



# USTR NEWS

## UNITED STATES TRADE REPRESENTATIVE

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### **USTR Announces New Trade Preference Program Enforcement Effort**

*GSP Annual Review Also Modifies List of GSP-Eligible Products to Include Travel Goods*

Washington, D.C. – The Office of the United States Trade Representative (USTR) announced today the outcome of the Trump Administration’s Annual Review under the Generalized System of Preferences (GSP). Annual Review outcomes include the launch of a self-initiated country practice review of Bolivia’s compliance with the GSP eligibility criteria related to child labor and changes to the list of products eligible for GSP treatment.

**“The Trump Administration is committed to vigorously enforcing the eligibility criteria of our trade preference programs,”** said U.S. Trade Representative Robert Lighthizer. **“Trade under GSP provides strong incentives for developing countries to make market-oriented reforms and provide greater access for American goods and services. The actions announced today are aimed at strengthening our trade enforcement efforts and supporting U.S. manufacturing.”**

The Administration’s announcement on GSP will:

- 1) Launch a self-initiated review of Bolivia’s compliance with the GSP eligibility criteria related to child labor, the first such self-initiation of a review in this century;
- 2) Remove certain products from the GSP program where the country is sufficiently competitive and no longer needs tariff preferences to compete in the U.S. market;
- 3) Add certain travel goods to the list of eligible products for all GSP countries where there is currently minimal U.S. production of these products; and
- 4) Add several non-import sensitive products to GSP, all of which are used as inputs in U.S. manufacturing.

The full results of the GSP 2016/2017 Annual Review are available [here](#) and will also be announced in the Federal Register.

**Background**

Under the GSP program, certain products from 120 beneficiary developing countries and territories can enter the United States duty-free. In 2016, the total value of imports that entered the United States under GSP was \$18.7 billion. To qualify for GSP, a beneficiary country must meet eligibility criteria established by Congress, including respecting arbitral awards, combating child labor, respecting internationally recognized worker rights, providing adequate and effective intellectual property protection, and providing the United States with equitable and reasonable market access.

### *Self-Initiated Review of Bolivia*

The United States will self-initiate a country practice review of Bolivia regarding the implementation of its commitments to eliminate the worst forms of child labor, and the steps taken to afford internationally recognized worker rights. In 2014, the Government of Bolivia passed a law permitting child labor starting at age 10 years. This law raises questions about consistency with GSP statutory country eligibility criteria. The goal of this action is to review Bolivia's child labor laws and practices to determine whether Bolivia's current law and practices meet the GSP criteria and, if necessary, to engage with the Government to encourage steps by which Bolivia could ensure compliance.

### *Travel Goods*

The Trade Preference Extension Act (TPEA) of 2015 gave the President, for the first time, the authority to add certain travel and luggage goods products to GSP (including luggage, handbags, backpacks, and pocket goods) subject to the regular, petition-driven review process. In June 2016, the previous administration added eligibility for travel goods for African and least developed GSP countries. Members of Congress have shown a strong interest in seeing GSP access for travel goods extended to all GSP countries. U.S. travel goods brands and retailers have indicated that this action would help them broaden their sourcing opportunities for these products. According to the information provided in the course of USTR's review, making travel goods GSP-eligible for all GSP beneficiaries is expected to be neutral with respect to overall U.S. import levels, and therefore also to the U.S. trade balance, though this action may shift some of the overseas production of these products from non-GSP countries to GSP countries.

### *GSP Annual Review Process*

As part of the GSP 2016/2017 Annual Review, an interagency committee led by USTR (the GSP Subcommittee of the Trade Policy Staff Committee) received and considered requests seeking to add or remove products from the list of those eligible for duty-free treatment under GSP and to waive product exclusions for certain countries based on statutory requirements related to competitiveness (CNLs). The USTR-led committee holds public hearings, solicits public comments, and reviews analyses prepared by the U.S. International Trade Commission of the economic impact of product eligibility decisions on domestic industries and consumers.

For more information on the GSP program, visit the GSP page on the USTR website [here](#).