	49,394,290	0.16%	97.28%
08045040	Guavas, mangoes, and mangosteens, fresh, if entered during the period September 1 through May 31, inclusive	43,714,670	43,714,670	0.14%	100.00%
39021000	Polypropylene, in primary forms	42,274,403	42,325,072	0.14%	99.88%
	<b>Sum of top 10 items</b>	<b>677,257,087</b>	<b>718,784,110</b>		

Source: USITC DataWeb

**Philippines** Total Imports: \$12,865,865,671, Imports Under GSP: \$1,870,346,210, GSP Utilization: 73.18%

**Table 8: Top 10 US GSP Imports from the Philippines**

HTSUS Number	Description	Imports from the Philippines under GSP (2019) US\$	Imports from the Philippines under all Trade Programs (2019) US\$	% of total Imports from the Philippines (2019)	Utilization Rate
40111010	New pneumatic radial tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	149,285,659	149,464,157	1.16%	99.88%
42022190	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesoi, over \$20 ea.	88,648,519	90,159,826	0.69%	98.32%
90131010	Telescopic sights for rifles not designed for use with infrared light	80,293,759	84,786,882	0.62%	94.70%
85444290	Insulated electric conductors nesoi, for a voltage not exceeding 1,000 V, fitted with connectors, nesoi	76,127,040	89,091,633	0.59%	85.45%
42029190	Cases, bags and containers nesoi, other than golf bags, with outer surface of leather, of composition leather	67,137,881	68,468,496	0.52%	98.06%
42029231	Travel, sports and similar bags with outer surface of MMF textile materials	61,475,078	68,081,636	0.48%	90.30%
42022215	Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics	61,458,314	62,038,909	0.48%	99.06%
94053000	Lighting sets of a kind used for Christmas trees	55,313,932	81,477,644	0.43%	67.89%
85163200	Electrothermic hairdressing apparatus other than hair dryers	53,728,711	54,357,771	0.42%	98.84%
42029245	Travel, sports and similar bags with outer surface of plastic sheeting	52,744,902	55,952,245	0.41%	94.27%
	<b>Sum of top 10 items</b>	<b>746,213,795</b>	<b>803,879,199</b>		

Source: USITC DataWeb

**Cambodia** Total Imports: \$5,388,295,612, Imports Under GSP: \$1,601,954,714, GSP Utilization: 90.45%

**Table 9: Top 10 US GSP Imports from Cambodia**

HTSUS Number	Description	Imports from Cambodia under GSP (2019) US\$	Imports from Cambodia under all Trade Programs (2019) US\$	% of total Imports from Cambodia (2019)	Utilization Rate
94053000	Lighting sets of a kind used for Christmas trees	196,954,797	228,945,349	3.66%	86.03%
42029231	Travel, sports and similar bags with outer surface of MMF textile materials	188,505,650	194,563,109	3.50%	96.89%
42022215	Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics	173,966,644	176,088,791	3.23%	98.79%
39253010	Blinds (including venetian blinds), of plastics	134,099,251	159,591,139	2.49%	84.03%
42029245	Travel, sports and similar bags with outer surface of plastic sheeting	120,886,994	125,617,114	2.24%	96.23%
42022190	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesoi, over \$20 ea.	92,417,646	94,582,720	1.72%	97.71%
44123332	Plywood sheets n/o 6mm thick, outerply of specified nonconiferous wood excluding walnut and birch, not surface covered beyond clear/transparent	82,070,625	83,093,356	1.52%	98.77%
42029190	Cases, bags and containers nesoi, other than golf bags, with outer surface of leather, of composition leather	65,006,769	65,856,119	1.21%	98.71%
94054084	Electric lamps and lighting fixtures nesoi, not of base metal	64,236,678	78,755,788	1.19%	81.56%
42022281	Handbags with or without shoulder strap or without handle, with outer surface of MMF materials	43,158,134	43,629,158	0.80%	98.92%
	<b>Sum of top 10 items</b>	<b>1,161,303,188</b>	<b>1,250,722,643</b>		

Source: USITC DataWeb

**South Africa** Total Imports: \$7,633,976,799, Imports Under GSP: \$751,290,643, GSP Utilization: 56.37%

**Table 10: Top 10 US GSP Imports from South Africa**

HTSUS Number	Description	Imports from South Africa under GSP (2019) US\$	Imports from South Africa under all Trade Programs (2019) US\$	% of total Imports from South Africa (2019)	Utilization Rate
72024100	Ferrocromium containing by weight more than 4 percent of carbon	147,746,360	224,434,162	1.94%	66%
71131929	Gold necklaces and neck chains (o/than of rope or mixed links)	90,964,779	115,905,028	1.19%	78%
28499050	Carbides, nesoi	86,967,792	92,183,860	1.14%	94%
84099991	Parts nesoi, used solely or principally with the engines of heading 8408, for vehicles of heading 8701.20, 8702, 8703, 8704	75,424,057	76,123,808	0.99%	99%
28253000	Vanadium oxides and hydroxides	43,263,257	52,299,576	0.57%	83%
89039200	Vessels, motorboats (o/than outboard motorboats), for pleasure or sports	36,756,836	40,294,890	0.48%	91%
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	30,607,014	61,272,523	0.40%	50%
28439000	Inorganic or organic compounds of precious metals, excluding those of silver and gold; amalgams of precious metals	26,324,171	26,335,831	0.34%	100%
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	16,705,555	25,184,708	0.22%	66%
87089981	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705	12,547,255	19,409,011	0.16%	65%
	<b>Sum of top 10 items</b>	<b>567,307,076</b>	<b>733,443,397</b>		

Source: USITC DataWeb

**Ecuador** Total Imports: \$7,022,291,523, Imports Under GSP: \$485,503,112, GSP Utilization: 91.34%

**Table 11: Top 10 US GSP Imports from Ecuador**

HTSUS Number	Description	Imports from Ecuador under GSP (2019) US\$	Imports from Ecuador under all Trade Programs (2019) US\$	% of total Imports from Ecuador (2019)	Utilization Rate
06031901	Fresh cut, Anthuriums ,Alstroemeria, Gypsophilia, Lilies, Snapdragons and flowers, nesoi	55,883,719	56,318,969	0.80%	99.2%
20089915	Bananas, other than pulp, otherwise prepared or preserved, nesoi	46,056,501	46,471,739	0.66%	99.1%
44123432	Plywood sheets n/o 6mm thick, outerply of nonconiferous wood not in 4412.33, face ply nesoi, not surface covered beyond clear/transparent	43,453,726	43,453,726	0.62%	100.0%
08045040	Guavas, mangoes, and mangosteens, fresh, if entered during the period September 1 through May 31, inclusive	42,506,906	42,778,432	0.61%	99.4%
78011000	Refined lead, unwrought	39,805,590	41,686,185	0.57%	95.5%
07144010	Fresh or chilled taro (Colocasia spp.), whether or not sliced or in the form of pellets	32,159,329	32,360,587	0.46%	99.4%
85444990	Insulated electric conductors nesoi, not of copper, for a voltage not exceeding 1,000 V, not fitted with connectors	30,709,756	30,721,744	0.44%	100.0%
08109046	Fruit, not elsewhere specified or included, fresh	16,289,415	16,397,107	0.23%	99.3%
06031500	Fresh cut Lilies (Lillium spp.)	15,047,056	15,063,207	0.21%	99.9%
20089991	Bean cake, bean stick, miso, other fruit, nuts and other edible parts of plans, prepared or preserved	13,308,277	13,430,955	0.19%	99.1%
	<b>Sum of top 10 items</b>	<b>335,220,275</b>	<b>733,443,397</b>		

Source: USITC DataWeb

**Argentina** Total Imports: \$4,917,590,273, Imports Under GSP: \$375,774,143, GSP Utilization: 79.69%

**Table 12: Top 10 US GSP Imports from Argentina**

HTSUS Number	Description	Imports from Argentina under GSP (2019) US\$	Imports from Argentina under all Trade Programs (2019) US\$	% of total Imports from Argentina (2019)	Utilization Rate
10059020	Yellow dent corn	51,410,129	53,153,361	1.05%	96.72%
28369100	Lithium carbonates	42,065,240	45,613,310	0.86%	92.22%
22042180	Grape wine, other than Marsala, not sparkling or effervescent, over 14% vol. alcohol, in containers holding 2 liters or less	30,218,098	45,255,389	0.61%	66.77%
15091040	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container 18 kg or over	24,721,677	25,542,455	0.50%	96.79%
35030055	Gelatin sheets and derivatives, nesoi; isinglass; other glues of animal origin, nesoi	24,443,376	24,443,376	0.50%	100.00%
41071150	Full grain unsplit upholstery leather of bovines (not buffalo) nesoi and equines, w/o hair on, prepared after tanning or crusting, not 4114	10,898,634	10,953,106	0.22%	99.50%
29091914	Methyl tertiary-butyl ether. (MTBE)	10,680,578	27,378,726	0.22%	39.01%
15159060	Jobba oil and its fractions, whether or not refined, not chemically modified	9,985,703	10,020,813	0.20%	99.65%
04069041	Romano, Reggiano, Parmesan, Provolone, and Provoletti cheese, nesoi, from cow's milk, subject to add. US note 21 to Ch. 4	9,973,505	9,973,505	0.20%	100.00%
29054500	Glycerol	8,967,094	9,047,044	0.18%	99.12%
	<b>Sum of top 10 items</b>	<b>223,364,034</b>	<b>261,381,085</b>		

Source: USITC DataWeb

**Pakistan** Total Imports: \$3,952,403,448 Imports Under GSP: \$344,692,188 GSP Utilization: 92.7%

**Table 13: Top 10 US GSP Imports from Pakistan**

HTSUS Number	Description	Imports from Pakistan under GSP (2019) US\$	Imports from Pakistan under all Trade Programs (2019) US\$	% of total Imports from Pakistan (2019)	Utilization Rate
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal,nesoi	69,265,741	69,265,741	1.75%	100.00%
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	58,955,879	60,090,779	1.49%	98.11%
17023040	Glucose and glucose syrup, not containing fructose or in the dry state less than 20 percent by weight of fructose, nesoi	27,978,852	28,039,035	0.71%	99.79%
63079098	National flags and other made-up articles of textile materials, nesoi	25,190,670	27,482,108	0.64%	91.66%
39076900	Polyethylene terephthalate, having a viscosity number less than 78 ml/g	12,814,306	12,874,619	0.32%	99.53%
09109100	Mixtures of spices	12,253,845	12,364,258	0.31%	99.11%
42029215	Travel, sports and similar bags with outer surface of cotton, not of pile or tufted construction	11,461,582	12,150,483	0.29%	94.33%
42032180	Gloves, mittens and mitts specially designed for use in sports, nesoi, of leather or of composition leather	8,891,272	12,603,731	0.22%	70.54%
95069960	Athletic and sports articles and equipment nesoi, and parts & accessories thereof nesoi	7,845,920	9,074,058	0.20%	86.47%
39206200	Nonadhesive plates, sheets, film, foil and strip, noncellular, not combined with other materials, of polyethylene terephthalate	7,574,806	7,574,806	0.19%	100.00%
	<b>Sum of top 10 items</b>	<b>242,232,873</b>	<b>251,519,618</b>		

Source: USITC DataWeb

**Burma** Total Imports: \$848,570,116 Imports Under GSP: \$283,188,671, GSP Utilization: 93.04%

**Table 14: Top 10 US GSP Imports from Burma**

HTSUS Number	Description	Imports from Burma under GSP (2019) US\$	Imports from Burma under all Trade Programs (2019) US\$	% of total Imports from Burma (2019)	Utilization Rate
42022215	Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics	52,506,232	52,750,287	6.19%	99.54%
42029231	Travel, sports and similar bags with outer surface of MMF textile materials	39,149,601	40,928,727	4.61%	95.65%
42029245	Travel, sports and similar bags with outer surface of plastic sheeting	30,685,210	31,113,678	3.62%	98.62%
42023210	Articles of a kind normally carried in the pocket or handbag, with outer surface of reinforced or laminated plastics	21,996,976	22,343,282	2.59%	98.45%
42022190	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesoi, over \$20 ea.	21,879,436	22,142,193	2.58%	98.81%
42029190	Cases, bags and containers nesoi, other than golf bags, with outer surface of leather, of composition leather	17,934,694	18,023,473	2.11%	99.51%
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	15,401,582	18,989,206	1.82%	81.11%
42029215	Travel, sports and similar bags with outer surface of cotton, not of pile or tufted construction	15,315,458	15,386,833	1.80%	99.54%
42023160	Articles of a kind normally carried in the pocket or handbag, with outer surface of leather, composition or patent leather, nesoi	8,226,159	8,691,876	0.97%	94.64%
42022281	Handbags with or without shoulder strap or without handle, with outer surface of MMF materials	7,142,248	7,413,423	0.84%	96.34%
	<b>Sum of top 10 items</b>	<b>230,237,596</b>	<b>237,782,978</b>		

Source: USITC DataWeb

**Sri Lanka** Total Imports: \$3,097,001,731, Imports Under GSP: \$195,505,135, GSP Utilization: 85.16%

**Table 15: Top 10 US GSP Imports from Sri Lanka**

HTSUS Number	Description	Imports from Sri Lanka under GSP (2019) US\$	Imports from Sri Lanka under all Trade Programs (2019) US\$	% of total Imports from Sri Lanka (2019)	Utilization Rate
38021000	Activated carbon	26,451,236	31,393,429	0.85%	84.26%
40151910	Seamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves	20,299,087	24,773,448	0.66%	81.94%
40118080	New pneumatic tires of a kind used on construction, mining or industrial handling vehicles and machines, other	19,085,129	21,170,775	0.62%	90.15%
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	14,579,827	15,548,573	0.47%	93.77%
21069098	Other food preps nesoi, incl preps for the manufacture of beverages, non-dairy coffee whiteners, herbal teas and flavored honey	13,444,929	13,709,133	0.43%	98.07%
20098970	Juice of any other single fruit, nesoi, (including berries), concentrated or not concentrated	8,925,501	9,385,578	0.29%	95.10%
96039080	Brooms & brushes nesoi, mops, hand-operated mechanical floor sweepers, squeegees and similar articles, nesoi	8,719,871	8,799,721	0.28%	99.09%
90138090	Liquid crystal devices nesoi, and optical appliances and instruments, nesoi	6,492,831	6,536,777	0.21%	99.33%
20081915	Coconuts, otherwise prepared or preserved, nesoi	6,239,986	6,564,550	0.20%	95.06%
84239090	Other parts of weighing machinery, including weights	6,056,909	11,197,958	0.20%	54.09%
	<b>Sum of top 10 items</b>	<b>130,295,306</b>	<b>149,079,942</b>		

Source: USITC DataWeb

**Egypt** Total Imports: \$3,419,026,949, Imports Under GSP: \$189,874,329, GSP Utilization: 76.83%

**Table 16: Top 10 US GSP Imports from Egypt**

HTSUS Number	Description	Imports from Egypt under GSP (2019) US\$	Imports from Egypt under all Trade Programs (2019) US\$	% of total Imports from Egypt (2019)	Utilization Rate
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	82,175,989	82,231,646	2.40%	99.93%
70193910	Nonwoven glass wool insulation products	11,732,181	11,732,181	0.34%	100.00%
20098970	Juice of any other single fruit, nesoi, (including berries), concentrated or not concentrated	7,293,029	7,445,103	0.21%	97.96%
20019038	Vegetables (including olives) nesoi, prepared or preserved by vinegar or acetic acid	5,494,267	5,738,157	0.16%	95.75%
70191200	Glass fiber rovings	4,859,621	4,859,621	0.14%	100.00%
39219040	Nonadhesive plates, sheets, film, foil and strip, flexible, nesoi, of noncellular plastics	4,508,933	4,508,933	0.13%	100.00%
07108070	Vegetables nesoi, uncooked or cooked by steaming or boiling in water, frozen, not reduced in size	4,408,761	4,426,489	0.13%	99.60%
32089000	Paints and varnishes based on synthetic polymers or chemically modified natural polymers nesoi, in a nonaqueous medium	3,651,970	3,708,145	0.11%	98.49%
35030055	Gelatin sheets and derivatives, nesoi; isinglass; other glues of animal origin, nesoi	3,496,719	3,496,719	0.10%	100.00%
08111000	Strawberries, frozen, in water or containing added sweetening	3,102,573	3,243,068	0.09%	95.67%
	<b>Sum of top 10 items</b>	<b>130,724,043</b>	<b>131,390,062</b>		

Source: USITC DataWeb

**Kazakhstan** Total Imports: \$1,261,570,979, Imports Under GSP: \$158,932,053, GSP Utilization: 98.85%

**Table 17: Top 10 US GSP Imports from Kazakhstan**

HTSUS Number	Description	Imports from Kazakhstan under GSP (2019) US\$	Imports from Kazakhstan under all Trade Programs (2019) US\$	% of total Imports from Kazakhstan (2019)	Utilization Rate
72024950	Ferrochromium containing by weight 3 percent or less of carbon	39,846,253	40,555,775	3.16%	98.25%
78011000	Refined lead, unwrought	36,321,753	36,321,753	2.88%	100.00%
72025000	Ferrosilicon chromium	27,116,070	27,116,070	2.15%	100.00%
72022150	Ferrosilicon containing by weight more than 55% but not more than 80% of silicon, nesoi	15,219,476	15,219,476	1.21%	100.00%
28046910	Silicon, containing by weight less than 99.99 percent but not less than 99 percent of silicon	14,119,128	14,366,271	1.12%	98.28%
81032000	Tantalum, unwrought (including bars and rods obtained simply by sintering); tantalum powders	9,974,232	10,725,621	0.79%	92.99%
81039000	Tantalum, articles nesoi	5,709,689	5,730,509	0.45%	99.64%
28191000	Chromium trioxide	3,750,913	3,844,943	0.30%	97.55%
28353950	Polyphosphates, other than sodium triphosphate and potassium polyphosphate	2,786,651	2,786,651	0.22%	100.00%
81041100	Magnesium, unwrought, containing at least 99.8 percent by weight of magnesium	1,671,556	1,671,556	0.13%	100.00%
	<b>Sum of top 10 items</b>	<b>156,515,721</b>	<b>158,338,625</b>		

Source: USITC DataWeb

**Tunisia** Total Imports: \$3,419,026,949, Imports Under GSP: \$151,420,907, GSP Utilization: 72.04%

**Table 18 Top 10 US GSP Imports from Tunisia**

HTSUS Number	Description	Imports from Tunisia under GSP (2019) US\$	Imports from Tunisia under all Trade Programs (2019) US\$	% of total Imports from Tunisia (2019)	Utilization Rate
15091040	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container 18 kg or over	64,026,619	64,461,598	13.19%	99.33%
08041060	Dates, fresh or dried, whole, without pits, packed in units weighing over 4.6 kg	14,871,503	15,105,455	3.06%	98.45%
15091020	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container under 18 kg	12,871,235	15,338,438	2.65%	83.91%
15099040	Olive oil, other than virgin olive oil, and its fractions, not chemically modified, weighing with the immediate container 18 kg or over	11,628,550	11,703,107	2.39%	99.36%
85014020	AC motors nesoi, single-phase, exceeding 37.5 W but not exceeding 74.6 W	8,197,754	8,555,524	1.69%	95.82%
44199090	Tableware and kitchenware of wood other than of bamboo, other than forks, spoons	3,968,926	4,093,857	0.82%	96.95%
85269250	Radio remote control apparatus other than for video game consoles	3,393,358	4,249,208	0.70%	79.86%
15099020	Olive oil, other than virgin olive oil, and its fractions, not chemically modified, weighing with the immediate container under 18 kg	3,090,418	5,016,641	0.64%	61.60%
85365090	Switches nesoi, for switching or making connections to or in electrical circuits, for a voltage not exceeding 1,000 V	2,792,944	12,800,950	0.58%	21.82%
17041000	Chewing gum, not containing cocoa, whether or not sugar-coated	2,061,226	2,072,838	0.42%	99.44%
	<b>Sum of top 10 items</b>	<b>126,902,533</b>	<b>143,397,616</b>		

Source: USITC DataWeb

**Georgia** Total Imports: \$152,931,262, Imports Under GSP: \$112,491,119, GSP Utilization: 99.60%

**Table 19: Top 10 US GSP Imports from Georgia**

HTSUS Number	Description	Imports from Georgia under GSP (2019) US\$	Imports from Georgia under all Trade Programs (2019) US\$	% of total Imports from Georgia (2019)	Utilization Rate
72023000	Ferrosilicon manganese	107,682,953	107,682,953	70.41%	100.00%
22011000	Mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavored	1,348,412	1,559,942	0.88%	86.44%
20098965	Cherry juice, concentrated or not concentrated	1,099,702	1,128,674	0.72%	97.43%
22029990	Nonalcoholic beverages, nesoi, excluding fruit or vegetable juices of heading 2009	380,476	421,248	0.25%	90.32%
39239000	Articles nesoi, for the conveyance or packing of goods, of plastics	311,696	311,696	0.20%	100.00%
20098970	Juice of any other single fruit, nesoi, (including berries), concentrated or not concentrated	262,070	291,028	0.17%	90.05%
21039090	Sauces and preparations therefor, neosi	225,356	225,356	0.15%	100.00%
39249056	Household articles and toilet articles, nesoi, of plastics	222,038	222,038	0.15%	100.00%
76101000	Aluminum, doors, windows and their frames and thresholds for doors	178,747	178,747	0.12%	100.00%
20098980	Juice of any single vegetable, other than tomato, concentrated or not concentrated	126,507	130,064	0.08%	97.27%
	<b>Sum of top 10 items</b>	<b>111,837,957</b>	<b>112,151,746</b>		













Source: USITC DataWeb

## Recent Updates to the US GSP Program

On December 22, 2017, President Donald Trump reinstated Argentina's GSP eligibility<sup>19</sup>. Early in 2012, the previous US president, Mr. Barack Obama, had suspended trade benefits for Argentina because the South American country had, according to President Obama, failed to act in good faith in enforcing two longstanding arbitral awards worth over \$300 million. It was the first time any country had been suspended from the GSP program for failing to pay an arbitration award. After the country's reinstatement, Argentina quickly became the 8th largest beneficiary of the US GSP scheme, reporting more than \$375 million GSP exports to the US in 2019. Similarly, Burma was reinstated as a least-developed beneficiary in 2016 after a 27-year suspension due to worker rights violations.

On October 25, 2019, President Trump restored duty-free treatment for particular items from Ukraine after he determined that the Eastern European country had taken steps to ensure adequate and effective protection of intellectual property rights. On the same day, he suspended Thailand's eligibility for some items, citing that the country was not taking steps to provide its workers with internationally recognized workers' rights. Set to take effect on April 25, 2020, the suspensions cover a total of 573 types of goods that Thailand's Commerce Ministry said will face a higher import tariff of 4.5 percent, possibly leading to US-bound exports dropping by an estimated \$28.8-32.8 million, or 0.01 percent of Thailand's total exports to the US<sup>20</sup>. The US said that it would suspend US\$1.3 billion (39.2 billion baht) of GSP benefits, and Thai seafood products will be removed from the scheme. Thailand has faced complaints for years over labor issues, particularly in its fisheries industry. Thailand is the largest beneficiary of the US GSP Scheme, exporting over \$4.8 billion in 2019 under the scheme. Initial estimates suggest that the suspension would cause a minuscule impact on Thai exports; however, there is a possibility that it could pave the way for greater political tensions between Thailand and the US in future.

**FIGURE 5: Top Thai Exports to the US under GSP**

TOP THAI EXPORTS THAT ARE BENEFICIARIES FROM THE GENERALISED SYSTEM OF PREFERENCES				
Rank	Items	Value of shipments under the GSP in 2018 (million US\$)	Average tariffs (%)	Incremental tariff costs (million US\$)
1	 Motorbikes	77.3	2.4	1.86
2	 Spectacles	66.8	2.5	1.67
3	 Ceramic products	59.5	5.8	3.45
4	 Electric circuits	57.4	2.7	1.55
5	 Liquid soap	49.6	2.5	1.24
6	 Epoxy resin plastic	38.1	6.1	2.32
7	 Fruit and nuts	36.1	6	2.17
8	 Fans	36.1	2.3	0.83
9	 Mangoes	35	0	0
10	 Chemicals and fertilisers	34.7	3.7	1.29
Others	 Automobiles	915	4	36.6
	 Electronic items	5,757	0	0

Source: Trade Policy and Strategy Office

BKPgraphics

<sup>19</sup> <https://af.reuters.com/article/worldNews/idAFBRE82P0ZM20120326>

<sup>20</sup> <https://www.bangkokpost.com/business/1781849/loss-of-gsp-privileges-insignificant>

## India and Turkey Removed from the GSP Program

### India

In early 2019, President Trump notified Congress of his intent to terminate India and Turkey's designation as beneficiary developing countries under the GSP program. India has been a significant trading partner of the US, with over 16.8 percent of its total exports destined for the US. The preferential trade treatment for India under the GSP program allowed close to \$6.3 billion (2018) worth of exports to enter the US duty-free. The statement issued by the White House said that the President had "determined that India has not assured the United States that India will provide equitable and reasonable access to its markets." In 2018, India was the largest beneficiary of the US GSP scheme. Imports of goods previously eligible for GSP treatment are thus no longer able to enter the US duty-free. The withdrawal of GSP from India would effectively mean that US importers would be required to pay more than \$300 million a year in new duties. Table 20 reviews the impact of the withdrawal of GSP status from India and lists the top 20 US imports from India for 2018 and their corresponding values in 2019. Table 21 lists the total exports from India under the GSP program to the US in 2018, their growth during the past 5 years, and the likely impact on 2019's corresponding export values due to the implementation of the tariffs.

The Federation of Indian Export Organizations (FIEO) claimed that the GSP withdrawal would have a limited impact on overall exports to the US. According to Ganesh Gupta, president FIEO, out of \$6.35 billion worth of exports from India to the US under the GSP scheme, net benefit to the tune of only \$260 million was accrued by the Indian exporters and, hence, at the macro level, the impact of GSP withdrawal on India's exports to the US would be minimal. However, he mentioned that exports that have GSP benefits of 3 percent or more might find it challenging to absorb the GSP loss and favored an extension of the Rebate of State & Central Tax Levies Scheme (RoSCTL)<sup>21</sup> on such products.

### Top 20 US Imports from India under all Trade Programs

In 2019, the US imported \$58.4 billion worth of goods from India, a 6.5 percent increase from the previous year's imports of \$54.9 billion. Based on the average exchange rate for 2019, the Indian rupee declined by 9.8 percent against the US dollar between 2015 and 2019. This includes a decline of 3.0 percent between 2018 and 2019. The relatively weaker local currency made Indian exports less expensive in international markets.

The following table lists the US's top 20 imports from India in 2018 and 2019. The table is divided into two parts; the first part lists the top imports from India at the HS-08-digit level in 2018 (under all tariff programs) and their corresponding values in 2019. The second part of the table lists the US's top 20 imports from India in 2019 at the HS-08-digit level.

<sup>21</sup> See Figure 11 in Annexure 2 for the different types of export incentive schemes and benefits that the Indian government has initiated

Table 20: Top 20 US Imports from India

Top US Imports from India in 2018					Top US Imports from India in 2019			
HTSUS Number	Description	Value (2018) US\$	GSP Eligible?	Value (2019) US\$	HTSUS Number	Description	Value (2019) US\$	Percentage Change (2018-19)
71023900	Nonindustrial diamonds, worked, but not mounted or set	9,883,893,138	No	↓8,679,571,533	71023900	Nonindustrial diamonds, worked, but not mounted or set	8,679,571,533	-12.18
30049092	Medicaments nesoi, in dosage form and packed for retail	5,245,170,386	No	↑6,252,822,574	30049092	Medicaments nesoi, in dosage form and packed for retail	6,252,822,574	19.21
03061700	Other shrimps and prawns, cooked in shell or uncooked, dried, salted or in brine, frozen	1,982,000,804	No	↑2,136,295,571	03061700	Other shrimps and prawns, cooked in shell or uncooked, dried, salted or in brine, frozen	2,136,295,571	7.78
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal,nesoi	1,385,427,058	No	↑1,482,155,404	71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal,nesoi	1,482,155,404	6.98
27101245	Light oil mixt. of hydrocarbons fr petro oils & bitum min(o/ than crude) or prep 70%+ wt. fr petro oils, nesoi,n/o 50% any single hydrocarbon	878,869,995	No	↑1,302,798,614	27101245	Light oil mixt. of hydrocarbons fr petro oils & bitum min(o/ than crude) or prep 70%+ wt. fr petro oils, nesoi,n/o 50% any single hydrocarbon	1,302,798,614	48.24
27101215	Light oil motor fuel from petroleum oils and bituminous minerals (o/ than crude) or preps. 70%+ by wt. from petroleum oils	849,859,998	No	↓698,986,147	63023190	Bed linen, not knit/ croc, not printed, of cotton, not cont any embroidery, lace, braid, edging, trimming,piping or applique work, not napped	731,998,612	-0.19
63023190	Bed linen, not knit/ croc, not printed, of cotton, not cont any embroidery, lace, braid, edging, trimming,piping or applique work, not napped	733,374,008	No	↓731,998,612	63026000	Toilet linen and kitchen linen, of terry toweling or similar terry fabrics, of cotton	726,565,670	-0.30
63026000	Toilet linen and kitchen linen, of terry toweling or similar terry fabrics, of cotton	728,777,286	No	↓726,565,670	27101911	Distillate and residual fuel oil (including blends) derived from petroleum oils or oil of bituminous minerals, testing 25 degree A.P.I. or >	708,722,287	82.80
87032301	Motor vehicles to transport persons, w/ spark-ign. IC recip. piston engine, w/cyl capacity >1, 500cc but <=3, 000cc	638,021,101	No	↑698,474,880	27101215	Light oil motor fuel from petroleum oils and bituminous minerals (o/ than crude) or preps. 70%+ by wt. from petroleum oils	698,986,147	-17.75
87032101	Motor vehicles to transport persons, w/ spark-ign. IC recip. piston engine, w/cyl capacity <= 1, 000 cc	455,226,617	No	↓435,660,336	87032301	Motor vehicles to transport persons, w/ spark-ign. IC recip. piston engine, w/cyl capacity >1, 500cc but <=3, 000cc	698,474,880	9.48
61102020	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, nesoi	454,018,650	No	↑486,524,411	30042000	Medicaments containing antibiotics, nesoi, in dosage form or packed for retail	601,042,464	42.83

Top US Imports from India in 2018					Top US Imports from India in 2019			
HTSUS Number	Description	Value (2018) US\$	GSP Eligible?	Value (2019) US\$	HTSUS Number	Description	Value (2019) US\$	Percentage Change (2018-19)
98010010	US goods returned without having been advanced in value or improved in condition while abroad	444,523,233	No	↑530,113,273	98010010	US goods returned without having been advanced in value or improved in condition while abroad	530,113,273	19.25
27101916	Kerosene-type jet fuel from petroleum oils and oils of bitumin minerals (o/than crude) or preps. 70%+ by wt. from petroleum oils	444,036,636	No	↓382,554,703	61102020	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, nesoi	486,524,411	7.16
30042000	Medicaments containing antibiotics, nesoi, in dosage form or packed for retail	420,795,172	No	↑601,042,464	87032101	Motor vehicles to transport persons, w/ spark-ign. IC recip. piston engine, w/cyl capacity <= 1, 000 cc	435,660,336	-4.30
27101911	Distillate and residual fuel oil (including blends) derived from petroleum oils or oil of bituminous minerals, testing 25 degree A.P.I. or >	387,706,004	No	↑708,722,287	84129090	Parts for engines of heading 8412 other than hydrojet engines for marine propulsion	432,454,773	80.28
13023200	Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean seeds or guar seeds	326,143,059	No	↓211,148,410	27101916	Kerosene-type jet fuel from petroleum oils and oils of bitumin minerals (o/than crude) or preps. 70%+ by wt. from petroleum oils	382,554,703	-13.85
99999500	Estimated imports of low valued transactions	303,484,407	No	↑328,121,780	99999500	Estimated imports of low valued transactions	328,121,780	8.12
76012090	Aluminum alloys nesoi, unwrought nesoi	301,912,990	No	↓262,534,763	71131150	Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts	302,090,574	0.32
71131150	Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts	301,114,471	No	↑302,090,574	68109900	Articles of cement (other than tiles, flagstones, bricks and similar arts.), of concrete or artificial stone, nesoi	281,364,069	259.65
87019310	Other tractors of engine power => 37kW but < 75kW, for agricultural use	290,331,527	No	↓135,873,667	71049010	Synthetic or reconstructed precious or semiprecious stones, cut but not set & suitable for use in the manufacture of jewelry	262,693,153	161.41
	<b>Total</b>	<b>26,454,686,540</b>		<b>27,094,055,673</b>	<b>Total</b>		<b>27,461,010,828</b>	

Source: USITC DataWeb

## Key Findings:

### US top Imports from India in 2018:

- US top 20 imports from India, were valued at \$26.4 billion in 2018, making up 48.1 percent of total imports from India. The table indicates that the corresponding values in 2019 for the same goods were \$27.0 billion, showing an increase of \$639.3 million from the previous year. None of the top 20 imports were eligible for GSP benefits in 2018
- India was the US's 10th largest supplier of goods in 2018, up 11.9 percent from 2017 and up 111.4 percent from 2008. US imports from India accounted for 2.1 percent of overall US imports from the world in 2018. The top import categories at the HS-02 digits for the year were precious metal and stone (diamonds) (\$11.0 billion), pharmaceuticals (\$6.3 billion), machinery (\$3.3 billion), mineral fuels (\$3.2 billion), and vehicles (\$2.8 billion)
- India exported more than \$2.6 billion worth of agricultural products to the US in 2018. Leading categories included: spices (\$261 million), rice (\$216 million), essential oils (\$193 million), processed fruit & vegetables (\$141 million), and other vegetable oils (\$127 million)
- At the HS-08 level, three items belong to the category of gems, precious metals, and stones. India's gems and jewelry sector is one of the largest in the world, contributing 29.0 percent to global jewelry trade. The gems and jewelry sector plays a significant role in the Indian economy, contributing around 7.0 percent to the country's GDP and over 11.3 percent to India's total merchandise exports. The industry is highly export-oriented and labor-intensive and employs over 4.64 million workers.
- Four of the export items in the table above, for 2018, belong to the category of mineral fuels, namely HS-27101245 'Light oil mixt. of hydrocarbons...', HS-27101215 'Light oil motor fuel from petroleum oils ...', HS-27101916 'Kerosene-type jet fuel ...' and HS-27101911 'Distillate and residual fuel oil ...'

### US top Imports from India in 2019:

- US top 20 items imported from India, in 2019, contributed 46.9 percent to US's total imports from India
- For 2019, the top 20 imported items from India, combined, were valued at \$27.4 billion. Even though India lost its GSP status in 2019, it did not impact its overall exports to the US. This is likely due to numerous export schemes, financial aids, and other benefits provided by India's government to its exporters.

## Top 20 US Imports from India under the GSP Scheme

The following table lists the top 20 items imported<sup>22</sup> by the US from India under the GSP program in 2018. For the same items, 3-year cumulative growth rates and US imports from the world are also mentioned. Since India's GSP status was revoked in 2019, the table lists the tariff charged on the former duty-free imports. To understand whether the US diverted trade in 2019, the data is analyzed further to showcase any changes in US imports from India and the rest of the world.

**Table 21: Top 20 US Imports from India under the GSP Scheme**

HTSUS Number	Description	US Imports from India (2018) US\$	Growth Rate (2015-18)	US Imports from the World (2018) US\$	Tariff Rate charged (2019)	US Imports from India (2019) US\$	Percentage change (2018-19)	US Imports from the World (2019) US\$
73239300	Stainless steel, table, kitchen or o/household arts. and parts thereof	160,092,386	4.98%	1,630,602,193	2%	↓149,502,910	-6.61%	1,826,707,586
29349990	Nonaromatic other heterocyclic compounds, nesoi	144,637,639	24.02%	429,513,069	6.50%	↑182,163,815	25.94%	511,599,652
87089475	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705, parts of steering wheels/columns/boxes, nesoi	148,897,654	6.71%	2,354,057,178	2.50%	↓130,130,853	-12.60%	2,044,445,001
29189920	Aromatic pesticides, derived from carboxylic acids with additional oxygen function, and their derivatives, nesoi	125,513,039	33.51%	350,029,087	6.50%	↓105,024,050	-16.32%	215,675,924
87089981	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705	147,238,679	16.76%	8,455,717,645	2.50%	↑172,924,994	17.45%	8,309,867,545
84818030	Taps, cocks, valves & similar appliances for pipes, boiler shells, tanks, vats or the like, hand operated, of iron or steel, nesoi	121,026,794	7.63%	1,577,068,949	5.60%	↓112,002,706	-7.46%	1,531,138,441
73079150	Iron or steel (o/than stainless), not cast, flanges for tubes/ pipes, not forged or forged and machined, tooled & processed after forging	96,106,987	-2.63%	315,074,463	5.50%	↓ 92,663,049	-3.58%	273,978,030
84099991	Parts nesoi, used solely or principally with the engines of heading 8408, for vehicles of heading 8701.20, 8702, 8703, 8704	117,579,019	11.30%	1,507,811,355	2.50%	↓111,336,791	-5.31%	1,678,196,144
73269086	Iron or steel, articles, nesoi	14,309,474	-	4,392,424,254	2.90%	↑129,799,240	13.55%	4,495,647,809
87084075	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for gear boxes, nesoi	85,806,769	22.54%	2,800,191,831	2.50%	↓ 81,856,431	-4.60%	2,674,965,771
68029900	Monumental or building stone & arts. thereof, nesoi, further worked than simply cut/sawn, nesoi	80,848,640	4.86%	371,282,862	6.50%	↓ 62,785,557	-22.34%	342,238,993
42023160	Articles of a kind normally carried in the pocket or handbag, with outer surface of leather, composition or patent leather, nesoi	94,586,462	-3.13%	495,499,037	8%	↓ 89,236,798	-5.66%	460,243,262

<sup>22</sup> The table is sorted according to total reported imports from India for each particular good, and not only those imports reported under the GSP scheme.

HTSUS Number	Description	US Imports from India (2018) US\$	Growth Rate (2015-18)	US Imports from the World (2018) US\$	Tariff Rate charged (2019)	US Imports from India (2019) US\$	Percentage change (2018-19)	US Imports from the World (2019) US\$
87087045	Pts. & access. of mtr. vehic. of 8701, nesoi, and of 8702-8705, road wheels	77,679,191	27.67%	3,700,970,452	2.50%	↓39,911,147	-48.62%	3,068,998,177
84831030	Camshafts and crankshafts nesoi	134,414,461	5.43%	497,873,852	2.50%	↓126,159,570	-6.14%	475,551,442
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	79,172,222	17.27%	2,454,517,053	3%	↑84,402,642	6.61%	2,326,150,240
13021941	Ginseng and other substances having prophylactic or therapeutic properties	78,277,283	-	284,806,998	1%	↑83,268,170	6.38%	285,841,634
63079098	National flags and other made-up articles of textile materials, nesoi	76,763,168	12.18%	3,026,902,637	7%	↑84,332,693	9.86%	3,269,758,360
94055040	Non-electrical lamps and lighting fixtures nesoi, not of brass	72,759,881	2.94%	309,501,901	6%	↓61,722,942	-15.17%	241,044,698
78011000	Refined lead, unwrought	59,084,351	11.14%	1,001,323,180	0%	↓8,781,817	-85.14%	809,680,554
84834050	Fixed, multiple and variable ratio speed changers, not imported for use with machines for making cellulosic pulp, paper or paperboard	96,240,777	10.26%	1,889,441,311	2.50%	210,360,560	118.58%	2,282,465,759
	Total	2,111,034,876		37,844,609,307		2,118,366,735		37,124,195,022

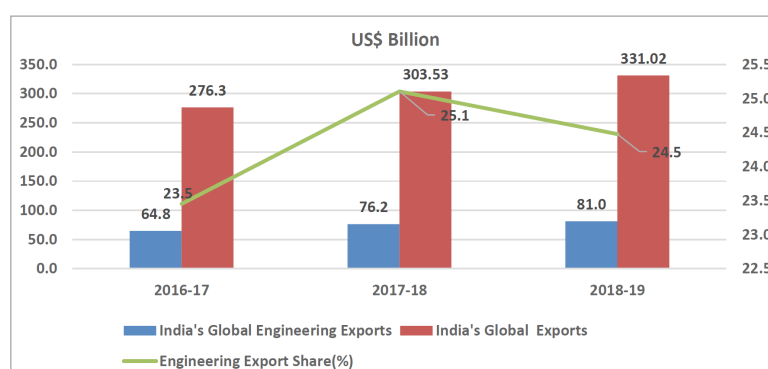
Source: USITC DataWeb

### Key Findings:

- The top 20 GSP items imported from India, combined, were valued at \$1.8 billion in 2018; however, for the same year, the total value of imports under all trade programs for these 20 items was \$2.1 billion. This indicates a utilization rate of 86.4 percent for the items listed above. Products under HS-73 'Articles of iron and steel' were among the top GSP goods imported by the US from India, taking a share of 17.5 percent in the top 20 imports. In 2018, India was the world's second-largest producer of steel. India surpassed Japan to become the world's second-largest steel producer in 2019, with crude steel production of 111.2 million tons.

FIGURE 6: India's Global Engineering Exports

- HS-84 'machinery, mechanical appliances ...' and HS-87 'vehicles other than railway or tramway ...' were two other significant imports from India under the GSP program, with shares of 22.3 percent and 21.7 percent. As of 2018, India is the world's eighth-largest consumer and tenth most significant producer of machinery tools. India exports its engineering



goods mostly to the US and Europe, which accounts for over 60 percent of total exports. Engineering exports for 2019 were US\$ 81.0<sup>23</sup> billion as against US\$ 76.20 billion in 2018. In 2018, the country was also the fourth-largest automaker, and the seventh-largest manufacturer of commercial vehicles. Growing demand

in volume due to a rise in middle-class incomes and a young population has expanded the domestic market, leading to India's prominence as an auto exporter. Several new initiatives by the Government of India and major automobile players are expected to make India a leader in the production and export of two-wheel and four-wheel auto units.

- The tariff on the top 20 items increased in 2019 from 0 percent to a range between 1 percent and 7 percent. It can be seen from the table that the imposition of tariffs did not hinder imports, instead, for the same items, the total import value increased in 2019 by \$7.3 million or 0.3 percent from the previous year. For all 1,945 product lines at the HS-08-digit level that faced duty-free access in 2018, imports for the same items in 2019 increased to \$9.5 billion, a rise of \$824.9 million, or 9.4 percent from the previous year. As imports from India rose for the top 20 GSP items, US imports from the rest of the world for the same items fell by \$720.4 million.

## US GSP Figures: India

**Table 22: US GSP Figures – India**

	US Imports from India under GSP (2018) US\$	US Imports from India under all Trade Programs (2018) US\$	US Imports from India under all Trade Programs (2019) US\$
Top 20 GSP Items in 2018 (from Table 21)	1,826,824,334	2,111,034,876	2,118,366,735
Total GSP Eligible Items in 2018	6,347,403,692	8,720,797,971	9,545,790,808

Source: USITC DataWeb

With the removal of India's GSP status, almost half of the product lines imported under the category of textiles and textile articles, previously eligible for duty-free entry into the US, witnessed a decline in import values. These included articles like HS-57033020 'hand-hooked carpets' and HS-57029210 'hand-loomed carpets' which saw a decrease in import values of \$1.7 million and \$1.4 million, after facing tariffs of 6.0 percent and 2.7 percent. However, some textile articles such as HS-63079098 'National flags' posted a sharp increase in import value of approximately \$7.5 million despite facing a tariff rate of 7.0 percent. To ensure India's exports to the US don't suffer a loss in competitiveness once the concessional duties enjoyed under the GSP were withdrawn, the Government of India extended the Rebate of State and Central Taxes and Levies (RoSCTL) scheme to these products.

*The maximum rate of rebate for apparel will now be 6.05 per cent. In the case of made-ups, this goes up to 8.2 per cent.*

## Turkey

The United States designated Turkey as a GSP beneficiary developing country in 1975. Although overall US-Turkey trade jumped from \$10.8 billion in 2009 to \$21.3 billion in 2018, it remains modest compared to its potential. In 2019, Turkey was the United States' 28th largest export market and its 30th largest supplier of goods. Turkey was also one of the largest beneficiaries of the US GSP scheme, with over \$1.9 billion imported by the US duty-free in 2018. However, effective May 2019, the Trump Administration ended Turkey's GSP eligibility, citing the country's increased level of economic development, a GSP criterion, as the reason for ending Turkey's GSP status. "An increase in Gross National Income (GNI) per capita, declining poverty rates and export diversification, by trading partner and by sector, are evidence of Turkey's higher level of economic development", was the statement made by a USTR representative. The Turkish Trade minister Pekcan stressed that the "graduation" of Turkey from the US GSP program would cause US importers to pay an extra \$63 million in tariffs. "These extra tariffs will also negatively impact American SMEs, as much as they will affect Turkish exporters because the quality of Turkish products and their competitive prices are globally recognized. We will continue to work to raise exports to the US" Pekcan added<sup>24</sup>.

### Top 20 US Imports from Turkey under all Trade Programs

The following table is divided into two sections. The first section lists the top 20 items imported from Turkey at the HS-08-digit level in 2018 along with their corresponding import value in 2019. The second part of the table lists the US's top 20 imports from Turkey in 2019, and attempts to show if there is any change in the top items post-withdrawal of GSP status from Turkey in 2019.

**Table 23: Top 20 US Imports from Turkey**

Top US Imports from Turkey in 2018					Top US Imports from Turkey in 2019			
HTSUS Number	Description	Value (2018) US\$	GSP Eligible?	Value (2019) US\$	HTSUS Number	Description	Value (2019) US\$	% Change (2018-19)
87032301	Motor vehicles to transport persons, w/ spark-ign. IC recip. piston engine, w/cyl capacity >1, 500cc but <=3, 000cc	542,516,679	No	↓487,002,158 <sup>25</sup>	57024220	Carpets and other textile floor coverings, of pile construction, woven, not tufted or flocced, made up, of man-made textile materials, nesoi	↑542,893,836 <sup>26</sup>	31.37%
98010010	US goods returned without having been advanced in value or improved in condition while abroad	483,478,307	No	↓344,226,178	87032301	Motor vehicles to transport persons, w/ spark-ign. IC recip. piston engine, w/cyl capacity >1, 500cc but <=3, 000cc	↓487,002,158	-10.23%
57024220	Carpets and other textile floor coverings, of pile construction, woven, not tufted or flocced, made up, of man-made textile materials, nesoi	413,271,162	No	↑542,893,836	84119190	Parts of turbojets or turbopropellers other than those of subheading 8411.91.10	↑398,302,520	22.11%
84119190	Parts of turbojets or turbopropellers other than those of subheading 8411.91.10	326,179,143	No	↑398,302,520	88033000	Parts of airplanes and helicopters, nesoi	↑365,523,603	12.80%

<sup>24</sup> <https://www.dailysabah.com/economy/2019/03/06/us-decision-to-remove-turkey-from-gsp-contradicts-75b-trade-target>

<sup>25</sup> Red color indicates a fall in total value from previous year.

<sup>26</sup> Green color indicates a rise in total value from previous year.

Top US Imports from Turkey in 2018					Top US Imports from Turkey in 2019			
HTSUS Number	Description	Value (2018) US\$	GSP Eligible?	Value (2019) US\$	HTSUS Number	Description	Value (2019) US\$	% Change (2018-19)
88033000	Parts of airplanes and helicopters, nesoi	324,035,994	No	↑365,523,603	98010010	US goods returned without having been advanced in value or improved in condition while abroad	↓344,226,178	-28.80%
27101215	Light oil motor fuel from petroleum oils and bituminous minerals (o/ than crude) or preps. 70%+ by wt. from petroleum oils	317,006,352	No	↓158,370,465	97060000	Antiques of an age exceeding one hundred years	↑222,980,857	2603.66%
71131929	Gold necklaces and neck chains (o/than of rope or mixed links)	194,479,357	Yes	↓179,986,175	71131929	Gold necklaces and neck chains (o/than of rope or mixed links)	↓179,986,175	-7.45%
72142000	Iron/nonalloy steel, concrete reinforcing bars and rods, not further worked than hot-rolled, hot-drawn or hot-extruded, n/coils	192,675,399	No	↓37,759,405	87019310	Other tractors of engine power => 37kW but < 75kW, for agricultural use	↑174,242,853	31.80%
24011044	Tobacco, not stemmed or stripped, not or not over 35% wrapper tobacco, oriental or turkish type, cigarette leaf	172,207,492	No	↓54,205,978	27101906	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.	↓159,876,569	-
87019310	Other tractors of engine power => 37kW but < 75kW, for agricultural use	132,201,055	No	↑174,242,853	27101215	Light oil motor fuel from petroleum oils and bituminous minerals (o/ than crude) or preps. 70%+ by wt. from petroleum oils	↓158,370,465	-50.04%
63026000	Toilet linen and kitchen linen, of terry toweling or similar terry fabrics, of cotton	115,313,183	No	↑122,909,725	25232900	Portland cement (other than white cement), whether or not colored	↑139,215,083	109.96%
57024210	Wilton, velvet and like floor coverings of pile construction, woven, not tufted or flocked, made up, of man-made textile materials	114,107,016	No	↓74,467,889	99999500	Estimated imports of low valued transactions	↑127,818,352	12.73%
99999500	Estimated imports of low valued transactions	113,379,686	No	↑127,818,352	63026000	Toilet linen and kitchen linen, of terry toweling or similar terry fabrics, of cotton	↑122,909,725	6.59%
73051910	Iron or nonalloy steel, seamed, w/circ. cross sect.& ext. diam o/406.4mm, line pipe, not long. welded, used for oil/gas	109,558,547	No	↓43,054,040	76061230	Aluminum alloy, plates/ sheets/strip, w/thick. o/0.2mm, rectangular (incl. sq), not clad	↑121,852,349	79.38%
84181000	Combined refrigerator-freezers, fitted with separate external doors, electric or other	101,735,839	No	↓80,799,901	87082950	Pts. & access. of bodies for mtr. vehicles of headings 8701 to 8705, nesoi	↑108,304,694	14.83%
87082950	Pts. & access. of bodies for mtr. vehicles of headings 8701 to 8705, nesoi	94,318,342	Yes	↑108,304,694	17049035	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	↑94,788,617	17.43%
68029125	Monumental or building stone & arts. thereof, of travertine, further worked than dressed or polished, nesoi	92,170,028	No	↓65,881,828	71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	↑93,612,371	41.87%

Top US Imports from Turkey in 2018					Top US Imports from Turkey in 2019			
HTSUS Number	Description	Value (2018) US\$	GSP Eligible?	Value (2019) US\$	HTSUS Number	Description	Value (2019) US\$	% Change (2018-19)
27111400	Ethylene, propylene, butylene and butadiene, liquefied	87,500,395	No	↓62,926,165	20097900	Apple juice, of a Brix value exceeding 20, unfermented	↑92,593,969	82.03%
68029115	Monumental or building stone & arts. thereof (o/than slabs), of marble, further worked than simply cut/sawn, nesoi	86,092,464	Yes	↓77,747,744	85414060	Diodes for semiconductor devices, other than light-emitting diodes, nesoi	↑91,559,192	32.13%
72104900	Iron/nonalloy steel, width 600mm+, flat-rolled products, plated or coated with zinc (other than electrolytically), not corrugated	82,937,379	No	↓6,665,466	84129090	Parts for engines of heading 8412 other than hydrojet engines for marine propulsion	↑84,481,798	103.43%
	Total	4,095,163,819		3,513,088,975		Total	4,110,541,364	

Source: USITC DataWeb

### Key Findings:

- Top 20 US imports from Turkey, combined, were valued at \$4.0 billion in 2018, contributing a share of 39.7 percent in the US's total imports from Turkey
- The table shows that the corresponding values in 2019 for the same goods, combined, were \$3.5 billion, showing a decrease in imports of \$582.0 million from the previous year. Three of these products were eligible for GSP benefits in 2018, namely HS-71131929 'Gold necklaces and neck chains ...', HS-87082950 'Pts. & access. of bodies for motor vehicles ...' and HS-68029115 'Monumental or building stone & arts. Thereof ...'
- US total imports of agricultural products from Turkey totaled \$1.0 billion in 2018. Leading categories included: processed fruit & vegetables (\$191 million), tobacco (\$173 million), snack foods (\$121 million), other vegetable oils (\$116 million), and fruit & vegetable juices (\$89 million).
- US imports from Turkey increased by \$311 million in 2019 over those in 2018. Turkey's top 20 exports to the US, combined, were valued at \$4.1 billion for the year, making up 38.7 percent in the US's total imports from Turkey
- The top import categories at the HS-02 digits for the year 2019 were machinery and mechanical appliances (\$1.3 billion), vehicles (\$1.1 billion), carpets and other textile coverings (\$720.4 million), and mineral fuels (\$563.9 million)
- There are eleven items from the previous year that have maintained their position in the top 20 imports from Turkey for 2019.
- HS-68029115 'Monumental or building stone & arts. ...', a previous high-import GSP eligible item lost its position in the top 20 imports of 2019, as its value fell by more than 9.6 percent. Of the other two GSP eligible goods that enjoyed duty-free entry into the US in 2018, HS-71131929 'Gold necklaces and neck chains ...' saw its import value decrease by 7.4 percent, possibly due to the imposition of a 5.5 percent tariff, while US imports for HS-87082950 'Pts. & access. of bodies for motor vehicles ...' actually increased by 14.8 percent even though this item now faced a tariff of 2.5 percent

## Top 20 US Imports from Turkey under the GSP Scheme

The following table lists the top 20 items imported by the US from Turkey under the GSP program in 2018. For the same items, 3-year cumulative growth rates and US imports from the world are also listed. Since Turkey's GSP status was revoked in May of 2019, the table also lists the tariff charged on the previous duty-free articles. The data is analyzed to showcase any changes in US imports from Turkey and the rest of the world to understand whether the GSP impacted just US trade with Turkey or its trade with the rest of the world.

**Table 24: Top 20 US Imports from Turkey under the GSP Scheme**

HTSUS Number	Description	US Imports from Turkey (2018) US\$	Growth Rate (2015-18)	US Imports from the World (2018) US\$	Tariff Rate charged (2019)	US Imports from turkey in (2019) US\$	Percentage change (2018-19)	US Imports from the World (2019) US\$
71131929	Gold necklaces and neck chains (o/than of rope or mixed links)	194,479,357	29.57%	1,295,577,707	5.50%	↓179,986,175	-7.45%	1,385,115,042
68029115	Monumental or building stone & arts. thereof (o/than slabs), of marble, further worked than simply cut/sawn, nesoi	86,092,464	5.06%	452,243,533	4.90%	↓77,747,744	-9.69%	363,736,995
17049035	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	80,717,830	16.93%	1,689,623,813	5.60%	↑94,788,617	17.43%	1,726,647,065
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	80,246,785	-	1,245,397,653	6.50%	↓35,453,501	-55.82%	952,183,069
87082950	Pts. & access. of bodies for mtr. vehicles of headings 8701 to 8705, nesoi	94,318,342	0.24%	13,944,126,867	2.50%	↑108,304,694	14.83%	13,734,384,217
93032000	Shotguns (incl. comb. shotgun-rifles), for sport, hunting or target-shooting	67,911,691	9.90%	245,889,866	2.60%	↑81,068,616	19.37%	270,872,673
68029105	Marble slabs, further worked than simply cut/sawn	67,876,691	3.77%	467,189,576	2.50%	↑81,524,615	20.11%	459,248,772
15099040	Olive oil, other than virgin olive oil, and its fractions, not chemically modified, weighing with the immediate container 18 kg or over	50,757,031	105.65%	133,063,983	0.91%	↓25,048,725	-50.65%	104,449,188
87085099	Pts. & access. of mtr. vehic. of 8701, nesoi, 8702 and 8704-8705, parts, nesoi, of drive axles w/different. (wheth or not w/oth transm compo	57,046,357	14.00%	769,246,144	2.50%	↓48,733,988	-14.57%	791,256,972
40094100	Tubes, pipes and hoses of vulcanized rubber other than hard rubber, reinforced or combined with other materials nesoi, without fittings	46,895,255	32.15%	163,499,391	2.50%	↓21,527,208	-54.10%	132,422,574

HTSUS Number	Description	US Imports from Turkey (2018) US\$	Growth Rate (2015-18)	US Imports from the World (2018) US\$	Tariff Rate charged (2019)	US Imports from turkey in (2019) US\$	Percentage change (2018-19)	US Imports from the World (2019) US\$
15091040	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container 18 kg or over	38,142,788	247.09%	434,515,034	0.84%	↓ 10,219,752	-73.21%	310,169,324
87083050	Pts. & access. of mtr. vehicles of 8701, nesoi, and 8702-8705, brakes and servo-brakes & pts thereof	51,245,983	38.61%	5,411,007,532	2.50%	↑ 63,389,372	23.70%	5,421,316,600
87021031	Motor vehicles w/ diesel engine, to transport 16 or more persons, incl driver	37,077,199	-	976,842,335	2.00%	↓ 23,476,627	-36.68%	947,355,696
40092100	Tubes, pipes and hoses of vulcanized rubber other than hard rubber, reinforced or combined only with metal, without fittings	36,505,049	8.14%	245,623,093	2.50%	↑ 50,875,821	39.37%	257,150,538
11042300	Grains of corn (maize), hulled, pearled, clipped, sliced, kibbled or otherwise worked, but not rolled or flaked	66,491,182	-	74,112,372	0.56%	↑ 81,769,485	22.98%	88,968,135
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	22,074,085	12.61%	2,454,517,053	3.00%	↑ 28,138,257	27.47%	2,326,150,240
83023030	Iron or steel, aluminum or zinc mountings, fittings and similar articles nesoi, suitable for motor vehicles, and base metal parts thereof	23,435,217	14.76%	1,973,597,842	2.00%	↑ 28,937,230	23.48%	1,969,891,317
85113000	Distributors and ignition coils	25,588,114	75.17%	570,613,542	2.50%	↓ 5,756,893	-77.50%	458,144,924
40111010	New pneumatic radial tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	20,033,105	-14.34%	7,546,198,041	4.00%	↑ 39,419,255	96.77%	7,848,379,244
20019038	Vegetables (including olives) nesoi, prepared or preserved by vinegar or acetic acid	18,567,705	3.46%	231,519,573	9.60%	↑ 20,100,093	8.25%	241,202,312
	<b>Total</b>	<b>1,165,502,230</b>		<b>40,324,404,950</b>		<b>1,106,266,668</b>		<b>39,789,044,897</b>

Source: USITC DataWeb

### Key Findings:

- The top 20 GSP items imported from Turkey, combined, were valued at \$1.05 billion in 2018; however, for the same year, the total value of imports under all programs for these 20 items was \$1.16 billion. This indicates a utilization rate of 90.7 percent for the items listed above. For the same set of goods, the US imported over \$40.3 billion from the world in 2018
- The top GSP product categories are HS-87 'vehicles', HS-71 'Natural or colored pearls, precious metals ... stones ...', HS-39 'Plastics' and HS-68 'Articles of stone, plaster, cement ...', made up 14.8 percent, 11.8

percent, 10.2 percent, and 8.3 percent in total GSP imports from Turkey in 2018

- Products under HS-71 'Natural or colored pearls, precious metals ... stones ...' are among the top GSP goods imported by the US from Turkey, taking a share of 16.6 percent in the top 20 imports. Turkey leads in European gold production and is likely to be a prominent gold producer in the future. According to the Turkish Gold Miners Association, Turkey had 800t or 1.5% of global gold reserves and 5,700t of predicted resources at the end of 2014. Turkey mostly ranks among the top five countries in the world in gold jewelry production. Turkey is also the world's largest marble exporter
- Turkey's automotive sector topped the country's exports with \$30.6 billion in 2019. The US is one of the major destinations for Turkish exports of motor vehicles and parts. Global automotive giants, such as Fiat, Renault, Hyundai, Ford, Mercedes and domestic firms, such as BMC, Karsan, Temsa, produce different types of vehicles and export these from Turkey to the world
- With the implementation of tariffs, Turkey's highest-grossing GSP exports fell by \$59.2 million in 2019, a 5.0 percent decrease from the previous year. This is odd because all imports from Turkey in 2019, which were eligible for duty-free access during the last year, increased by \$209.1 million, a rise of 8.1 percent. Total imports from turkey, under all programs, also increased in 2019 by \$311.0 million, a 3.0 percent increase from 2018

## US GSP Figures: Turkey

**Table 25: GSP Figures – Turkey**

US Imports from Turkey	2018 US\$	2019 US\$	Percentage Change (2018-19)
Total Imports	10,307,584,566	10,618,682,735	3.02%
Imports under GSP	1,935,676,807	-	
Total Imports for GSP Eligible Items (2018)	2,582,814,326	2,791,932,166	8.10%
Utilization Rate of GSP Scheme	74.94%		

Source: USITC DataWeb

## India & Turkey Possible Beneficiaries of the US – China Trade War?

The US-China trade war has led to trade diversion that has benefited various countries. A recent report by the Coalition for Generalized System of Preferences (GSP), a Washington, D.C. based organization, revealed that as the US administration had imposed tariffs on a wide range of Chinese goods, US companies resorted to importing goods from GSP eligible countries including Turkey, India, Indonesia, Thailand, and Cambodia. In 2017, US imports under the GSP program totaled \$21.1 billion, while the figure rose to \$23.6 billion after tariff hikes on Chinese goods. Import figures for March and April 2019 indicate that Turkey and India were the top two countries benefiting from the GSP program<sup>27</sup> after additional tariffs were imposed on China. According to the report, 97.0 percent of increased 2019 GSP imports from Turkey are on the China Section 301 list<sup>28</sup>. Furthermore, over 97.0 percent of the rising imports from India in 2019 are on the China Section 301 lists as well. According to the report, due to the US-China trade war, many imports which were eligible for GSP benefits under Section 301 list shifted from China and diverted to India and Turkey during the first quarter of 2019.

*In the first quarter of 2019, the GSP saved American companies \$285 million – \$63 million more than the first quarter of 2018.*

*-Economic Times India*

<sup>27</sup> India and Turkey were removed from the GSP Scheme in mid-2019

<sup>28</sup> According to the Washington DC-based Coalition for GSP, products hit by Section 301 tariffs when imported from China account for 90 per cent of increased GSP imports in 2019. Overall, GSP imports rose by about USD 760 million, with USD 672 million coming on products on China Section 301 lists. GSP imports of products on those Section 301 lists increased 19.0 percent while GSP imports of other products increased by just 5.0 percent.

[https://economictimes.indiatimes.com/news/economy/foreign-trade/gsp-countries-to-benefit-from-trade-war-with-china-report/articleshow/69335378.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/economy/foreign-trade/gsp-countries-to-benefit-from-trade-war-with-china-report/articleshow/69335378.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## The US GSP Opportunity

The following table lists the top 50 US GSP imports from the world, along with each product's top 3 suppliers and the MFN import tariff charged by the US. A number of products are listed which manufacturers/exporters from Pakistan can look to exploit. Pakistan is one of the top suppliers for four of the items listed below; these are HS-71131950 'Precious metal (o/than silver) articles of jewelry ...', HS-39076100 'Polyethylene terephthalate ...' and HS-90049000 'Spectacles, goggles and the like ...' and HS-63079098 'National flags ...'. India is one of the top suppliers to the US for 17 items despite losing its status as a GSP beneficiary in mid-2019. Similar is the case with Turkey, which also lost its GSP status in 2019 due to a high Gross National Income (GNI), yet it managed to be in the top supplier list to the US for 15 GSP items.

**Table 26: Top 50 US GSP Imports from the World**

HTSUS Number	Description	US Imports from World (2019) US\$	Growth Rate (2015-19)	Top Suppliers	MFN Tariff Rate	US Imports from Pakistan (2019) US\$	Pakistan's Exports to the World (2019)
71131929	Gold necklaces and neck chains (o/than of rope or mixed links)	452,485,602	23.63%	Indonesia Turkey South Africa	0% 5.5% 0%	-	#N/A
42029231	Travel, sports and similar bags with outer surface of MMF textile materials	441,701,831	-	Cambodia Indonesia Philippines	0% for all	1,826,483	#N/A
42022215	Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics	324,437,527	-	Cambodia Philippines Burma	0% for all	-	#N/A
40151910	Seamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves	319,510,922	6.58%	Thailand Indonesia Sri Lanka	0% for all	79,882	#N/A
42022190	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesoi, over \$20 ea.	302,397,401	-	Philippines  Cambodia  Indonesia	0% for all	30,205	#N/A
20098970	Juice of any other single fruit, nesoi, (including berries), concentrated or not concentrated	285,212,102	-	Thailand Brazil Philippines	0% for all	654,413	#N/A
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	265,896,117	28.23%	Indonesia Pakistan Lebanon	0% for all	69,265,741	#N/A
94053000	Lighting sets of a kind used for Christmas trees	264,225,933	61.50%	Cambodia Philippines Indonesia	0% for all	-	0
84159080	Parts for air conditioning machines, nesoi	259,545,784	-0.29%	Thailand Philippines South Africa	0% for all	-	#N/A

HTSUS Number	Description	US Imports from World (2019) US\$	Growth Rate (2015-19)	Top Suppliers	MFN Tariff Rate	US Imports from Pakistan (2019) US\$	Pakistan's Exports to the World (2019)
21069098	Other food preps nesoi, incl preps for the manufacture of beverages, non-dairy coffee whiteners, herbal teas and flavored honey	254,936,872	-	Thailand Brazil India	0% for all	1,832,125	#N/A
42029190	Cases, bags and containers nesoi, other than golf bags, with outer surface of leather, of composition leather	239,398,641	-	Cambodia Indonesia Philippines	0% for all	1,240,580	#N/A
42029245	Travel, sports and similar bags with outer surface of plastic sheeting	238,248,796	-	Cambodia Philippines Burma	0% for all	464,655	#N/A
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	213,103,846	-	Egypt Pakistan South Africa	0% for all	58,955,879	#N/A
72024100	Ferrochromium containing by weight more than 4 percent of carbon	197,484,785	-6.51%	South Africa Zimbabwe Albania	0% for all	#N/A	0
40112010	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	189,473,940	21.97%	Indonesia Philippines India	0% 0% 4%	#N/A	0
90015000	Spectacle lenses of materials other than glass, unmounted	172,137,561	4.23%	Thailand Indonesia Philippines	0% for all	#N/A	0
40111010	New pneumatic radial tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	171,430,084	0.99%	Philippines Turkey Ecuador	0% 4% 0%	#N/A	#N/A
94042100	Mattresses, of cellular rubber or plastics, whether or not covered	155,137,909	321.29%	Indonesia Thailand Serbia	0% for all	14,997	6,000
17049035	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	144,185,817	4.08%	Turkey Thailand Brazil	5.6% 0% 0%	1,323,783	#N/A
87089968	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for power trains nesoi	143,998,229	15.42%	Thailand India Turkey	0% 2.5% 2.5%	8,920	#N/A
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	143,903,003	4.14%	Sri Lanka Philippines Turkey	0% 0% 3%	23,399	8,507,000
44182080	Doors of wood, other than French doors	137,849,863	10.49%	Brazil Indonesia South Africa	0% for all	3,600	#N/A
39253010	Blinds (including venetian blinds), of plastics	135,617,388	63.10%	Cambodia Thailand Kosovo	0% for all	#N/A	#N/A
87089475	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705, parts of steering wheels/columns/boxes, nesoi	134,881,252	-8.88%	Thailand India Brazil	0% 2.5% 0%	30,305	#N/A

HTSUS Number	Description	US Imports from World (2019) US\$	Growth Rate (2015-19)	Top Suppliers	MFN Tariff Rate	US Imports from Pakistan (2019) US\$	Pakistan's Exports to the World (2019)
84831030	Camshafts and crankshafts nesoi	134,241,324	-5.65%	Brazil India Thailand	0% 2.5% 0%	#N/A	#N/A
22029990	Nonalcoholic beverages, nesoi, excluding fruit or vegetable juices of heading 2009	130,810,246	-	Thailand Philippines Brazil	0% for all	1,992,288	#N/A
35030055	Gelatin sheets and derivatives, nesoi; isinglass; other glues of animal origin, nesoi	125,379,686	9.98%	Brazil Argentina India	0% 0% 4.22%	#N/A	#N/A
84099991	Parts nesoi, used solely or principally with the engines of heading 8408, for vehicles of heading 8701.20, 8702, 8703, 8704	122,501,692	-4.24%	South Africa India Serbia	0% 2.5% 0%	#N/A	-
85044095	Static converters (for example, rectifiers), nesoi	121,409,537	11.33%	Thailand Philippines India	0% 0% 0%	78,926	#N/A
44123332	Plywood sheets n/o 6mm thick, outerply of specified nonconiferous wood excluding walnut and birch, not surface covered beyond clear/ transparent	119,223,015	-	Cambodia Indonesia Thailand	0% for all	#N/A	#N/A
85444290	Insulated electric conductors nesoi, for a voltage not exceeding 1,000 V, fitted with connectors, nesoi	117,811,055	21.19%	Philippines Indonesia South Africa	0% for all	24,010	554,000
87089981	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705	113,127,492	-3.33%	India Thailand South Africa	2.5% 0% 0%	286,250	#N/A
78011000	Refined lead, unwrought	111,459,021	-3.46%	Ecuador Kazakhstan Brazil	0% for all	#N/A	48,000
94054084	Electric lamps and lighting fixtures nesoi, not of base metal	109,266,388	-	Cambodia Indonesia Philippines	0% for all	502,648	#N/A
72023000	Ferrosilicon manganese	107,827,858	-11.83%	Georgia Zambia Thailand	0% for all	#N/A	#N/A
90049000	Spectacles, goggles and the like, corrective, protective or other, other than sunglasses	107,486,880	233.98%	Thailand Pakistan Argentina	0% for all	501,600	1,000
38231920	Industrial monocarboxylic fatty acids or acid oils from refining derived from coconut, palm-kernel, or palm oil	105,834,184	22.05%	Indonesia India Brazil	0% 2.3% 0%	#N/A	-
17011410	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. US 5 to Ch.17	104,530,985	1.22%	Philippines Mauritius Eswatini	0% for all	#N/A	#N/A
85371091	Other boards, panels, consoles, desks, cabinets, etc., equipped with apparatus for electric control, for a voltage not exceeding 1,000, nesoi	100,081,531	-	Thailand India Philippines	0% 2.7% 0%	3,084	#N/A

HTSUS Number	Description	US Imports from World (2019) US\$	Growth Rate (2015-19)	Top Suppliers	MFN Tariff Rate	US Imports from Pakistan (2019) US\$	Pakistan's Exports to the World (2019)
87087045	Pts. & access. of mtr. vehic. of 8701, nesoi, and of 8702-8705, road wheels	99,879,689	-7.06%	Thailand Brazil India	0% 0% 2.5%	#N/A	#N/A
84133090	Fuel, lubricating or cooling medium pumps for internal-combustion piston engines, not fitted with a measuring device, nesoi	96,974,293	-0.22%	Thailand India Brazil	0% 2.5% 0%	#N/A	50,000
28253000	Vanadium oxides and hydroxides	96,729,910	41.50%	Brazil South Africa Thailand	0% for all	#N/A	#N/A
15091040	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container 18 kg or over	95,642,034	-4.92%	Tunisia Argentina Turkey	0% 0% 0.84%	#N/A	#N/A
29349990	Nonaromatic other heterocyclic compounds, nesoi	93,477,967	6.05%	India Indonesia	6.5% 0%	#N/A	85,000
63079098	National flags and other made-up articles of textile materials, nesoi	92,922,781	-0.01%	India Pakistan Thailand	7% 0% 0%	25,190,670	#N/A
08045040	Guavas, mangoes, and mangosteens, fresh, if entered during the period September 1 through May 31, inclusive	92,311,870	1.42%	Brazil Ecuador India	0% 0% 6.01%	20,737	47,000
87082950	Pts. & access. of bodies for mtr. vehicles of headings 8701 to 8705, nesoi	90,359,806	-7.47%	Thailand Brazil Turkey	0% 0% 2.5%	69,591	#N/A
85011040	Electric motors of an output of under 18.65 W, other than synchronous valued not over \$4 each	88,114,920	-1.59%	Thailand Philippines Indonesia	0% for all	#N/A	#N/A
18032000	Cocoa paste, wholly or partly defatted	87,067,591	4.71%	Cote d'Ivoire Cameroon Indonesia	0% for all	#N/A	#N/A
28499050	Carbides, nesoi	86,967,792	42.84%	South Africa India Argentina	0% 3.7% 0%	#N/A	#N/A

Source: USITC DataWeb

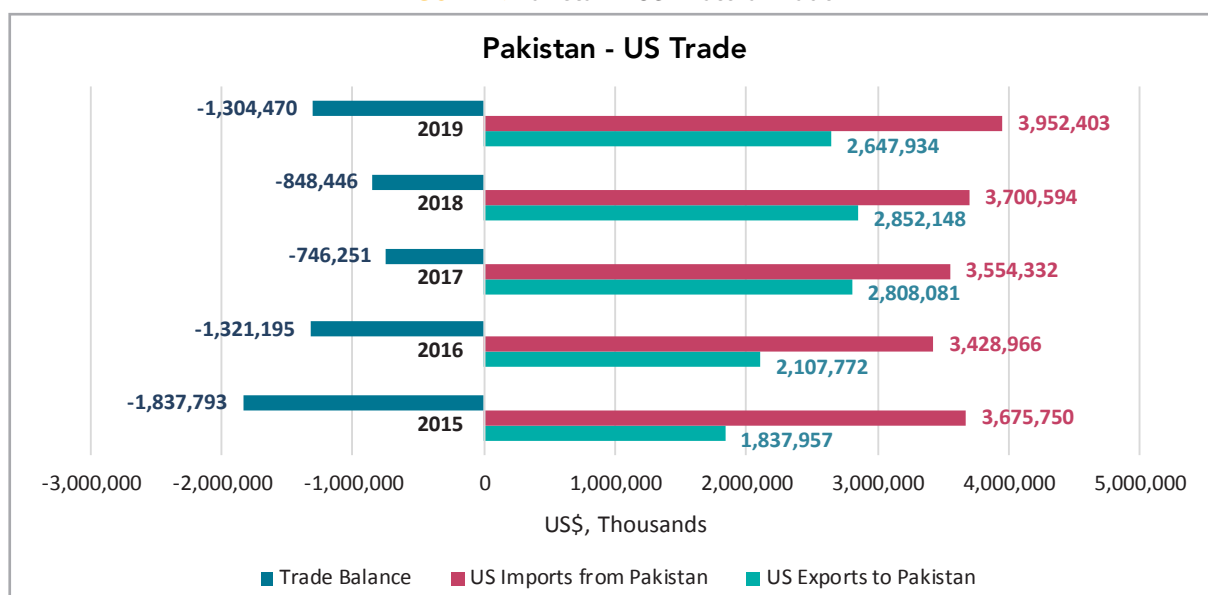
# Pakistan – US Bilateral Trade

The United States is Pakistan's largest export destination, with over \$3.9 billion imported by the US in 2019 from the South Asian country – an increase of 6.8 percent over the previous year. Items of textile and apparel constitute the top import categories, making up 72.4 percent of US imports from Pakistan in 2019. Textile imports from Pakistan were valued at \$2.8

billion. Due to favorable demographics, a large consumer base, low labor costs, and an abundance of natural resources, Pakistan is deemed to be an attractive market for US companies. The growing bilateral trade and increased investment have led to greater economic engagement between the two countries.

*Since the 1950s, Pakistan and the US have cooperated in different areas such as defence, economics, and regional stability. Pakistan's help to the US to negotiate the deal with the Afghan Taliban has created room for further cooperation and engagement.*

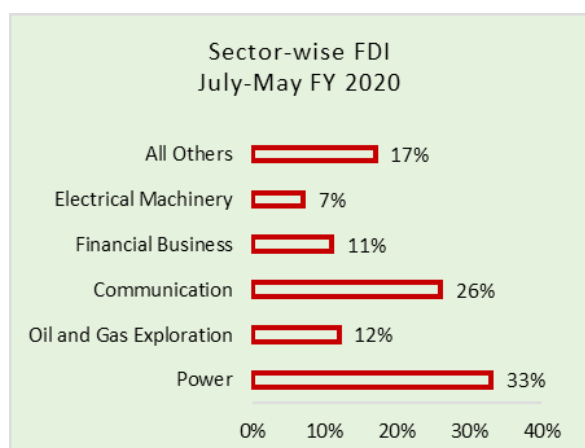
**FIGURE 7: Pakistan – US Bilateral Trade**



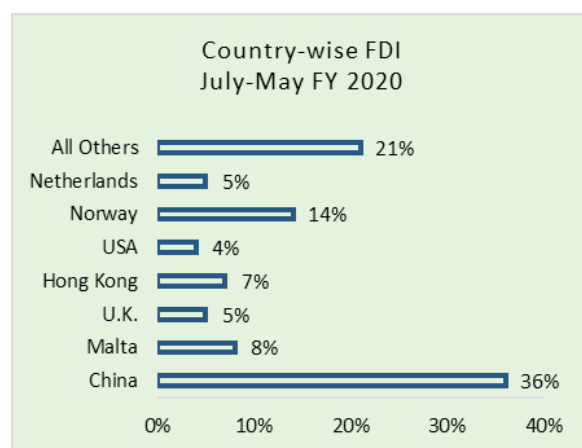
Source: ITC Trade Map

The US is also one of the largest sources of foreign direct investment for the country.

**FIGURE 8: Country-wise FDI – Pakistan**



**FIGURE 9: Sector-wise FDI – Pakistan**



The US plays a significant role in Pakistan’s trade. In 2019, the US reported \$3.9 billion imports from Pakistan, making the US Pakistan’s largest export partner. Over 16.5 percent of Pakistan’s exports went to the US in 2019.

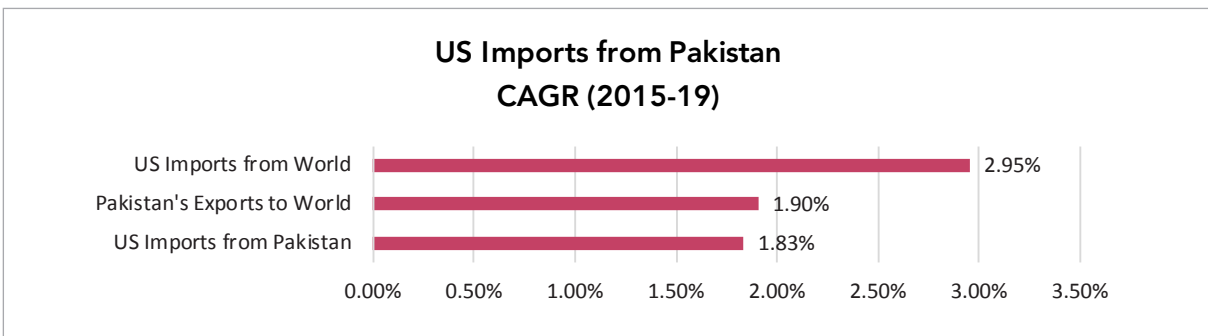
The past five years have witnessed a favorable trend in US imports from Pakistan and Pakistan’s exports to the world. US Imports from Pakistan have increased by 1.3 percent annually since 2015. However, the CAGR of US imports from the world increased twice as fast, rising at a rate of 2.6 percent since 2015.

**FIGURE 10: Pakistan’s Export Concentration**



Source: ITC Trade Map

**FIGURE 11: US Imports from Pakistan CAGR (2015-19)**



Source: ITC Trade Map

## Pakistan's GSP Status

As of 2019, Pakistan is the ninth-largest beneficiary of the US GSP scheme. Approximately 8.7 percent of the US's total imports from Pakistan, valued at \$344.6 million, were imported under the GSP program.

**Table 27: Pakistan: GSP Figures and Facts**

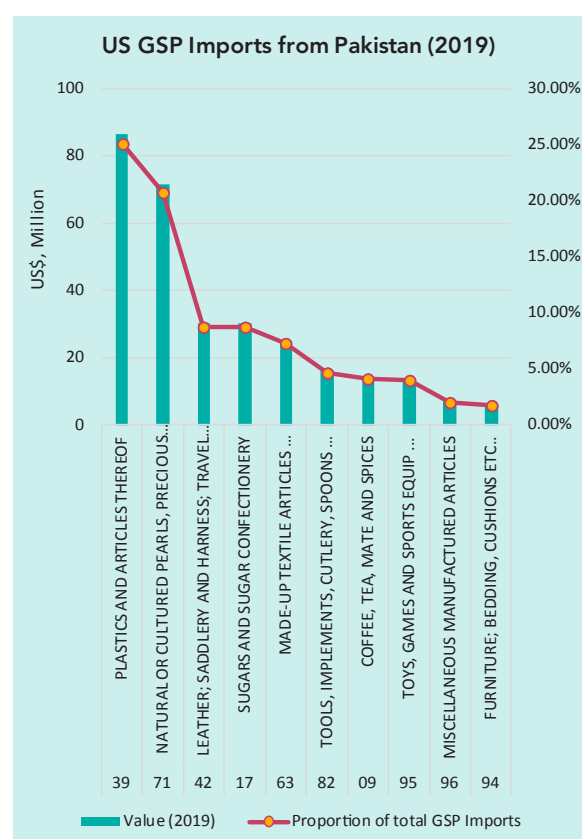
2018		2019	
Total US Imports from Pakistan	\$3,700.2 million	Total US Imports from Pakistan	\$3,952.5 million
Imports from Pakistan under GSP	\$326.3 million	Imports from Pakistan under GSP	\$344.6 million
GSP as a Percentage of Total Imports	8.81%	GSP as a Percentage of Total Imports	8.72%
Total Imported from Pakistan (GSP Eligible)	\$351.5 million	Total Imported from Pakistan (GSP Eligible)	\$371.7 million
GSP Utilization rate	92.82%	GSP Utilization rate	92.71%

Source: USITC DataWeb

As can be seen from Table 27, Pakistan did not fully utilize the GSP scheme. Even though \$371.7 million goods were eligible for duty-free access into the US in 2019, imports from Pakistan were given zero duty preference on \$344.6 million worth of goods, leading to a utilization rate of 92.7 percent. Similarly, in 2018, \$351.5 million exports were eligible to enter the US tariff-free; however, only \$326.3 million availed the GSP preference, leading to 92.8 percent utilization. The figure on the right illustrates the top items at the HS-02 level imported under the GSP program from Pakistan. These top 10 categories were valued at \$300.9 million, contributing a share of 87.3 percent to total US imports from Pakistan under the GSP scheme.

HS-39 'Plastics ...' was the largest import category under the GSP program. US importers imported \$86.3 million worth of plastics duty-free from Pakistan. Plastics is also one of the top GSP import categories, with over \$1.6 billion imported by the US in 2019. HS-71 'Natural or colored pearls, precious metals' is another top import category from Pakistan with over \$71.5 million imported in 2019 and contributing a share of 20.7 percent in Pakistan's total GSP exports to the US. It should be noted that HS-71 was the largest category imported by the US from India under all tariff programs, with values exceeding \$11.5 billion and \$10.7 billion in 2018 and 2019, respectively. As India lost its GSP status in 2019, more than \$62.1 million of goods that were previously imported free of duty under this category in 2018 now face new tariffs. Similarly, Turkey exported \$228.9 million worth of items under HS-71 to the US under the GSP program. Following the loss of duty benefits, an opportunity exists for Pakistan to capitalize on the US withdrawal of special duty benefits of around \$1.9 billion on Turkish goods and \$6.3 billion of Indian goods imported under GSP.

**Table 28: US GSP Imports from Pakistan (HS-02) Level**



## Top 20 US Imports from Pakistan under all Tariff Programs (HS-08 Level)

The table below shows the top 20 products at the HS-08 level imported by the US from Pakistan in 2019, along with their CAGR for the 2015-18 period, as well as the corresponding US global imports for each item.

**Table 29: Top 20 US Imports from Pakistan (HS-08 Level)**

HTSUS Number	Description	US Imports from Pakistan (2019) US\$	GSP Eligible?	Growth (2015-18)	Share in total Imports (2019)	US Imports from the World (2019) US\$
63026000	Toilet linen and kitchen linen, of terry toweling or similar terry fabrics, of cotton	473,708,214	No	-1.16%	11.98%	1,943,170,562
62046280	Women's or girls' trousers, breeches and shorts, not knitted or crocheted, of cotton	257,881,041	No	-	6.52%	4,464,475,841
61102020	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, nesoi	257,658,741	No	5.14%	6.52%	7,752,385,683
62034245	Men's/boys' trousers & shorts, not bibs, not knit/crochet, cotton ...	221,017,581	No	-	5.59%	5,161,019,295
63023190	Bed linen, not knit/croc, not printed, of cotton, not cont any embroidery...	178,519,573	No	-2.64%	4.52%	1,263,006,534
61091000	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	162,003,326	No	4.78%	4.10%	4,408,694,718
63071010	Dustcloths, mop cloths and polishing cloths, of cotton	149,006,172	No	-1.19%	3.77%	216,900,883
61159590	Stockings, socks, etc. nesoi (not surgical and not containing lace or net), knitted...	106,316,214	No	2.20%	2.69%	568,239,131
63021000	Bed linen, knitted or crocheted	99,885,281	No	5.75%	2.53%	342,109,453
90189080	Instruments and appliances used in medical, surgical...	96,716,416	No	5.18%	2.45%	7,195,500,197
63022190	Bed linen, not knit or croc, printed, of cotton, ...	72,604,937	No	-4.91%	1.84%	333,525,091
52085230	Printed plain weave fabrics of cotton, 85% or ...	71,548,729	No	22.54%	1.81%	232,600,768
71131950	Precious metal (o/than silver) articles of jewelry and parts ...	69,265,741	Yes	48.02%	1.75%	5,418,362,163
61051000	Men's or boys' shirts, knitted or crocheted, of cotton	61,157,555	No	-15.37%	1.55%	1,080,061,490
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	60,090,779	Yes	-	1.52%	952,183,069
63023170	Bed linen, not knit/croc, not printed, of cotton, ...	51,387,564	No	31.65%	1.30%	183,093,136
42032930	Men's gloves, mittens and mitts of leather or composition leather, nesoi, seamed	46,146,000	No	13.20%	1.17%	142,814,674
63071020	Floor cloths, dishcloths and similar cleaning cloths of textile ...	42,834,518	No	0.54%	1.08%	385,139,569
61034210	Men's or boys' trousers, breeches and shorts, knitted or crocheted, of cotton	40,582,043	No	-9.22%	1.03%	867,173,880
57011040	Carpets and other textile floor coverings, ...	38,989,586	No	-9.98%	0.99%	214,480,808

Source: USITC DataWeb

### Key Findings:

- US's top 20 items imported from Pakistan amounted to \$2.5 billion, which represented 65.1 percent of US imports from Pakistan.
- Overall, imports from Pakistan have increased with a CAGR of 1.8 percent since 2015.
- Half of the products listed have a positive CAGR, whereas for three of the items listed in the table, namely HS-64026280 'Women's or girls' trousers, breeches, and shorts ...', HS-62034245 'Men's/boys' trousers & shorts ...' and HS-39076100 'Polyethylene terephthalate ...', were not imported from Pakistan in 2015.
- Two items, HS-71131950 'Precious metal (other than silver) articles of jewelry ...' and HS-39076100 'Polyethylene terephthalate ...' are GSP eligible products, with a share of 1.7 percent and 1.5 percent, in total US imports from Pakistan.
- The last column shows the corresponding values of US global imports. For the top 20 items imported from Pakistan, the US imported \$43.1 billion in total. This indicates that, at the HS-08 level, there is significant potential for Pakistan to increase its exports to the US for the above-mentioned items, including for the two GSP-eligible products

### Top 10 US Imports from Pakistan under the GSP Scheme (HS-02 Level)

The table below shows the top 10 GSP product categories imported by the US from Pakistan at the HS-02 level, along with the CAGR for the last 5 years, and each category's proportion in GSP imports and total imports from Pakistan.

**Table 30: Top 10 US Imports from Pakistan under the GSP Scheme (HS-02 Level)**

HTSUS Number	Description	Value (2019) US\$	Growth (2015-19)	% of total GSP Imports from Pakistan (2019)	% of total Imports from Pakistan (2019)
	<b>Total</b>	<b>344,659,418</b>	<b>17.56%</b>		
39	Plastics and articles thereof	86,370,859	33.97%	25.06%	2.19%
71	Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal clad metals, articles thereof; imitation jewelry; coin	71,543,274	45.46%	20.76%	1.81%
42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of gut (other than silkworm gut)	30,290,366	29.33%	8.79%	0.77%
17	Sugars and sugar confectionery	30,260,545	-0.52%	8.78%	0.77%
63	Made-up textile articles nesoi; needlecraft sets; worn clothing and worn textile articles; rags	25,232,252	14.90%	7.32%	0.64%
82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	16,093,958	1.49%	4.67%	0.41%
09	Coffee, tea, mate and spices	14,454,519	6.50%	4.19%	0.37%
95	Toys, games and sports equipment; parts and accessories thereof	13,619,011	27.06%	3.95%	0.34%
96	Miscellaneous manufactured articles	6,850,269	4.46%	1.99%	0.17%
94	Furniture; bedding, cushions etc.; lamps and lighting fittings nesoi; illuminated signs, nameplates and the like; prefabricated buildings	6,270,658	1.75%	1.82%	0.16%

Source: USITC DataWeb

### Key Findings:

- Pakistan's exports to the US under the GSP program have grown steadily over the years. They achieved their highest value in 2019, with imports worth \$344.6 million entering the US duty-free, up from \$180.4 million in 2015. This indicates an annual growth rate of 17.5 percent over the past five years
- HS-39 'Plastics ...', is the largest GSP import, with a share of 25.0 percent in total GSP imports into the US, growing by a substantial rate of 33.9 percent annually since 2015.
- Articles of jewelry under HS-71 is an up-and-coming GSP category for Pakistan, with a share of 20.7 percent, and a CAGR of 45.6 percent

### Trade Potential for Pakistan under the US GSP Program

Table 31 below lists the top subcategories (greater than \$400k) at the HS-08 level of each product cluster. Along with the import value for 2019, each commodity's 5-year CAGR and utilization rate are also given. Moreover, to find out how much potential these GSP eligible items hold in the US market, corresponding values of US global imports and Pakistan's global exports are listed. This would help analyze Pakistan's supply capacity as well as US import demand for each item.

#### Top US Imports from Pakistan under the GSP Scheme (HS-08 Level)

**Table 31: Top US GSP Imports from Pakistan (HS-08 Level) under Table 30**

HTSUS Number	Description	Value (2019) US\$	Growth (2015-19)	Total Imports from Pakistan (2019) US\$	Utilization Rate	US Imports from the World (2019) US\$	Pakistan's Exports to the World <sup>29</sup> (2019) US\$
<b>HS-39: Plastics and articles thereof</b>							
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	58,955,879	-	60,090,779	98.11%	952,183,069	217,199,858
39076900	Polyethylene terephthalate, having a viscosity number less than 78 ml/g	12,814,306	-	12,874,619	99.53%	238,451,361	13,748,099
39206200	Nonadhesive plates, sheets, film, foil and strip, noncellular, not combined with other materials, of polyethylene terephthalate	7,574,806	33.58%	7,574,806	100.00%	847,491,249	27,146,334
39262030	Gloves specially designed for use in sports, nesoi, of plastics	3,966,435	11.26%	4,668,929	84.95%	18,949,032	21,530
39235000	Stoppers, lids, caps and other closures, of plastics	563,327	39.35%	571,580	98.56%	1,048,221,082	1,970,305
<b>HS-71: Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal clad metals, articles thereof ...</b>							
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	69,265,741	48.26%	69,265,741	100.00%	5,418,362,163	3,828,504

<sup>29</sup> Values have been taken at the HS-06 level since Pakistan's 8-digit codes do not match US 8-digit codes for the same items. Even at the HS-06 level, Pakistan's export values to the world for a few products seem to be underreported – they are less than the values reported by the US for imports from Pakistan.

HTSUS Number	Description	Value (2019) US\$	Growth (2015-19)	Total Imports from Pakistan (2019) US\$	Utilization Rate	US Imports from the World (2019) US\$	Pakistan's Exports to the World <sup>29</sup> (2019) US\$
71162040	Semiprecious stone (except rock crystal) articles (other than jewelry and figurines)	733,838	55.70%	736,838	99.59%	28,308,910	239,174 <sup>30</sup>
71162015	Jewelry articles of precious or semiprecious stones, valued over \$40 per piece	596,023	1.71%	596,023	100.00%	24,713,083	239,174 <sup>30</sup>
<b>HS-42: Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of gut ...</b>							
42029215	Travel, sports and similar bags with outer surface of cotton, not of pile or tufted construction	11,461,582	-	12,150,483	94.33%	320,200,449	1,352,231
42032180	Gloves, mittens and mitts specially designed for use in sports, nesoi, of leather or of composition leather	8,891,272	5.37%	12,603,731	70.54%	103,613,890	84,172,742
42029291	Bags, cases and similar containers with outer surface of textile materials, of MMF except jewelry boxes	1,984,763	-	2,104,802	94.30%	237,122,127	1,352,231 <sup>30</sup>
42033000	Belts and bandoliers with or without buckles, of leather or of composition leather	1,959,236	8.27%	2,126,619	92.13%	483,132,993	10,024,347
42029231	Travel, sports and similar bags with outer surface of MMF textile materials	1,826,483	-	2,371,403	77.02%	1,985,989,044	1,352,231 <sup>30</sup>
<b>HS-17: Sugars and sugar confectionery</b>							
17023040	Glucose and glucose syrup, not containing fructose or in the dry state less than 20 percent by weight of fructose, nesoi	27,978,852	-1.79%	28,039,035	99.79%	148,265,917	37,921,969
17049035	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	1,323,783	25.94%	1,333,983	99.24%	1,726,647,065	35,050,666
17026040	Glucose and glucose syrup, w/50% or more fructose, other than blended syrups described in add. US note 4 to Ch.17	649,275	49.82%	649,275	100.00%	100,070,657	<sup>31</sup>
<b>HS-63: Made-up textile articles nesoi; needlecraft sets; worn clothing and worn textile articles; rags</b>							
63079098	National flags and other made-up articles of textile materials, nesoi	25,190,670	14.85%	27,482,108	91.66%	3,269,758,360	47,655,101
<b>HS-82: Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal</b>							
82119290	Knives w/fixed blades (o/ than table knives, other knives w/rubb./plast. handles, or hunting knives w/wood handles)	3,813,556	12.20%	4,590,702	83.07%	85,923,345	10,925,056

<sup>30</sup> Values have been colored to indicate different 8-digit codes that fall under the same 6-digit import category.

<sup>31</sup> Pakistan has not reported any export values for the blank cells in the column

HTSUS Number	Description	Value (2019) US\$	Growth (2015-19)	Total Imports from Pakistan (2019) US\$	Utilization Rate	US Imports from the World (2019) US\$	Pakistan's Exports to the World <sup>29</sup> (2019) US\$
82142030	Base metal instruments for manicure or pedicure purposes, and base metal parts thereof	3,307,800	-0.53%	4,652,566	71.10%	78,093,149	50,910,988
82032060	Pliers (including cutting pliers but not slip joint pliers), pincers and similar tools	2,027,250	-3.60%	2,441,555	83.03%	178,647,611	1,039,717 <sup>30</sup>
82032020	Base metal tweezers	1,999,784	11.43%	2,576,517	77.62%	32,997,527	1,039,717 <sup>30</sup>
82055955	Iron or steel handtools (o/ than household, o/ than caulking guns) nesoi, and base metal parts thereof	975,961	-0.23%	1,465,419	66.60%	278,177,734	5,737,076
<b>HS-09: Coffee, tea, mate and spices<sup>32</sup></b>							
09109100	Mixtures of spices	12,253,845	7.29%	12,364,258	99.11%	35,492,909	64,890,554
09109960	Spices, nesoi	1,963,512	2.93%	1,963,512	100.00%	41,904,890	7,909,373
<b>HS-95: Toys, games and sports equipment; parts and accessories thereof</b>							
95069960	Athletic and sports articles and equipment nesoi, and parts & accessories thereof nesoi	7,845,920	33.13%	9,074,058	86.47%	665,438,202	30,244,689
95069100	Arts. and equip. for general physical exercise, gymnastics or athletics and parts & accessories thereof	4,857,238	22.10%	6,323,599	76.81%	2,573,357,676	4,282,881
95066280	Inflatable balls (o/ than footballs and soccer balls) nesoi	413,441	16.01%	459,091	90.06%	117,766,642	170,448,530
<b>HS-96: Miscellaneous manufactured articles</b>							
96039080	Brooms & brushes nesoi, mops, hand-operated mechanical floor sweepers, squeegees and similar articles, nesoi	3,968,766	-6.80%	4,218,957	94.07%	752,642,905	762,435
96091000	Pencils & crayons, with leads encased in a rigid sheath	2,657,670	72.95%	3,272,844	81.20%	220,058,792	385,932
<b>HS-94: Furniture; bedding, cushions etc.; lamps and lighting fittings nesoi; illuminated signs, nameplates and the like ...</b>							
94052080	Electric table, desk, bedside or floor-standing lamps, not of base metal	3,840,678	3.43%	4,245,705	90.46%	365,266,979	2,138,142
94054082	LEDs for backlighting of LCDs	769,495	-	1,319,364	58.32%	233,246,320	466,916 <sup>30</sup>
94049020	Pillows, cushions and similar furnishings, other than of cotton	720,306	-9.55%	1,148,639	62.71%	923,993,040	85,253,049
94054084	Electric lamps and lighting fixtures nesoi, not of base metal	502,648	-	570,678	88.08%	1,854,669,102	466,916 <sup>30</sup>

Source: USITC DataWeb

<sup>32</sup> Only two items under this category had export values at the HS-08 level greater than \$1.0 million

### Key Findings:

- There are more than 60 items under HS-39 'Plastics' that are eligible for GSP. This is the US's 3rd largest import category under the GSP scheme, and it imported over \$1.6 billion under this category in 2019. Even though Pakistan exported \$235.1 million globally at the HS-02 level, it only exported \$86.3 million duty-free to the US. Moreover, products such as HS-39262030 'Gloves specially designed for use in sports ...' (UR: 84.9%) and HS-39239000 'Articles nesoi, for the conveyance or packing of goods ...' (UR: 51.1 percent) have low utilization rates.
- The US imported \$5.4 billion of HS-71131950 'Precious metal (o/than silver) articles of jewelry...' from the world whereas it imported a mere \$69.2 million from Pakistan – an insignificant share of 1.2 percent. HS-71 is a GSP category that the US heavily imported from India and Turkey, and the removal of these two countries as beneficiaries (in 2019) has opened up significant potential for Pakistani exporters. The low utilization level could indicate that many Pakistani exporters or US importers are unaware that a product may be eligible for GSP treatment. As a result, they often pay duties on these products even when they don't need to. From the table above as well as table 41 in the annexure, we can see that US importers paid duty imports from Pakistan of articles such as leather sports gloves, mittens, and mitts; certain non-cotton pillows, cushions and similar furnishings; certain athletic articles and equipment; miscellaneous iron, and steel articles, and; certain cotton fabrics coated, covered or laminated with plastics

## US High Potential Imports from Pakistan (HS-06 Level) – under GSP

Trade potential refers to the maximum amount of any commodity that a country can export to its trading partner other than the amount it is currently exporting. In the following table, Pakistan's GSP trade potential to the US is calculated by subtracting Pakistan's actual exports for a commodity to the US, either from Pakistan's exports to the world or US's imports from the world, whichever value is smaller.

*Export Potential = Minimum (Country i's export to the world of commodity X, Country j's imports from the world of commodity X) – (Country i's current exports to Country j of commodity X)*

Table 32 lists the top 20 product categories under GSP at the HS-06 level with the highest potential for export to the US. This list also shows the combined value of GSP items exported (both US & non-US) under each of these 6-digit categories. This would determine how much additional goods in the top 20 GSP exports can be imported by the US if Pakistan diverted all of its current exports to the world of these high potential goods to the US market. Moreover, Table 43 in the annexure lists all products eligible for GSP treatment for each item listed in this table along with their utilization rates. This can help exporters identify goods that whose potential is currently not being fully utilized, and which have potential for increased exports.

### US Top 20 Potential Imports from Pakistan (HS-06 Level)

**Table 32: Top 20 US Potential Imports from Pakistan (HS-06 Level)**

HTSUS Number	Description	US Imports from Pakistan under GSP (2019) US\$	US Imports from Pakistan under all Trade Programs (2019) US\$	Pakistan's Exports to the World <sup>33</sup> (2019) US\$	US Imports from the World (2019) US\$	Trade Potential US\$
100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	3,813,175	26,727,930	1,781,732,640	944,439,032	917,711,102
390761	Polyethylene terephthalate having a viscosity of 78 ml/g or higher	58,955,879	60,090,779	217,199,858	952,183,069	157,109,079
950662	Inflatable balls	413,441	18,143,002	170,448,530	213,928,704	152,305,528
611610	Gloves impregnated, coated or covered with plastics or rubber, knitted or crocheted	1,299,546	34,325,538	144,386,609	679,837,947	110,061,071
080450	Guavas, mangoes and mangosteens, fresh or dried	230,139	230,139	101,375,961	600,369,069	101,145,822
420321	Gloves, mittens and mitts, designed for use in sports, of leather or of composition leather	9,733,237	13,917,439	84,172,742	227,991,510	70,255,303
410712	Whole hides & skins of leather, full grains, grain split, further preped after tanning/ crusting, of bovine/equine animals, w/o hair on, nt of hd 4114	144,950	283,607	68,581,136	92,539,498	68,297,529
070310	Onions and shallots, fresh or chilled	5,687	5,687	67,308,229	431,507,686	67,302,542
080410	Dates, fresh or dried	3,530,144	3,643,537	71,623,930	64,802,130	61,158,593
821420	Manicure or pedicure sets and instruments (including nail files) and base metal parts thereof	3,962,923	5,430,895	50,910,988	107,428,067	45,480,093
170410	Chewing gum, whether or not sugar coated	40,040	40,040	43,461,374	115,875,737	43,421,334
940490	Articles of bedding and similar furnishings (except mattresses and sleeping bags), fitted or stuffed etc., including quilts, pillows and cushions	720,306	48,752,530	85,253,049	2,914,742,246	36,500,519
170490	Sugar confectionary (including white chocolate), not containing cocoa, nesoi	1,323,783	1,585,879	35,050,666	1,827,070,220	33,464,787
611692	Gloves nesoi, mittens and mitts, of cotton, knitted or crocheted	508,090	6,631,694	36,476,843	49,468,183	29,845,149

33 Values taken from UN COMTRADE

34 A detailed table consisting of all the GSP eligible goods at tariff line that fall under the above-mentioned product categories can be found in the Annexure under table 40

HTSUS Number	Description	US Imports from Pakistan under GSP (2019) US\$	US Imports from Pakistan under all Trade Programs (2019) US\$	Pakistan's Exports to the World <sup>33</sup> (2019) US\$	US Imports from the World (2019) US\$	Trade Potential US\$
410792	Leather, other, inc. Sides full grains, grain split, further preped after tanning/crusting, of bovine/equine animals, w/o hair on, nt of hd 4114	21,514	76,236	29,356,159	54,943,751	29,279,923
841451	Fans, table, floor, wall, window, ceiling or roof, with self-contained electric motor of an output not exceeding 125 w	21,511	21,511	28,718,421	1,698,498,331	28,696,910
210690	Food preparations nesoi	1,934,386	1,948,377	30,606,849	5,709,122,628	28,658,472
091091	Mixtures of two or more spices provided for separately in different headings of this chapter	12,253,845	12,364,258	64,890,554	35,492,909	23,128,651
761510	Aluminum table, kitchen or other household articles and parts thereof; pot scourers, scouring or polishing pads, gloves and the like, of aluminum etc	1,137,704	1,222,613	21,798,751	1,130,919,057	20,576,138
392062	Plates, sheets, film, foil and strip of plastics, not self-adhesive, non-cellular, not reinforced etc., of polyethylene terephthalate	7,574,806	7,574,806	27,146,334	847,491,249	19,571,528
	<b>Total</b>	<b>107,625,106<sup>34</sup></b>	<b>243,016,497</b>	<b>3,160,499,623</b>	<b>18,698,651,023</b>	<b>2,043,970,073</b>

Source: USITC DataWeb; UN COMTRADE

### Key Findings:

- Pakistan's aggregate trade potential for the 20 high potential commodities (HS-06 level) amounted to approximately \$2.0 billion in 2019. Many of these products fall under the category of plastics, leather, textile, cereals, edible vegetables, and edible fruits.
- HS-100630 'Rice, semi-milled or wholly milled, ...' holds the highest potential of \$917.7 million; however, the US imported only \$26.7 million from Pakistan, of which \$3.8 million were imported under the GSP scheme
- HS-39 'Plastics' as a category has the highest value of exports under the GSP with a combined export value exceeding \$66.4 million, whereas Pakistan can globally export more than \$244.2 million, of which \$176.6 million is exported to the US. Since US demand for this product category for the items listed in the table exceeds \$1.7 billion, Pakistani plastic exporters should look more carefully into this product category to enhance exports and receive tariff benefits
- Another promising group is HS-0804 'Dates, figs, guavas, mangoes, etc ...'. Approximately \$3.7 million of guavas, mangoes and dates were imported by the US under the GSP program, whereas Pakistan has the potential to supply more than \$162.2 million. Given Pakistan's agri-based economy and vast experience in agri-products, exporters should take advantage of the few items under agricultural products that are eligible for duty-free entry into the US
- Pakistan is considered to be the hub of producing high-quality leather and leather products, and there are about 800 tanneries in the country actively engaged in manufacturing the best quality finished leather of cow, buffalo, sheep & goat. Three items fall under the leather sector which show potential, namely HS-420321 'Gloves, mittens and mitts ...', HS-410712 'Whole hides & skins of leather ...' and HS-410792 'Leather, other, inc. sides full grains ...', with an aggregate value of \$167.6 million
- It should be noted that since CNLs place a limit on the amount of goods imported by the US under GSP (a maximum import value of \$195 million or an import value not exceeding 50% of total US imports), the values stated in the last column only indicate the maximum possible benefit under all trade programs that exporters can avail if they diverted all exports to the US. These are not realistic figures that can be availed for duty-free entry into the US since certain imports may exceed a CNL provision as is the case with HS-100630 'Rice...' that has a trade potential of \$917.7 million. To guarantee maximum benefit is availed under the GSP, the government should provide exporters with adequate information on product eligibility to ensure imports do not exceed certain import thresholds, and also provide information regarding CNL waivers.

# Annexure 1

## Removal of GSP benefits from India and Turkey – an Opportunity for Pakistan?

### India

When President Trump revoked India (effective from June, 2019) and Turkey's (effective from May 2019) GSP status, it resulted in the two ex-beneficiaries facing tariffs on their previous duty-free exports. While it did not significantly impact their overall exports to the US, it caused some manufacturers to shift exports away from GSP eligible items that now faced higher tariffs. This may provide Pakistan with the opportunity to increase and diversify trade with the US, and focus on products that were previously exported by India and Turkey under the GSP.

The following table lists India's top GSP exports to the US in 2018 and corresponding values for US imports from India and Pakistan in 2019.

**Table 33: Trade Effects of India's GSP Removal**

HTSUS Number	Description	US Imports from India (2018) US\$	US Imports from the World (2018) US\$	US Imports from India (2019) US\$	US Imports from the World (2019) US\$	US Imports from Pakistan (2019) US\$	Tariff Rate charged on India (2019)
73239300	Stainless steel, table, kitchen or o/ household arts. and parts thereof	160,092,386	1,630,602,193	149,502,910	1,826,707,586	447,799	2%
29349990	Nonaromatic other heterocyclic compounds, nesoi	144,637,639	429,513,069	182,163,815	511,599,652	#N/A	6.50%
87089475	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705, parts of steering wheels/ columns/boxes, nesoi	148,897,654	2,354,057,178	130,130,853	2,044,445,001	30,305	2.50%
29189920	Aromatic pesticides, derived from carboxylic acids with additional oxygen function, and their derivatives, nesoi	125,513,039	350,029,087	105,024,050	215,675,924	#N/A	6.50%
87089981	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705	147,238,679	8,455,717,645	172,924,994	8,309,867,545	286,250	2.50%
84818030	Taps, cocks, valves & similar appliances for pipes, boiler shells, tanks, vats or the like, hand operated, of iron or steel, nesoi	121,026,794	1,577,068,949	112,002,706	1,531,138,441	0	5.60%
73079150	Iron or steel (o/than stainless), not cast, flanges for tubes/pipes, not forged or forged and machined, tooled & processed after forging	96,106,987	315,074,463	92,663,049	273,978,030	#N/A	5.50%
84099991	Parts nesoi, used solely or principally with the engines of heading 8408, for vehicles of heading 8701.20, 8702, 8703, 8704	117,579,019	1,507,811,355	111,336,791	1,678,196,144	#N/A	2.50%
73269086	Iron or steel, articles, nesoi	114,309,474	4,392,424,254	129,799,240	4,495,647,809	1,178,173	2.90%
87084075	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for gear boxes, nesoi	85,806,769	2,800,191,831	81,856,431	2,674,965,771	183,042	2.50%
68029900	Monumental or building stone & arts. thereof, nesoi, further worked than simply cut/sawn, nesoi	80,848,640	371,282,862	62,785,557	342,238,993	86,959	6.50%

HTSUS Number	Description	US Imports from India (2018) US\$	US Imports from the World (2018) US\$	US Imports from India (2019) US\$	US Imports from the World (2019) US\$	US Imports from Pakistan (2019) US\$	Tariff Rate charged on India (2019)
42023160	Articles of a kind normally carried in the pocket or handbag, with outer surface of leather, composition or patent leather, nesoi	94,586,462	495,499,037	89,236,798	460,243,262	186,245	8%
87087045	Pts. & access. of mtr. vehic. of 8701, nesoi, and of 8702-8705, road wheels	77,679,191	3,700,970,452	39,911,147	3,068,998,177	#N/A	2.50%
84831030	Camshafts and crankshafts nesoi	134,414,461	497,873,852	126,159,570	475,551,442	#N/A	2.50%
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	79,172,222	2,454,517,053	84,402,642	2,326,150,240	23,399	3%
13021941	Ginseng and other substances having prophylactic or therapeutic properties	78,277,283	284,806,998	83,268,170	285,841,634	#N/A	1%
63079098	National flags and other made-up articles of textile materials, nesoi	76,763,168	3,026,902,637	84,332,693	3,269,758,360	25,190,670	7%
94055040	Non-electrical lamps and lighting fixtures nesoi, not of brass	72,759,881	309,501,901	61,722,942	241,044,698	137,136	6%
78011000	Refined lead, unwrought	59,084,351	1,001,323,180	8,781,817	809,680,554	#N/A	0%
84834050	Fixed, multiple and variable ratio speed changers, not imported for use with machines for making cellulosic pulp, paper or paperboard	96,240,777	1,889,441,311	210,360,560	2,282,465,759	#N/A	2.50%
	<b>Total</b>	<b>2,111,034,876</b>	<b>37,844,609,307</b>	<b>2,118,366,735</b>	<b>37,124,195,022</b>	<b>27,749,978</b>	

Source: USITC DataWeb

Analysis of the top 20 items indicates that Pakistan may not benefit from India's removal as a beneficiary. This is because even after imposing tariffs on previously duty-free goods, India's exports to the US increased for items that Pakistan is a significant supplier to the US. This includes items such as HS-63079098 'National flags ...' which is a major export commodity for Pakistan under GSP. Despite India facing a 7.0 percent rise in tariff in 2019, it still managed to increase its exports by 9.8 percent from the previous year. Similar is the case with another significant GSP export of Pakistan, HS- 73269086 'Iron or steel, articles, nesoi ...', where India's exports to the US grew by \$15.4 million or 13.5 percent despite a tariff of 2.9 percent.

Overall, in 2019, US imports from India grew by 50.3<sup>35</sup> percent for articles that were eligible for GSP in the previous year. This is due to several factors including additional assistance provided by the Indian government in the form of rebates and other support, as well as the diversion of US imports from China to India due to the US – China trade war. Moreover, emphasis needs to be placed on the fact that India did not fully utilize the GSP scheme in 2018. While zero-duty preference was given on items worth \$6.3 billion, US imported a total of \$8.7 billion from India under all programs, leading to a utilization rate of 72.7 percent only. Given this figure, in reality, US imports from India for items previously eligible for GSP grew by 9.4 percent in 2019.

**Table 34: India: GSP Utilization Rate**

	2018 US\$	2019 US\$	Percentage Change (2018-19)
Total US Imports from India	54,913,022,665	58,491,794,975	6.52%
Imports under GSP	6,347,403,692	-	
Total Imports for GSP Eligible Items (2018)	8,720,797,971	9,545,790,808	9.46%
Utilization Rate	72.78%		

Source: USITC DataWeb

35  $(\$9.54 \text{ billion} - \$6.3 \text{ billion}) / (\$6.3 \text{ billion}) = \text{approx. } 50.3 \text{ percent}$

## Turkey

In May 2019, President Trump removed Turkey from the GSP program, citing rapid growth of the Turkish economy. The table below shows Turkey's top GSP exports to the US in 2018, their value in 2019, as well as corresponding values for US global imports and its imports from Pakistan in 2019.

**Table 35: Trade Effects of Turkey's GSP Removal**

HTSUS Number	Turkey's top goods under GSP to US in 2018	Top US Imports from Turkey (2018) US\$	US Imports from the World (2018) US\$	US Imports from Turkey (2019) US\$	US Imports from the World (2019) US\$	US Imports from Pakistan (2019) US\$	Tariff Rate charged on Turkey (2019)
71131929	Gold necklaces and neck chains (o/than of rope or mixed links)	194,479,357	1,295,577,707	179,986,175	1,385,115,042	-	5.50%
68029115	Monumental or building stone & arts. thereof (o/than slabs), of marble, further worked than simply cut/sawn, nesoi	86,092,464	452,243,533	77,747,744	363,736,995	1,194,012	4.90%
17049035	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	80,717,830	1,689,623,813	94,788,617	1,726,647,065	1,323,783	5.60%
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	80,246,785	1,245,397,653	35,453,501	952,183,069	58,955,879	6.50%
87082950	Pts. & access. of bodies for mtr. vehicles of headings 8701 to 8705, nesoi	94,318,342	13,944,126,867	108,304,694	13,734,384,217	69,591	2.50%
93032000	Shotguns (incl. comb. shotgun-rifles), for sport, hunting or target-shooting	67,911,691	245,889,866	81,068,616	270,872,673	-	2.60%
68029105	Marble slabs, further worked than simply cut/sawn	67,876,691	467,189,576	81,524,615	459,248,772	84,218	2.50%
15099040	Olive oil, other than virgin olive oil, and its fractions, not chemically modified, weighing with the immediate container 18 kg or over	50,757,031	133,063,983	25,048,725	104,449,188	-	0.91%
87085099	Pts. & access. of mtr. vehic. of 8701, nesoi, 8702 and 8704-8705, parts, nesoi, of drive axles w/different. (wheth or not w/oth transm compo	57,046,357	769,246,144	48,733,988	791,256,972	25,175	2.50%
40094100	Tubes, pipes and hoses of vulcanized rubber other than hard rubber, reinforced or combined with other materials nesoi, without fittings	46,895,255	163,499,391	21,527,208	132,422,574	1,227,754	2.50%
15091040	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container 18 kg or over	38,142,788	434,515,034	10,219,752	310,169,324	-	0.84%
87083050	Pts. & access. of mtr. vehicles of 8701, nesoi, and 8702-8705, brakes and servo-brakes & pts thereof	51,245,983	5,411,007,532	63,389,372	5,421,316,600	-	2.50%
87021031	Motor vehicles w/diesel engine, to transport 16 or more persons, incl driver	37,077,199	976,842,335	23,476,627	947,355,696	-	2.00%
40092100	Tubes, pipes and hoses of vulcanized rubber other than hard rubber, reinforced or combined only with metal, without fittings	36,505,049	245,623,093	50,875,821	257,150,538	-	2.50%

HTSUS Number	Turkey's top goods under GSP to US in 2018	Top US Imports from Turkey (2018) US\$	US Imports from the World (2018) US\$	US Imports from Turkey (2019) US\$	US Imports from the World (2019) US\$	US Imports from Pakistan (2019) US\$	Tariff Rate charged on Turkey (2019)
11042300	Grains of corn (maize), hulled, pearled, clipped, sliced, kibbled or otherwise worked, but not rolled or flaked	66,491,182	74,112,372	81,769,485	88,968,135	-	0.56%
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	22,074,085	2,454,517,053	28,138,257	2,326,150,240	23,399	3.00%
83023030	Iron or steel, aluminum or zinc mountings, fittings and similar articles nesoi, suitable for motor vehicles, and base metal parts thereof	23,435,217	1,973,597,842	28,937,230	1,969,891,317	3,945	2.00%
85113000	Distributors and ignition coils	25,588,114	570,613,542	5,756,893	458,144,924	-	2.50%
40111010	New pneumatic radial tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	20,033,105	7,546,198,041	39,419,255	7,848,379,244	-	4.00%
20019038	Vegetables (including olives) nesoi, prepared or preserved by vinegar or acetic acid	18,567,705	231,519,573	20,100,093	241,202,312	121,814	9.60%
	<b>Total</b>	<b>1,165,502,230</b>	<b>40,324,404,950</b>	<b>1,106,266,668</b>	<b>39,789,044,897</b>	<b>63,029,570</b>	

Source: USITC DataWeb

Analysis of the table indicates that for the top 20 items, US imports from Turkey fell by 5.0 percent from 2018-19. However, analysis of US's total imports from Turkey shows that despite the loss of duty benefits, Turkey still managed to increase its exports to the US by 8.1 percent for all goods that were eligible for GSP benefits in 2018. Therefore, Pakistan cannot rely on the removal of duty benefits to its competitors to enhance its exports. However, the table indicates some promising commodities that Pakistani exporters can look into for increasing exports. These are HS-39076100 'Polyethylene terephthalate ...', HS-68029115 'Monumental or building stone ...' and HS-40094100 'Tubes, pipes and hoses of vulcanized rubber ...' which seem to have lost significant share in Turkey's exports to the US given the spike in US import tariffs.

## Annexure 2

### Top 15 US GSP Beneficiaries (2019)

**Table 36: Top 15 US GSP Beneficiaries (2019)**

Top 15 GSP beneficiaries in 2019	Rank (2019)	Total Imports (2019) US\$	Imports Under GSP (2019) US\$	Imports under GSP as a Percentage of Total Imports (2019)	GSP Utilization Rate
Thailand	1st	33,640,768,454	4,825,222,795	14.34%	73.30%
Indonesia	2nd	20,341,704,527	2,704,733,582	13.30%	78.25%
Brazil	3rd	30,373,541,426	2,277,408,741	7.50%	75.81%
Philippines	4th	12,865,865,671	1,870,346,210	14.54%	73.18%
Cambodia	5th	5,388,295,612	1,601,954,714	29.73%	90.45%
South Africa	6th	7,633,976,799	751,290,643	9.84%	56.37%
Ecuador	7th	7,022,291,523	485,503,112	6.91%	91.34%
Argentina	8th	4,917,590,273	375,774,143	7.64%	79.69%
Pakistan	9th	3,952,527,996	344,659,418	8.72%	92.71%
Burma	10th	848,570,116	283,188,671	33.37%	93.04%
Sri Lanka	11th	3,097,001,731	195,505,135	6.31%	85.16%
Egypt	12th	3,419,026,949	189,874,329	5.55%	76.83%
Kazakhstan	13th	1,261,570,979	158,932,053	12.60%	98.85%
Tunisia	14th	485,578,049	151,420,907	31.18%	72.04%
Georgia	15th	152,931,262	112,491,119	73.56%	99.60%

Source: USITC DataWeb

## India's top 20 GSP Items (2018)

**Table 37: US Top Imports from India (2018)**

HTSUS Number	Description	US Imports from India under GSP (2018) US\$	US Imports from India under all Trade Programs (2018) US\$
	<b>Total</b>	<b>6,347,403,692</b>	<b>8,720,797,971</b>
73239300	Stainless steel, table, kitchen or o/household arts. amd parts thereof	145,233,969	160,092,386
29349990	Nonaromatic other heterocyclic compounds, nesoi	139,666,066	144,637,639
87089475	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705, parts of steering wheels/columns/boxes, nesoi	138,143,767	148,897,654
29189920	Aromatic pesticides, derived from carboxylic acids with additional oxygen function, and their derivatives, nesoi	124,334,781	125,513,039
87089981	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705	121,688,485	147,238,679
84818030	Taps, cocks, valves & similar appliances for pipes, boiler shells, tanks, vats or the like, hand operated, of iron or steel, nesoi	103,194,796	121,026,794
73079150	Iron or steel (o/than stainless), not cast, flanges for tubes/pipes, not forged or forged and machined, tooled & processed after forging	94,511,041	96,106,987
84099991	Parts nesoi, used solely or principally with the engines of heading 8408, for vehicles of heading 8701.20, 8702, 8703, 8704	89,946,702	117,579,019
73269086	Iron or steel, articles, nesoi	85,370,228	114,309,474
87084075	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for gear boxes, nesoi	78,248,357	85,806,769
68029900	Monumental or building stone & arts. thereof, nesoi, further worked than simply cut/sawn, nesoi	77,671,425	80,848,640
42023160	Articles of a kind normally carried in the pocket or handbag, with outer surface of leather, composition or patent leather, nesoi	76,898,600	94,586,462
87087045	Pts. & access. of mtr. vehic. of 8701, nesoi, and of 8702-8705, road wheels	76,698,820	77,679,191
84831030	Camshafts and crankshafts nesoi	76,021,135	134,414,461
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	75,402,618	79,172,222
13021941	Ginseng and other substances having prophylatic or therapeutic properties	75,303,162	78,277,283
63079098	National flags and other made-up articles of textile materials, nesoi	66,792,621	76,763,168
94055040	Non-electrical lamps and lighting fixtures nesoi, not of brass	66,020,104	72,759,881
78011000	Refined lead, unwrought	58,818,932	59,084,351
84834050	Fixed, multiple and variable ratio speed changers, not imported for use with machines for making cellulosic pulp, paper or paperboard	56,858,725	96,240,777

Source: USITC DataWeb

## Turkey's top 20 GSP Items (2018)

**Table 38: US Top GSP Imports from Turkey (2018)**

HTSUS Number	Description	US Imports from Turkey under GSP (2018) US\$	Total US Imports from Turkey under all Trade Programs (2018) US\$
71131929	Gold necklaces and neck chains (o/than of rope or mixed links)	193,169,087	194,479,357
68029115	Monumental or building stone & arts. thereof (o/than slabs), of marble, further worked than simply cut/sawn, nesoi	83,724,556	86,092,464
17049035	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	80,250,848	80,717,830
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	80,245,544	80,246,785
87082950	Pts. & access. of bodies for mtr. vehicles of headings 8701 to 8705, nesoi	76,985,868	94,318,342
93032000	Shotguns (incl. comb. shotgun-rifles), for sport, hunting or target-shooting	66,010,961	67,911,691
68029105	Marble slabs, further worked than simply cut/sawn	55,921,260	67,876,691
15099040	Olive oil, other than virgin olive oil, and its fractions, not chemically modified, weighing with the immediate container 18 kg or over	50,249,232	50,757,031
87085099	Pts. & access. of mtr. vehic. of 8701, nesoi, 8702 and 8704-8705, parts, nesoi, of drive axles w/different. (wheth or not w/oth transm compo	49,667,784	57,046,357
40094100	Tubes, pipes and hoses of vulcanized rubber other than hard rubber, reinforced or combined with other materials nesoi, without fittings	42,953,436	46,895,255
15091040	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container 18 kg or over	38,010,409	38,142,788
87083050	Pts. & access. of mtr. vehicles of 8701, nesoi, and 8702-8705, brakes and servo-brakes & pts thereof	37,625,024	51,245,983
87021031	Motor vehicles w/diesel engine, to transport 16 or more persons, incl driver	37,077,199	37,077,199
40092100	Tubes, pipes and hoses of vulcanized rubber other than hard rubber, reinforced or combined only with metal, without fittings	33,480,110	36,505,049
11042300	Grains of corn (maize), hulled, pearled, clipped, sliced, kibbled or otherwise worked, but not rolled or flaked	32,847,626	66,491,182
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	21,671,470	22,074,085
83023030	Iron or steel, aluminum or zinc mountings, fittings and similar articles nesoi, suitable for motor vehicles, and base metal parts thereof	20,441,130	23,435,217
85113000	Distributors and ignition coils	19,545,385	25,588,114
40111010	New pneumatic radial tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	19,007,316	20,033,105
20019038	Vegetables (including olives) nesoi, prepared or preserved by vinegar or acetic acid	18,376,194	18,567,705

Source: USITC DataWeb

## Top US Imports from Pakistan (HS-02 Level)

Table 39: Top US Imports from Pakistan (HS-02 Level)

HTSUS Number	Description	Value (2015) US\$	Value (2016) US\$	Value (2017) US\$	Value (2018) US\$	Value (2019) US\$	Growth (2015-19)	% of Total Exports
		3,675,750,393	3,428,966,193	3,554,520,790	3,700,251,773	3,952,527,996	1.83%	
63	Made-up textile articles nesoi; needlecraft sets; worn clothing and worn textile articles; rags	1,349,566,801	1,269,100,634	1,307,870,538	1,316,051,352	1,337,470,385	-0.22%	33.84%
61	Articles of apparel and clothing accessories, knitted or crocheted	907,108,206	764,789,851	722,023,791	808,580,714	885,940,543	-0.59%	22.41%
62	Articles of apparel and clothing accessories, not knitted or crocheted	539,345,579	518,509,281	571,694,881	587,993,988	638,664,741	4.32%	16.16%
52	Cotton, including yarns and woven fabrics thereof	116,750,704	98,860,619	103,061,260	112,465,985	160,766,866	8.33%	4.07%
42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of gut (other than silkworm gut)	119,741,576	112,951,156	110,240,737	120,852,571	140,708,642	4.12%	3.56%
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	94,869,234	93,370,078	90,763,126	100,256,758	120,762,957	6.22%	3.06%
39	Plastics and articles thereof	28,690,287	48,112,830	92,964,033	95,351,780	89,473,488	32.89%	2.26%
71	Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal clad metals, articles thereof; imitation jewelry; coin	18,702,535	60,225,426	58,833,660	54,701,835	72,709,921	40.42%	1.84%
94	Furniture; bedding, cushions etc.; lamps and lighting fittings nesoi; illuminated signs, nameplates and the like; prefabricated buildings	70,773,943	67,499,583	77,606,344	59,769,430	58,390,680	-4.69%	1.48%
57	Carpets and other textile floor coverings	77,076,472	64,881,466	54,361,245	53,447,818	52,963,812	-8.95%	1.34%

Source: USITC DataWeb

## Top 20 US GSP Imports from Pakistan (HS-08 Level)

The following table lists the top 20 items imported at the HS-08 level by the US under the GSP program from Pakistan in 2019.

**Table 40: Top 20 US GSP Imports from Pakistan (HS-08 Level)**

HTSUS Number	Description	Imports from Pakistan under GSP (2019) US\$	Total Imports from Pakistan (2019) US\$	Utilization Rate
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	69,265,741	69,265,741	100.00%
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	58,955,879	60,090,779	98.11%
17023040	Glucose and glucose syrup, not containing fructose or in the dry state less than 20 percent by weight of fructose, nesoi	27,978,852	28,039,035	99.79%
63079098	National flags and other made-up articles of textile materials, nesoi	25,190,670	27,482,108	91.66%
39076900	Polyethylene terephthalate, having a viscosity number less than 78 ml/g	12,814,306	12,874,619	99.53%
9109100	Mixtures of spices	12,253,845	12,364,258	99.11%
42029215	Travel, sports and similar bags with outer surface of cotton, not of pile or tufted construction	11,461,582	12,150,483	94.33%
42032180	Gloves, mittens and mitts specially designed for use in sports, nesoi, of leather or of composition leather	8,891,272	12,603,731	70.54%
95069960	Athletic and sports articles and equipment nesoi, and parts & accessories thereof nesoi	7,845,920	9,074,058	86.47%
39206200	Nonadhesive plates, sheets, film, foil and strip, noncellular, not combined with other materials, of polyethylene terephthalate	7,574,806	7,574,806	100.00%
95069100	Arts. and equip. for general physical exercise, gymnastics or athletics and parts & accessories thereof	4,857,238	6,323,599	76.81%
96039080	Brooms & brushes nesoi, mops, hand-operated mechanical floor sweepers, squeegees and similar articles, nesoi	3,968,766	4,218,957	94.07%
39262030	Gloves specially designed for use in sports, nesoi, of plastics	3,966,435	4,668,929	84.95%
94052080	Electric table, desk, bedside or floor-standing lamps, not of base metal	3,840,678	4,245,705	90.46%
82119290	Knives w/fixed blades (o/than table knives, other knives w/rubb./plast. handles, or hunting knives w/wood handles)	3,813,556	4,590,702	83.07%
10063010	Rice semi-milled or wholly milled, whether or not polished or glazed, parboiled	3,813,175	3,844,836	99.18%
82142030	Base metal instruments for manicure or pedicure purposes, and base metal parts thereof	3,307,800	4,652,566	71.10%
21039090	Sauces and preparations therefor, neosi	3,251,260	3,263,267	99.63%
96091000	Pencils & crayons, with leads encased in a rigid sheath	2,657,670	3,272,844	81.20%
62160046	Gloves, mittens & mitts, for sports use, incl. ski & snowmobile, of man-made fibers, not impregnated/coated with plastics or rubber	2,495,096	2,859,491	87.26%

Source: USITC DataWeb

- The top 20 GSP imports combined were valued at \$278.2 million, accounting for 80.7 percent of US's total GSP imports from Pakistan.
- Even though the utilization rate for 2019 stood at 92.7 percent for all GSP goods combined, the table shows various items that have a significantly lower utilization rate. Eight of the items in the table have a utilization rate below 90.0 percent. Low utilization rates can be seen for items such as HS-42032180 'Gloves, mittens and mitts ...', HS-95069100 'Arts. and equip. for general physical exercise ...' and HS-82142030 'Base metal instruments for manicure ...' with utilization rates of 70.5 percent, 76.8 percent and 71.1 percent, respectively
- As of 2019, Pakistan is the third-largest global exporter of HS-100630 'Semi-milled or wholly milled rice...', exporting more than \$1.7 billion globally, and enjoying a 9.1 percent share in total world exports. According to the table above, HS-10063010 'Rice semi-milled or wholly milled, whether or not polished or glazed, parboiled...' falls under this category and is a GSP eligible item. Since the US imported more than \$31.1 million of HS-10063010 in 2019, Pakistan should consider exporting more to the US as it has an export capacity exceeding \$1.7 billion at the HS-06 level
- There is also immense potential for articles under HS-621600. Pakistan is one of the leading exporters of HS-62 'Articles of apparel, not knitted', exporting over \$2.8 billion in 2019. The item HS-62160046 'Gloves, mittens & mitts, for sports use ...' falls under the above-mentioned category and is a GSP eligible good. Since the US imported \$73.4 million under this 8-digit category globally, this item has immense potential for export to the US given Pakistan's substantial export capacity
- US imported \$3.2 million from Pakistan under HS-21039090 'Sauces and preparations ...' whereas the US imported \$799.3 million from the world

## Pakistan's Utilization of the US GSP Scheme

Table 41 lists 36 items the US imported from Pakistan at the HS-08 level, sorted according to the lowest utilization rate, that had an import value greater than \$1.0 million.

**Table 41: US GSP Imports from Pakistan with Value Greater than \$1.0 million**

HTSUS Number	Description	Imports under GSP (2019) US\$	Total Imports (2019) US\$	Utilization Rate	Growth (2015-19)
42032180	Gloves, mittens and mitts specially designed for use in sports, nesoi, of leather or of composition leather	8,891,272	12,603,731.00	70.54%	5.37%
82142030	Base metal instruments for manicure or pedicure purposes, and base metal parts thereof	3,307,800	4,652,566.00	71.10%	-0.53%
95069100	Arts. and equip. for general physical exercise, gymnastics or athletics and parts & accessories thereof	4,857,238	6,323,599.00	76.81%	22.10%
42029231	Travel, sports and similar bags with outer surface of MMF textile materials	1,826,483	2,371,403.00	77.02%	-
82032020	Base metal tweezers	1,999,784	2,576,517.00	77.62%	11.43%
96091000	Pencils & crayons, with leads encased in a rigid sheath	2,657,670	3,272,844.00	81.20%	72.95%
61161008	Other gloves, mittens and mitts, the foregoing specially designed for sports use, incl. ski and snowmobile gloves, mittens and mitts	1,299,546	1,586,623.00	81.91%	4.51%
82032060	Pliers (including cutting pliers but not slip joint pliers), pincers and similar tools	2,027,250	2,441,555.00	83.03%	-3.60%
82119290	Knives w/fixed blades (o/than table knives, other knives w/ rubb./plast. handles, or hunting knives w/wood handles)	3,813,556	4,590,702.00	83.07%	12.20%
39262030	Gloves specially designed for use in sports, nesoi, of plastics	3,966,435	4,668,929.00	84.95%	11.26%
95069960	Athletic and sports articles and equipment nesoi, and parts & accessories thereof nesoi	7,845,920	9,074,058.00	86.47%	33.13%
62160046	Gloves, mittens & mitts, for sports use, incl. ski & snowmobile, of man-made fibers, not impregnated/coated with plastics or rubber	2,495,096	2,859,491.00	87.26%	-6.29%
73269086	Iron or steel, articles, nesoi	1,178,173	1,309,128.00	90.00%	-
94052080	Electric table, desk, bedside or floor-standing lamps, not of base metal	3,840,678	4,245,705.00	90.46%	3.43%
63079098	National flags and other made-up articles of textile materials, nesoi	25,190,670	27,482,108.00	91.66%	14.85%
42033000	Belts and bandoliers with or without buckles, of leather or of composition leather	1,959,236	2,126,619.00	92.13%	8.27%
22029990	Nonalcoholic beverages, nesoi, excluding fruit or vegetable juices of heading 2009	1,992,288	2,142,031.00	93.01%	-
96039080	Brooms & brushes nesoi, mops, hand-operated mechanical floor sweepers, squeegees and similar articles, nesoi	3,968,766	4,218,957.00	94.07%	-6.80%
42029190	Cases, bags and containers nesoi, other than golf bags, with outer surface of leather, of composition leather	1,240,580	1,315,751.00	94.29%	-
42029291	Bags, cases and similar containers with outer surface of textile materials, of MMF except jewelry boxes	1,984,763	2,104,802.00	94.30%	-
42029215	Travel, sports and similar bags with outer surface of cotton, not of pile or tufted construction	11,461,582	12,150,483.00	94.33%	-

HTSUS Number	Description	Imports under GSP (2019) US\$	Total Imports (2019) US\$	Utilization Rate	Growth (2015-19)
40094100	Tubes, pipes and hoses of vulcanized rubber other than hard rubber, reinforced or combined with other materials nesoi, without fittings	1,227,754	1,281,447.00	95.81%	88.34%
08041060	Dates, fresh or dried, whole, without pits, packed in units weighing over 4.6 kg	1,937,157	1,988,852.00	97.40%	-15.37%
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	58,955,879	60,090,779.00	98.11%	-
68029115	Monumental or building stone & arts. thereof (o/than slabs), of marble, further worked than simply cut/sawn, nesoi	1,194,012	1,205,432.00	99.05%	0.68%
09109100	Mixtures of spices	12,253,845	12,364,258.00	99.11%	7.29%
10063010	Rice semi-milled or wholly milled, whether or not polished or glazed, parboiled	3,813,175	3,844,836.00	99.18%	22.33%
17049035	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	1,323,783	1,333,983.00	99.24%	25.94%
08041040	Dates, fresh or dried, whole, with pits, packed in units weighing over 4.6 kg	1,592,987	1,603,488.00	99.35%	3.84%
39076900	Polyethylene terephthalate, having a viscosity number less than 78 ml/g	12,814,306	12,874,619.00	99.53%	-
21039090	Sauces and preparations therefor, nesoi	3,251,260	3,263,267.00	99.63%	13.24%
21069098	Other food preps nesoi, incl preps for the manufacture of beverages, non-dairy coffee whiteners, herbal teas and flavored honey	1,832,125	1,838,211.00	99.67%	-
17023040	Glucose and glucose syrup, not containing fructose or in the dry state less than 20 percent by weight of fructose, nesoi	27,978,852	28,039,035.00	99.79%	-1.79%
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	69,265,741	69,265,741.00	100.00%	48.26%
39206200	Nonadhesive plates, sheets, film, foil and strip, noncellular, not combined with other materials, of polyethylene terephthalate	7,574,806	7,574,806.00	100.00%	33.58%
09109960	Spices, nesoi	1,963,512	1,963,512.00	100.00%	2.93%

Source: USITC DataWeb

## Pakistan's High Potential GSP Items

In continuation of table 32, the following is the list of the other 30 high potential items.

**Table 42: Pakistan's Other High Potential Items (HS-06 Level)**

HTSUS Number	Description	US Imports from Pakistan under GSP (2019) US\$	US Imports from Pakistan under all Trade Programs (2019) US\$	Pakistan's Exports to the World <sup>36</sup> (2019) US\$	US Imports from the World (2019) US\$	Trade Potential US\$
630790	Made-up textile articles, nesoi	25,232,252	28,894,508	47,655,101	4,430,318,905	18,760,593
081340	Fruit, dried, nesoi, other than that of headings 0801 to 0806	27,728	254,791	13,557,090	103,743,493	13,302,299
950699	Articles and equipment for sports or outdoor games, nesoi; swimming pools and wading pools; parts and accessories thereof	7,853,210	17,561,080	30,244,689	1,839,807,390	12,683,609
611699	Gloves nesoi, mittens and mitts, of textile materials nesoi, knitted or crocheted	277,107	544,327	16,106,502	12,339,859	11,795,532
950669	Balls, other than golf, tennis (lawn- and table-) and inflatable balls, nesoi	298,668	330,563	12,013,812	151,957,493	11,683,249
392390	Articles for the conveyance or packing of goods, nesoi, of plastics	459,060	895,534	10,819,766	1,596,507,442	9,924,232
170230	Glucose (dextrose) and glucose syrup, not containing fructose or containing in the dry state less than 20% by weight of fructose	27,978,852	28,039,035	37,921,969	148,307,142	9,882,934
200190	Vegetables, fruit, nuts and other edible parts of plants, nesoi, prepared or preserved by vinegar or acetic acid	190,358	213,829	10,073,848	362,869,516	9,860,019
190590	Bread, pastry, cakes, biscuits and similar baked products, nesoi, and puddings, whether or not containing chocolate, fruit, nuts or confectionary	197,485	5,409,561	15,040,457	3,795,073,742	9,630,896
392490	Household articles nesoi (other than tableware and kitchenware) and toilet articles, of plastics	194,983	235,162	9,455,646	2,712,485,440	9,220,484
190190	Malt extract; food products of flour, meal, etc. With cocoa (if any) under 40% and milk or cream products with cocoa (if any) under 50%, nesoi	180,462	190,137	9,262,288	492,037,801	9,072,151
960200	Worked vegetable or mineral carving materials etc.; molded or carved articles of wax, stearin, gum, resin etc. Nesoi; unhardened gelatin and articles	42,694	42,694	8,798,584	245,424,024	8,755,890
392321	Sacks and bags (including cones), of polymers of ethylene	23,399	47,914	8,679,799	2,326,150,240	8,631,885
190219	Pasta (spaghetti, macaroni, etc.), uncooked, not stuffed or otherwise prepared, not containing eggs	243,119	455,903	9,066,560	559,413,544	8,610,657

<sup>36</sup> Values taken from UN COMTRADE

HTSUS Number	Description	US Imports from Pakistan under GSP (2019) US\$	US Imports from Pakistan under all Trade Programs (2019) US\$	Pakistan's Exports to the World <sup>36</sup> (2019) US\$	US Imports from the World (2019) US\$	Trade Potential US\$
411200	Leather further prepared after tanning/crusting, including parchment-dressed leather, of sheep/lamb, w/o wool on, whether/ not split, other than hd 4114	71,214	93,476	22,623,189	8,663,541	8,570,065
420330	Belts and bandoliers with or without buckles, of leather or of composition leather	1,959,236	2,126,619	10,024,347	483,132,993	7,897,728
420100	Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material	726,321	871,018	8,378,901	500,769,751	7,507,883
870840	Gear boxes for motor vehicles	183,042	192,242	6,770,397	7,898,529,172	6,578,155
091099	Spices, nesoi	1,963,512	1,993,040	7,909,373	82,708,147	5,916,333
200799	Jams, fruit jellies, marmalades and cooked purees or pastes, other than citrus fruit, nesoi, and cooked nut purees or pastes, nesoi	38,187	45,472	5,928,371	303,677,628	5,882,899
420221	Handbags, whether or not with shoulder strap or handles, with outer surface of leather or of composition leather	76,424	136,488	5,973,625	1,979,123,407	5,837,137
090421	Genus capsicum (peppers) or genus pimenta (e.g., allspice), dried, neither crushed nor ground	14,998	14,998	5,615,961	162,001,291	5,600,963
843890	Parts of machinery for the industrial preparation or manufacture of food or drink, nesoi	121,890	615,770	6,213,504	421,566,878	5,597,734
200819	Nuts (other than peanuts (ground-nuts)), and other seeds, including mixtures, prepared or preserved, nesoi	37,501	81,660	5,636,448	468,787,459	5,554,788
520931	Woven fabrics of cotton, 85% or more cotton by weight, dyed, plain weave, weighing over 200 g/m <sup>2</sup>	19,594	150,494	8,049,153	5,442,487	5,291,993
821192	Knives, other than table knives, having fixed blades, and parts thereof, of base metal	4,817,965	5,715,450	10,925,056	280,115,571	5,209,606
420291	Containers, bags, boxes, cases, satchels etc. With outer surface of leather or of composition leather, nesoi	1,240,580	1,315,751	6,386,731	899,346,383	5,070,980
200989	Juice of any single fruit or vegetable, not fortified with vitamins or minerals, unfermented and not containing added spirit, nesoi	654,413	656,890	5,685,390	523,526,026	5,028,500
870899	Parts and accessories for motor vehicles, nesoi	363,914	2,415,992	7,147,849	13,592,427,199	4,731,857
821300	Scissors, tailors' shears and similar shears, and blades and other base metal parts thereof	117,375	3,497,894	8,228,088	143,746,812	4,730,194
	<b>Total</b>	<b>75,605,543</b>	<b>103,038,292</b>	<b>370,192,494</b>	<b>46,530,000,776</b>	<b>246,821,245</b>

Source: USITC DataWeb

## Pakistan: List of 41 GSP Items (at the HS-08 Level) under Table 32

Table 43: List of GSP Items under Trade Potential from Table 32

HTSUS Number	Description	Value (2017) US\$	Value (2018) US\$	Value (2019) US\$	Growth Rate (2015-19)	Utilization Rate
10063010	Rice semi-milled or wholly milled, whether or not polished or glazed, parboiled	2,296,707	1,457,828	3,813,175	22.33%	99.18%
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	51,067,707	78,463,540	58,955,879	-	98.11%
95066280	Inflatable balls (o/than footballs and soccer balls) nesoi	247,356	377,074	413,441	16.01%	90.06%
61161008	Other gloves, mittens and mitts, the foregoing specially designed for sports use, incl. ski and snowmobile gloves, mittens and mitts	1,161,068	1,246,727	1,299,546	4.51%	81.91%
08045060	Guavas, mangoes, and mangosteens, fresh, if entered during the period June 1 through August 31, inclusive	270,909	262,830	209,402	-5.61%	100.00%
08045040	Guavas, mangoes, and mangosteens, fresh, if entered during the period September 1 through May 31, inclusive	0	24,019	20,737	-24.16%	100.00%
42032180	Gloves, mittens and mitts specially designed for use in sports, nesoi, of leather or of composition leather	6,802,891	8,265,101	8,891,272	5.37%	70.54%
42032160	Ski or snowmobile gloves, mittens and mitts, nesoi, of leather or of composition leather	353,742	392,661	589,968	-0.94%	76.39%
42032120	Batting gloves, of leather or of composition leather	71,009	80,957	218,547	39.70%	87.25%
42032155	Cross-country ski gloves, mittens and mitts, of leather or of composition leather	199,889	7,915	33,450	-28.34%	35.22%
41071270	Grain split whole bovine (not buffalo) nesoi and equine nesoi leathers, w/o hair on, prepared after tanning or crusting, not fancy, not 4114	27,904	0	53,298	-	100.00%
41071240	Grain split whole buffalo leather, without hair on, unit surface area over 2.6 sq m, prepared after tanning or crusting, not of heading 4114	39,727	50,731	52,416	109.12%	96.73%
41071280	Grain split whole bovine (not buffalo) nesoi and equine nesoi leathers, without hair on, prepared after tanning or crusting, fancy, not 4114	0	13,343	37,180	-	100.00%
41071250	Grain split whole upholstery leather of bovines (not buffalo) nesoi and equines, w/o hair on, prepared after tanning or crusting, not 4114	33,905	0	2,056	-70.46%	100.00%
07031020	Onion sets, fresh or chilled	0	0	5,687	-	100.00%
08041060	Dates, fresh or dried, whole, without pits, packed in units weighing over 4.6 kg	1,778,686	1,916,812	1,937,157	-15.37%	97.40%
08041040	Dates, fresh or dried, whole, with pits, packed in units weighing over 4.6 kg	593,278	3,146,395	1,592,987	3.84%	99.35%
82142030	Base metal instruments for manicure or pedicure purposes, and base metal parts thereof	3,881,629	2,715,977	3,307,800	-0.53%	71.10%

HTSUS Number	Description	Value (2017) US\$	Value (2018) US\$	Value (2019) US\$	Growth Rate (2015-19)	Utilization Rate
82142090	Manicure and pedicure sets, and combinations thereof, other than in leather containers	335,132	299,794	655,123	6.68%	84.89%
17041000	Chewing gum, not containing cocoa, whether or not sugar-coated	73,089	45,453	40,040	-24.05%	100.00%
94049020	Pillows, cushions and similar furnishings, other than of cotton	776,305	803,121	720,306	-9.55%	62.71%
17049035	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	883,225	1,163,282	1,323,783	25.94%	99.24%
61169208	Gloves, etc., specially designed for sports, including ski and snowmobile gloves, mittens and mitts, knitted or crocheted, of cotton	22,104	70,410	508,090	81.80%	94.75%
41079270	Grain splits bovine (not buffalo) and equine leather, not whole, w/o hair on, nesoi, not fancy, prepared after tanning or crusting, not 4114	12,233	69,724	9,431	-9.46%	53.60%
41079260	Grain splits upper & sole leather of bovines (not buffalo) or equines, not whole, w/o hair on, prepared after tanning or crusting, not 4114	61,479	0	0	-100.00%	0.00%
41079280	Grain splits bovine (not buffalo) and equine leather, not whole, without hair on, nesoi, fancy, prepared after tanning or crusting, not 4114	0	0	0	-100.00%	-
41079240	Grain splits buffalo leather (not whole), without hair on, prepared after tanning or crusting, other than of heading 4114	0	0	12,083	48.90%	81.33%
84145190	Table, floor, wall, window or roof fans, with a self-contained electric motor of an output not exceeding 125 W	0	0	21,511	-	100.00%
84145130	Ceiling fans for permanent installation, with a self-contained electric motor of an output not exceeding 125 W	0	0	0	-	-
21069098	Other food preps nesoi, incl preps for the manufacture of beverages, non-dairy coffee whiteners, herbal teas and flavored honey	868,931	1,294,475	1,832,125	-	99.67%
21069058	Food preparations of gelatin, neosi	67,788	113,198	76,369	5.63%	90.62%
21069003 <sup>37</sup>	Food preps, nesoi, n/o 5.5% bf, mixed w/ other ingred. if o/16% milk solids capable of being further proc., subj. to GN15	0	0	25,892	-	100.00%
21069082	Food preps, nesoi, o/10% milk solids, neosi	5,511	0	0	-	-
21069099	Food preparations not elsewhere specified or included, not canned or frozen	0	0	0	-100.00%	-
09109100	Mixtures of spices	11,011,918	12,625,257	12,253,845	7.29%	99.11%
76151071	Aluminum, cooking and kitchen ware (o/than cast), not enameled or glazed and not containing nonstick interior finishes	278,129	250,607	432,723	10.89%	83.60%
76151030	Aluminum, cooking and kitchen ware (o/than cast), enameled or glazed or containing nonstick interior finishes	148,852	319,091	428,425	120.48%	100.00%

<sup>37</sup> According to USTR, this article is eligible for a de minimis waiver since total US imports of the product are less than \$24.5 million.

HTSUS Number	Description	Value (2017) US\$	Value (2018) US\$	Value (2019) US\$	Growth Rate (2015-19)	Utilization Rate
76151091	Aluminum, table, kitchen or other household articles (o/than cooking or kitchen ware) and parts thereof	158,346	195,039	153,159	11.93%	100.00%
76151020	Aluminum, cast cooking and kitchen ware, enameled or glazed or containing nonstick interior finishes	0	58,437	79,043	-	100.00%
76151050	Aluminum, cast cooking and kitchen ware, not enameled or glazed and not containing nonstick interior finishes	115,802	202,193	44,354	-	100.00%
39206200	Nonadhesive plates, sheets, film, foil and strip, noncellular, not combined with other materials, of polyethylene terephthalate	2,965,578	3,753,427	7,574,806	33.58%	100.00%
	<b>Total</b>	<b>86,610,829</b>	<b>119,685,418</b>	<b>107,625,106</b>		

Source: USITC DataWeb

## Top 200 US GSP Imports from the World (2019)

Table 44: Top 200 US GSP imports from World (2019)

HTSUS Number	Description	US Imports from the World (2019) US\$	Growth Rate (2015-19)	US Imports from Pakistan (2019) US\$
71131929	Gold necklaces and neck chains (o/than of rope or mixed links)	452,485,602	23.63%	#N/A
42029231	Travel, sports and similar bags with outer surface of MMF textile materials	441,701,831	-	1,826,483
42022215	Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics	324,437,527	-	#N/A
40151910	Seamless gloves of vulcanized rubber other than hard rubber, other than surgical or medical gloves	319,510,922	6.58%	79,882
42022190	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesoi, over \$20 ea.	302,397,401	-	#N/A
20098970	Juice of any other single fruit, nesoi, (including berries), concentrated or not concentrated	285,212,102	-	654,413
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	265,896,117	28.23%	69,265,741
94053000	Lighting sets of a kind used for Christmas trees	264,225,933	61.50%	#N/A
84159080	Parts for air conditioning machines, nesoi	259,545,784	-0.29%	#N/A
21069098	Other food preps nesoi, incl preps for the manufacture of beverages, non-dairy coffee whiteners, herbal teas and flavored honey	254,936,872	-	1,832,125
42029190	Cases, bags and containers nesoi, other than golf bags, with outer surface of leather, of composition leather	239,398,641	-	1,240,580
42029245	Travel, sports and similar bags with outer surface of plastic sheeting	238,248,796	-	464,655
39076100	Polyethylene terephthalate, having a viscosity number of 78 ml/g or higher	213,103,846	-	58,955,879
72024100	Ferrocromium containing by weight more than 4 percent of carbon	197,484,785	-6.51%	#N/A
40112010	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	189,473,940	21.97%	#N/A
90015000	Spectacle lenses of materials other than glass, unmounted	172,137,561	4.23%	#N/A

HTSUS Number	Description	US Imports from the World (2019) US\$	Growth Rate (2015-19)	US Imports from Pakistan (2019) US\$
40111010	New pneumatic radial tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	171,430,084	0.99%	#N/A
94042100	Mattresses, of cellular rubber or plastics, whether or not covered	155,137,909	321.29%	#N/A
17049035	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	144,185,817	4.08%	1,323,783
87089968	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for power trains nesoi	143,998,229	15.42%	#N/A
39232100	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	143,903,003	4.14%	#N/A
44182080	Doors of wood, other than French doors	137,849,863	10.49%	#N/A
39253010	Blinds (including venetian blinds), of plastics	135,617,388	63.10%	#N/A
87089475	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705, parts of steering wheels/columns/boxes, nesoi	134,881,252	-8.88%	#N/A
84831030	Camshafts and crankshafts nesoi	134,241,324	-5.65%	#N/A
22029990	Nonalcoholic beverages, nesoi, excluding fruit or vegetable juices of heading 2009	130,810,246	-	1,992,288
35030055	Gelatin sheets and derivatives, nesoi; isinglass; other glues of animal origin, nesoi	125,379,686	9.98%	#N/A
84099991	Parts nesoi, used solely or principally with the engines of heading 8408, for vehicles of heading 8701.20, 8702, 8703, 8704	122,501,692	-4.24%	#N/A
85044095	Static converters (for example, rectifiers), nesoi	121,409,537	11.33%	78,926
44123332	Plywood sheets n/o 6mm thick, outerply of specified nonconiferous wood excluding walnut and birch, not surface covered beyond clear/transparent	119,223,015	-	#N/A
85444290	Insulated electric conductors nesoi, for a voltage not exceeding 1,000 V, fitted with connectors, nesoi	117,811,055	21.19%	#N/A
87089981	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705	113,127,492	-3.33%	286,250
78011000	Refined lead, unwrought	111,459,021	-3.46%	#N/A
94054084	Electric lamps and lighting fixtures nesoi, not of base metal	109,266,388	-	502,648
72023000	Ferrosilicon manganese	107,827,858	-11.83%	#N/A
90049000	Spectacles, goggles and the like, corrective, protective or other, other than sunglasses	107,486,880	233.98%	501,600
38231920	Industrial monocarboxylic fatty acids or acid oils from refining derived from coconut, palm-kernel, or palm oil	105,834,184	22.05%	#N/A
17011410	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. US 5 to Ch.17	104,530,985	1.22%	#N/A
85371091	Other boards, panels, consoles, desks, cabinets, etc., equipped with apparatus for electric control, for a voltage not exceeding 1,000, nesoi	100,081,531	-	#N/A
87087045	Pts. & access. of mtr. vehic. of 8701, nesoi, and of 8702-8705, road wheels	99,879,689	-7.06%	#N/A
84133090	Fuel, lubricating or cooling medium pumps for internal-combustion piston engines, not fitted with a measuring device, nesoi	96,974,293	-0.22%	#N/A
28253000	Vanadium oxides and hydroxides	96,729,910	41.50%	#N/A
15091040	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container 18 kg or over	95,642,034	-4.92%	#N/A
29349990	Nonaromatic other heterocyclic compounds, nesoi	93,477,967	6.05%	#N/A
63079098	National flags and other made-up articles of textile materials, nesoi	92,922,781	-0.01%	25,190,670

HTSUS Number	Description	US Imports from the World (2019) US\$	Growth Rate (2015-19)	US Imports from Pakistan (2019) US\$
8045040	Guavas, mangoes, and mangosteens, fresh, if entered during the period September 1 through May 31, inclusive	92,311,870	1.42%	#N/A
87082950	Pts. & access. of bodies for mtr. vehicles of headings 8701 to 8705, nesoi	90,359,806	-7.47%	69,591
85011040	Electric motors of an output of under 18.65 W, other than synchronous valued not over \$4 each	88,114,920	-1.59%	#N/A
18032000	Cocoa paste, wholly or partly defatted	87,067,591	4.71%	#N/A
28499050	Carbides, nesoi	86,967,792	42.84%	#N/A
39023000	Propylene copolymers, in primary forms	85,259,682	96.61%	#N/A
73269086	Iron or steel, articles, nesoi	85,061,133	-	1,178,173
42029215	Travel, sports and similar bags with outer surface of cotton, not of pile or tufted construction	84,322,017	-	11,461,582
42023160	Articles of a kind normally carried in the pocket or handbag, with outer surface of leather, composition or patent leather, nesoi	84,156,009	-	186,245
42023210	Articles of a kind normally carried in the pocket or handbag, with outer surface of reinforced or laminated plastics	81,533,402	46.51%	#N/A
42021221	Trunks, suitcases, vanity and attache cases and similar containers, with outer surface of plastics	81,074,492	-	#N/A
42021281	Trunks, suitcases, vanity & attache cases, occupational luggage and similar containers, with outer surface of MMF materials	80,909,707	-	#N/A
90131010	Telescopic sights for rifles not designed for use with infrared light	80,320,907	8.48%	#N/A
85443000	Insulated ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	78,203,281	3.01%	#N/A
10059020	Yellow dent corn	77,036,678	21.53%	#N/A
87115000	Motorcycles (incl. mopeds) and cycles, fitted w/recip. internal-combustion piston engine w/capacity o/800 cc	76,893,737	6.40%	#N/A
73239300	Stainless steel, table, kitchen or o/household arts. amd parts thereof	76,520,678	-17.52%	447,799
38021000	Activated carbon	76,471,514	-2.10%	#N/A
39202000	Nonadhesive plates, sheets, film, foil and strip, noncellular, not reinforced or combined with other materials, of polymers of propylene	76,097,954	11.90%	#N/A
92079000	Musical instruments (o/than keyboard except accordions) nesoi, the sound of which is produced, or must be amplified, electrically	74,178,643	11.99%	#N/A
68029105	Marble slabs, further worked than simply cut/sawn	73,591,292	-4.32%	84,218
21039090	Sauces and preparations therefor, nesoi	71,302,330	3.98%	3,251,260
42022281	Handbags with or without shoulder strap or without handle, with outer surface of MMF materials	70,654,401	-	#N/A
27090020	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	70,196,725	-	#N/A
20089915	Bananas, other than pulp, otherwise prepared or preserved, nesoi	69,674,347	5.84%	#N/A
69101000	Porcelain or china ceramic sinks, washbasins, baths, bidets, water closet bowls, urinals & siml. sanitary fixtures	69,107,697	-1.12%	#N/A
29181400	Citric acid	67,913,109	11.00%	#N/A
96091000	Pencils & crayons, with leads encased in a rigid sheath	67,436,015	4.09%	2,657,670
42032180	Gloves, mittens and mitts specially designed for use in sports, nesoi, of leather or of composition leather	63,862,143	4.45%	8,891,272
76061230	Aluminum alloy, plates/sheets/strip, w/thick. o/0.2mm, rectangular (incl. sq), not clad	62,548,316	-16.00%	#N/A

HTSUS Number	Description	US Imports from the World (2019) US\$	Growth Rate (2015-19)	US Imports from Pakistan (2019) US\$
39201000	Nonadhesive plates, sheets, film, foil and strip, noncellular, not reinforced or combined with other materials, of polymers of ethylene	62,417,452	11.73%	#N/A
85015380	AC motors nesoi, multi-phase, of an output exceeding 150 kW	61,075,290	-5.13%	#N/A
39269099	Other articles of plastic, nesoi	60,388,109	11.39%	160,510
39021000	Polypropylene, in primary forms	59,231,075	44.67%	#N/A
20081915	Coconuts, otherwise prepared or preserved, nesoi	58,966,213	3.41%	#N/A
29189920	Aromatic pesticides, derived from carboxylic acids with additional oxygen function, and their derivatives, nesoi	58,892,211	4.63%	#N/A
20089991	Bean cake, bean stick, miso, other fruit, nuts and other edible parts of plans, prepared or preserved	57,734,165	-	#N/A
35040050	Peptones and their derivatives; protein substances and their derivatives, nesoi; hide powder	57,365,438	169.80%	#N/A
84099150	Parts nesoi, used solely or principally with spark-ignition internal-combustion piston engines for vehicles of head 8701.20, 8702-8704	56,824,421	-4.34%	#N/A
6031901	Fresh cut, Anthuriums,Alstroemeria,Gypsophila,Lilies, Snapdragons and flowers, nesoi	56,630,348	4.52%	#N/A
29319090	Other non-aromatic organo-inorganic compounds	55,064,705	18.14%	#N/A
40092100	Tubes, pipes and hoses of vulcanized rubber other than hard rubber, reinforced or combined only with metal, without fittings	55,040,749	2.13%	#N/A
85163200	Electrothermic hairdressing apparatus other than hair dryers	53,728,711	-	#N/A
68029115	Monumental or building stone & arts. thereof (o/than slabs), of marble, further worked than simply cut/sawn, nesoi	53,260,487	-11.92%	1,194,012
89039200	Vessels, motorboats (o/than outboard motorboats), for pleasure or sports	51,865,388	28.89%	#N/A
72024950	Ferrochromium containing by weight 3 percent or less of carbon	50,301,385	39.22%	#N/A
42022160	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesoi, n/o \$20 ea.	50,299,278	-	#N/A
87085089	Pts. & access. of motor vehicles of 8703, parts, nesoi, of drive axles w/different. (wheth or not w/oth transm components)	50,048,027	87.17%	80,906
17023040	Glucose and glucose syrup, not containing fructose or in the dry state less than 20 percent by weight of fructose, nesoi	49,160,903	2.74%	27,978,852
73079150	Iron or steel (o/than stainless), not cast, flanges for tubes/pipes, not forged or forged and machined, tooled & processed after forging	48,983,232	-16.10%	#N/A
85444990	Insulated electric conductors nesoi, not of copper, for a voltage not exceeding 1,000 V, not fitted with connectors	48,852,562	-3.50%	#N/A
39074000	Polycarbonates in primary forms	48,639,498	15.21%	#N/A
40093100	Tubes, pipes and hoses of vulcanized rubber other than hard rubber, reinforced or combined only with textile materials, without fittings	47,444,814	13.00%	#N/A
84818030	Taps, cocks, valves & similar appliances for pipes, boiler shells, tanks, vats or the like, hand operated, of iron or steel, nesoi	47,162,371	-12.42%	#N/A
87085099	Pts. & access. of mtr. vehic. of 8701, nesoi, 8702 and 8704-8705, parts, nesoi, of drive axles w/different. (wheth or not w/oth transm compo)	46,723,557	-10.97%	#N/A
84145965	Other fans, nesoi	46,658,290	-	#N/A
28046910	Silicon, containing by weight less than 99.99 percent but not less than 99 percent of silicon	46,475,381	-20.74%	#N/A

HTSUS Number	Description	US Imports from the World (2019) US\$	Growth Rate (2015-19)	US Imports from Pakistan (2019) US\$
44123432	Plywood sheets n/o 6mm thick, outerply of nonconiferous wood not in 4412.33, face ply nesoi, not surface covered beyond clear/transparent	46,397,184	-	#N/A
87089150	Pts. & access. of mtr. vehic. of 8701, nesoi, and 8702-8705, radiators	46,033,971	-1.06%	#N/A
46029000	Basketwork, wickerwork and other articles made directly from plaiting materials or from articles of heading 4601, nesoi; loofah articles	46,019,355	2.97%	#N/A
39219040	Nonadhesive plates, sheets, film, foil and strip, flexible, nesoi, of noncellular plastics	44,785,175	11.05%	#N/A
20059997	Vegetables nesoi, & mixtures of vegetables, prepared or preserved otherwise than by vinegar or acetic acid, not frozen, not preserved by sugar	44,617,156	3.64%	570,101
85011060	Electric motors of an output of 18.65 W or more but not exceeding 37.5 W	44,400,239	-2.33%	#N/A
41071150	Full grain unsplit upholstery leather of bovines (not buffalo) nesoi and equines, w/o hair on, prepared after tanning or crusting, not 4114	44,104,878	-18.79%	#N/A
40118080	New pneumatic tires of a kind used on construction, mining or industrial handling vehicles and machines, other	43,930,745	-	#N/A
13021941	Ginseng and other substances having prophylatic or therapeutic properties	43,586,935	-	#N/A
73181580	Iron or steel, screws and bolts, nesoi, having shanks or threads 6 mm or more in diameter	43,124,690	1.26%	#N/A
29054500	Glycerol	42,961,674	13.85%	#N/A
84509060	Parts for household- or laundry-type washing machines, nesoi	42,472,382	66.47%	#N/A
28369100	Lithium carbonates	42,065,240	172.15%	#N/A
94042990	Mattresses (o/than of cellular rubber or plastics or of cotton)	41,476,108	78.33%	#N/A
85163100	Electrothermic hair dryers	41,409,749	-	#N/A
85389081	Other parts nesoi, suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537	40,691,337	-	#N/A
74122000	Copper alloys, fittings for tubes and pipes	40,516,391	0.84%	#N/A
19059090	Bakers' wares communion wafers, empty capsules suitable for pharmaceutical use, sealing wafers, rice paper and similar products, nesoi	39,661,972	1.31%	197,485
85061000	Manganese dioxide primary cells and primary batteries	39,492,100	10.35%	#N/A
87084075	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for gear boxes, nesoi	39,401,434	-3.03%	183,042
84212300	Oil or fuel filters for internal combustion engines	39,379,682	1.05%	#N/A
71131150	Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts	39,009,638	1.40%	#N/A
17029090	Sugars and sugar syrups, and articles containing sugar, nesoi	38,535,340	2.33%	#N/A
26110060	Tungsten concentrates	38,271,267	8.38%	#N/A
21039080	Mixed condiments and mixed seasonings, not described in add US note 3 to Ch. 21	38,185,699	2.59%	498,399
85123000	Electrical sound signaling equipment of a kind used for cycles or motor vehicles	37,411,559	-0.29%	#N/A
20089940	Mangoes, otherwise prepared or preserved, nesoi	37,233,248	-2.80%	107,265
76169951	Aluminum, articles, nesoi	37,173,468	-	78,024
85015240	AC motors nesoi, multi-phase, of an output exceeding 750 W but not exceeding 14.92 kW	37,089,989	-9.45%	#N/A

HTSUS Number	Description	US Imports from the World (2019) US\$	Growth Rate (2015-19)	US Imports from Pakistan (2019) US\$
85441100	Insulated (including enameled or anodized) winding wire, of copper	36,576,652	1.39%	#N/A
68029900	Monumental or building stone & arts. thereof, nesoi, further worked than simply cut/sawn, nesoi	36,282,909	-33.61%	86,959
84818090	Taps, cocks, valves & similar appliances for pipes, boiler shells, tanks, vats or the like, other than hand operated, nesoi	36,155,816	-6.63%	#N/A
42022245	Handbags with or without shoulder strap or without handle, with outer surface of cotton, not of pile or tufted construction or braid	35,962,658	-	230,243
21022060	Single-cell micro-organisms, dead, excluding yeasts, (but not including vaccines of heading 3002)	35,849,667	6.06%	#N/A
27090010	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	35,083,943	-	#N/A
73072150	Stainless steel, not cast, flanges for tubes/pipes, not forged or forged and machined, tooled and otherwise processed after forging	34,969,883	-11.37%	#N/A
44219997	Other articles, nesoi, of wood other than of bamboo, incl pencil slats, burial caskets, gates for confining children or pets,	34,958,815	-	#N/A
85030095	Other parts, nesoi, suitable for use solely or principally with the machines in heading 8501 or 8502	34,899,032	2.21%	#N/A
87088065	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for suspension systems nesoi	34,717,315	-18.80%	#N/A
44140000	Wooden frames for paintings, photographs, mirrors or similar objects	34,673,334	-8.54%	#N/A
93032000	Shotguns (incl. comb. shotgun-rifles), for sport, hunting or target-shooting	34,610,091	-9.69%	#N/A
83024160	Iron or steel, aluminum or zinc mountings, fittings & similar articles, nesoi, suitable for buildings, & base metal pts thereof	34,475,661	6.25%	#N/A
40169960	Articles of noncellular vulcanized synthetic rubber other than hard rubber	33,888,129	1.39%	#N/A
7144010	Fresh or chilled taro (Colocasia spp.), whether or not sliced or in the form of pellets	33,859,166	-	#N/A
17019910	Cane/beet sugar & pure sucrose, refined, solid, w/o added coloring or flavoring, subject to add. US 5 to Ch.17	33,759,088	-7.93%	#N/A
40169310	Gaskets, washers and other seals, of noncellular vulcanized rubber other than hard rubber, for use in automotive goods in C87	33,189,607	1.61%	#N/A
44199090	Tableware and kitchenware of wood other than of bamboo, other than forks, spoons	32,989,747	-	#N/A
69091950	Ceramic wares for laboratory, chemical or other technical uses (o/ than of porcelain or china), nesoi	32,287,594	7.01%	#N/A
84839050	Parts of gearing, gear boxes and other speed changers	32,156,216	-9.70%	#N/A
29211961	N,N-Dialkyl (methyl, ethyl, N-Propyl or Isopropyl)-2-Chloroethylamines and their protonated salts; Acyclic monoamines and their derivatives, nesoi	31,953,362	-	#N/A
22042180	Grape wine, other than Marsala, not sparkling or effervescent, over 14% vol. alcohol, in containers holding 2 liters or less	31,927,252	36.29%	#N/A
39239000	Articles nesoi, for the conveyance or packing of goods, of plastics	31,855,180	-4.55%	459,060
85364100	Relays for switching, protecting or making connections to or in electrical circuits, for a voltage not exceeding 60 V	31,580,203	-5.73%	#N/A
83023030	Iron or steel, aluminum or zinc mountings, fittings and similar articles nesoi, suitable for motor vehicles, and base metal parts thereof	31,564,619	-11.43%	#N/A
85365090	Switches nesoi, for switching or making connections to or in electrical circuits, for a voltage not exceeding 1,000 V	31,186,943	-10.92%	#N/A

HTSUS Number	Description	US Imports from the World (2019) US\$	Growth Rate (2015-19)	US Imports from Pakistan (2019) US\$
84082020	Compression-ignition internal-combustion piston engines to be installed in vehicles of heading 8701.20, 8702, 8703, or 8704	30,775,867	-1.27%	#N/A
39073000	Epoxide resins in primary forms	30,714,217	5.69%	#N/A
83014060	Base metal locks (o/than padlocks, locks for motor vehicles or furniture, luggage locks)	30,384,302	9.98%	#N/A
40119020	New pneumatic tires, of a kind NESOI, have a radial tread	30,277,598	-	#N/A
85371060	Boards, panels, etc., equipped with apparatus for electric control, for a voltage not exceeding 1,000, motor control centers	30,251,685	66.98%	#N/A
35051000	Dextrins and other modified starches	30,107,456	2.65%	929,280
85184020	Audio-frequency electric amplifiers, other than for use as repeaters in line telephony	30,104,260	14.03%	#N/A
87083050	Pts. & access. of mtr. vehicles of 8701, nesoi, and 8702-8705, brakes and servo-brakes & pts thereof	29,689,339	17.20%	#N/A
61169308	Gloves, mittens & mitts, for sports use, (incl. ski and snowmobile gloves, etc.), of synthetic fibers	29,662,487	42.75%	788,970
73262000	Iron or steel, articles of wire, nesoi	29,445,041	2.09%	700,934
83024230	Iron or steel, aluminum, or zinc mountings, fittings & similar articles, suitable for furniture, and base metal parts thereof	28,957,394	12.75%	#N/A
44201000	Wooden statuettes and other wood ornaments	28,889,510	-4.84%	#N/A
39232900	Sacks and bags (including cones) for the conveyance or packing of goods, of plastics other than polymers of ethylene	28,695,255	3.29%	294,375
79011100	Zinc (o/than alloy), unwrought, containing o/99.99% by weight of zinc	28,309,776	51.84%	#N/A
8041060	Dates, fresh or dried, whole, without pits, packed in units weighing over 4.6 kg	28,192,336	6.51%	1,937,157
84834050	Fixed, multiple and variable ratio speed changers, not imported for use with machines for making cellulosic pulp, paper or paperboard	28,115,636	-15.59%	#N/A
39100000	Silicones in primary forms	27,782,703	27.89%	#N/A
81032000	Tantalum, unwrought (including bars and rods obtained simply by sintering); tantalum powders	27,678,271	-9.34%	#N/A
44189990	Builders' joinery and carpentry of wood, of wood other than of bamboo, other than drilled or notched lumber studs	27,455,467	-	#N/A
76151030	Aluminum, cooking and kitchen ware (o/than cast), enameled or glazed or containing nonstick interior finishes	27,401,886	3.88%	428,425
72025000	Ferrosilicon chromium	27,348,920	36.68%	#N/A
19023000	Pasta nesoi	26,746,707	5.52%	208,018
27101906	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.	26,711,265	-	#N/A
71171990	Imitation jewelry (o/than toy jewelry & rope, curb, cable, chain, etc.), of base metal (wheth. or n/plated w/prec.metal), nesoi	26,476,164	-11.84%	#N/A
73239990	Iron (o/th cast)/steel (o/th tinplate or stainless), table, kitchen (o/th cooking.) or o/household arts & part, n/coated/plated w/prec.metal	26,344,955	-1.08%	87,480
28439000	Inorganic or organic compounds of precious metals, excluding those of silver and gold; amalgams of precious metals	26,324,171	7.25%	#N/A
92071000	Keyboard musical instruments (o/than accordions), the sound of which is produced, or must be amplified, electrically	26,254,785	-7.15%	#N/A
46021918	Baskets and bags of vegetable material, neosi	26,207,143	6.67%	#N/A

HTSUS Number	Description	US Imports from the World (2019) US\$	Growth Rate (2015-19)	US Imports from Pakistan (2019) US\$
40118020	New pneumatic tires of a kind used on construction, mining or industrial handling vehicles and machines having a radial tread	25,948,148	-	#N/A
18050000	Cocoa powder, not containing added sugar or other sweetening matter	25,867,757	-2.33%	#N/A
11042300	Grains of corn (maize), hulled, pearled, clipped, sliced, kibbled or otherwise worked, but not rolled or flaked	25,684,814	240.91%	#N/A
39241040	Tableware and kitchenware articles, nesoi, of plastics	25,677,355	-13.52%	#N/A
94055040	Non-electrical lamps and lighting fixtures nesoi, not of brass	24,883,937	-21.30%	137,136
85439088	Parts (other than printed circuit assemblies) of electrical machines and apparatus, having individual functions, nesoi	24,813,043	47.65%	#N/A
76109000	Aluminum, structures and parts of structures, nesoi; aluminum plates, rods, profiles, tubes and the like prepared for use in structures	24,695,845	7.25%	#N/A
39206200	Nonadhesive plates, sheets, film, foil and strip, noncellular, not combined with other materials, of polyethylene terephthalate	24,432,580	7.18%	7,574,806
90178000	Instruments for measuring length, for use in the hand, nesoi (for example, measuring rods and tapes)	24,406,097	1.23%	#N/A
39039050	Polymers of styrene, nesoi, in primary forms	24,200,642	29.82%	#N/A
40169100	Floor covering and mats, of noncellular vulcanized rubber other than hard rubber	23,969,332	-2.82%	#N/A
84771090	Injection-molding machines of a type used for working or manufacturing products from rubber or plastics, nesoi	23,936,647	49.17%	#N/A
85437099	Other machinery in this subheading	23,623,669	-	235,200
84099199	Parts nesoi, used solely or principally with spark-ignition internal-combustion piston engines of heading 8407, nesoi	23,585,202	-8.29%	#N/A
85369085	Other electrical apparatus nesoi, for switching or making connections to or in electrical circuits, for a voltage not exceeding 1,000 V, nesoi	23,225,697	-	-

Source: USITC DataWeb

FIGURE 12: EU GSP Plus

According to the Federation of American Scientists (FAS), the EU Generalised Scheme of Preferences has three different preference arrangements:

- The “Standard” GSP framework grants duty reductions for about 66% of all EU tariff lines, to low-income or middle-income countries that do not benefit from any other preferential trade access to the EU market. As of January 1, 2019, there were 15 Standard GSP beneficiaries.
- The Sustainable Development and Good Governance (GSP+) grants duty-free access to the same 66% of EU tariff lines as Standard GSP to beneficiaries that are found to be especially vulnerable in terms of economic diversification and import volumes. In return, these countries must ratify and effectively implement 27 core international conventions, human and labor rights, environmental protection, and good governance.<sup>32</sup> As of January 1, 2019, there were 8 GSP+ beneficiary countries.
- The Everything but Arms (EBA) arrangement grants full duty-free, quota-free access for all products except arms and ammunition for all United Nations classified least-developed countries. As of January 1, 2019, there were 48 EBA beneficiaries.

*Generalized System of Preferences (GSP): Overview and Issues for Congress*

FIGURE 13: Export Incentives offered by the Government of India



## Sources

---

Bloomberg

Bangkok Post

Daily Sabah

Data Web – USITC

European Commission

FAS – Federation of America Scientists

ITC – Market Access Map

ITC – Trade Map

Ministry of Commerce Pakistan

Pakistan Bureau of Statistics

Pakistan Economic Survey

Reuters Africa

State Bank – Pakistan

Statista

The Economic Times

The Economist

The Financial Express

The World Bank – Data

Trade Partnership Worldwide, LLC

UN Comtrade

UNDP

US Bureau of Economic Analysis

US Consensus Bureau

USTR







8th Floor, Dawood Centre,  
M.T. Khan Road,  
Karachi, Pakistan

T - +92 21 3563 0528 - 29

F - +92 21 3563 0530

[www.pbc.org.pk](http://www.pbc.org.pk)

