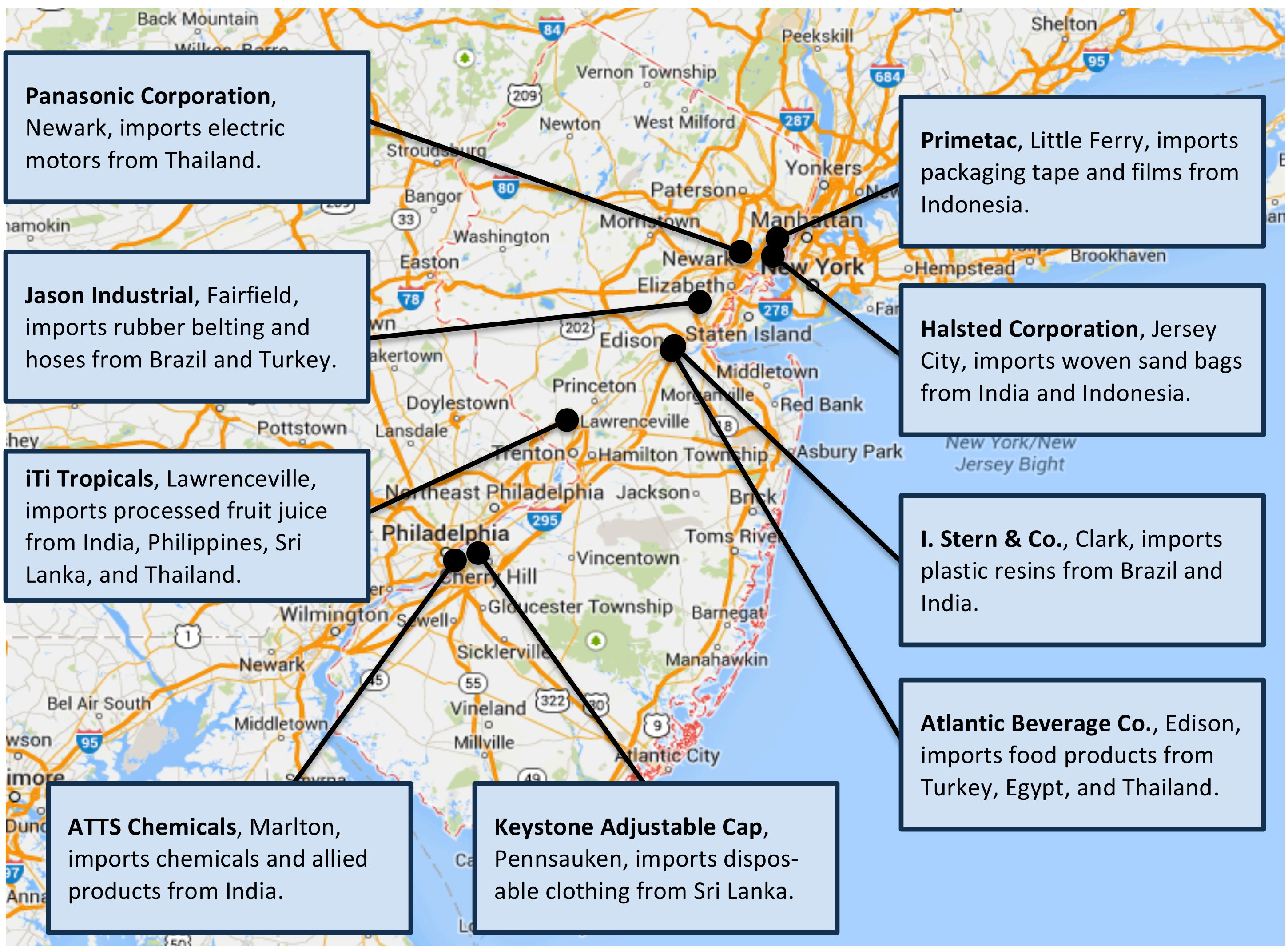
GSP MATTERS FOR NEW JERSEY

The Generalized System of Preferences (GSP) program benefits American companies and workers by cutting tariffs (i.e., taxes) on certain products sourced from developing countries. In 2016, GSP saved American companies $729 million, including $63 million in waived tariffs on imports into New Jersey. However, GSP will expire and companies in New Jersey will face higher taxes unless Congress passes new legislation to renew GSP before December 31, 2017.

New Jersey's 2016 GSP Imports	New Jersey's 2016 GSP Savings	Average Tariff Without GSP
$1.6 billion	***$63 million***	***3.9%***

NEW JERSEY COMPANIES IMPORTING UNDER GSP



Panasonic Corporation, Newark, imports electric motors from Thailand.

Jason Industrial, Fairfield, imports rubber belting and hoses from Brazil and Turkey.

iTi Tropicals, Lawrenceville, imports processed fruit juice from India, Philippines, Sri Lanka, and Thailand.

ATTS Chemicals, Marlton, imports chemicals and allied products from India.

Keystone Adjustable Cap, Pennsauken, imports dispos-able clothing from Sri Lanka.

Primetac, Little Ferry, imports packaging tape and films from Indonesia.

Halsted Corporation, Jersey City, imports woven sand bags from India and Indonesia.

I. Stern & Co., Clark, imports plastic resins from Brazil and India.

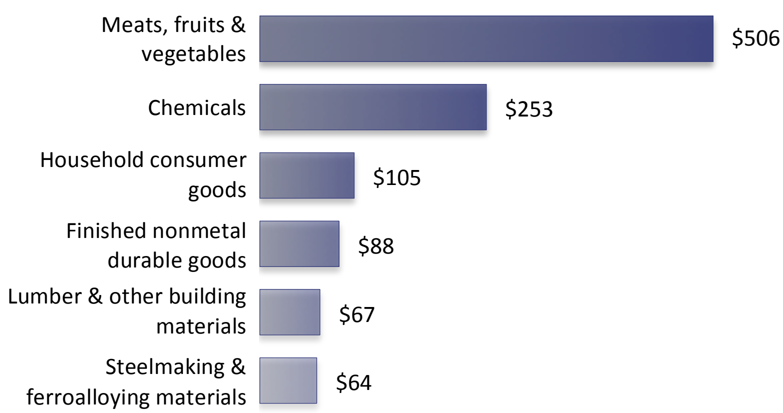
Atlantic Beverage Co., Edison, imports food products from Turkey, Egypt, and Thailand.

Source for all data is The Trade Partnership, supplemented by company import records from Panjiva.

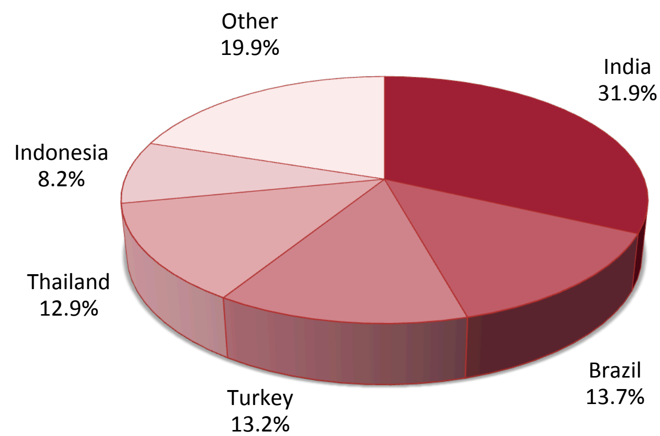
NEW JERSEY'S IMPORTS UNDER GSP

GSP eliminates tariffs on about 3,500 products. Most New Jersey imports under GSP are raw materials and industrial goods whose duty-free treatment helps American companies remain competitive. About 59 percent of New Jersey's tax savings from GSP come on imports from three countries: India, Brazil, and Turkey.

New Jersey's GSP Imports by Product Type, 2016
($ millions)



New Jersey's GSP Savings by Country, 2016



GSP EXPIRATION HURTS AMERICAN COMPANIES AND WORKERS

The GSP program has a long history of expirations and retroactive renewals. Yet recent surveys show how damaging the expirations – and positive the renewals – can be for companies and workers that rely on GSP.

Impacts on American Companies

GSP Expired [A]	GSP Renewed [B]
Laid Off Workers / Delayed New Hires **13% / 44%**	Hired New Employees **46%**
Delayed Capital Expenditures **40%**	Made New Capital Investments **41%**
Cut Employee Wages or Benefits **22%**	Provided New (or Reinstated) Benefits **23%**

GSP saved New Jersey companies about $379 million from 2011 to 2016. However, about $174 million of that came while GSP was expired. So companies paid the taxes without knowing when – or if – Congress would renew GSP retroactively.

When GSP expires, the uncertainty causes many companies to take drastic steps, from laying off workers to delaying investments to cutting benefits, stunting growth and harming workers.

Only after GSP was renewed could companies start growing and investing again in their workers and communities. Even then, companies often wait over a year to receive all of their refunds.

[A] Survey; 230 respondents; Fall 2014
[B] Survey; 135 respondents; Fall 2016

Congress must renew GSP before it expires again on December 31, 2017.