



GSP MATTERS FOR GEORGIA

The Generalized System of Preferences (GSP) is the oldest U.S. program to promote trade and development with low- and middle-income countries. Created in 1974, GSP eliminates tariffs on approximately 3,400 products from 120 developing countries, incentivizing American companies to increase trade with qualifying countries. However, GSP authorization lapsed on December 31, 2020. From 2021-2022, GSP expiration cost American companies at least \$2.3 billion in extra tariffs, harming companies and workers in all 50 states.

<p>GA GSP-Claiming Imports (2021-2022)</p> <p><i>\$2.8 billion</i></p>	<p>GA Tariff Costs from GSP Lapse (2021-2022)</p> <p><i>\$144 million</i></p>	<p>Average Tariff Paid from GSP Lapse</p> <p><i>5.2%</i></p>
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Key GSP Products and Source Countries for Georgia

Top Products, by Tariffs Paid due to GSP Expiration	
Travel Goods, Handbags, Etc.	\$46.6 million
Lighting & Fittings.....	\$16.3 million
Builders' Ware Of Plastics	\$9.0 million
Plywood, Veneered Panels, Etc	\$7.5 million
Wooden Builders' Joinery & Doors.....	\$5.0 million

Top Sources, by Tariffs Paid due to GSP Expiration	
Cambodia.....	\$52.8 million
Thailand	\$26.9 million
Indonesia	\$23.6 million
Philippines.....	\$14.2 million
Brazil.....	\$13.3 million

Source: Coalition for GSP from U.S. Census Bureau data

How GSP Expiration Benefits China

Section 301 tariffs on China have many U.S. companies seeking alternative suppliers, yet GSP expiration raises tariffs on most of those same products. **For Georgia, 98% of GSP imports would face Section 301 tariffs if imported from China, and now they face higher tariffs for GSP countries too.**

How Members of the Georgia Delegation Can Help Constituents – and Reduce Reliance on China

1. Pass a long-term, retroactive GSP reauthorization ASAP. Companies won't reconfigure supply chains if benefits may expire every few years, especially given Congress' track record of letting GSP remain expired for extended periods. **Full retroactivity, which has been provided every time GSP lapsed in the past, would refund the \$144 million (and growing) in tariffs paid on imports into Georgia.**
2. Support changes to technical GSP provisions as part of renewal. Would anyone consider "too much trade leaving China" a problem today? Outdated GSP rules such as "competitive need limitations" (CNLs) – which can re-impose tariffs if imports from a GSP country rise – discourage companies from moving *too much* sourcing from China. They also reduce countries' incentives to meet eligibility criteria and impose real costs. **Imports into Georgia faced up to \$33 million in (non-refundable) tariffs in 2021/2022 as a result of current CNL rules.**
3. Tell USTR to work with countries to restore lost GSP benefits. In the last few years, major countries including India, Turkey, and Thailand lost some or all of their GSP benefits. Like GSP expiration itself, suspensions eliminate potentially viable alternatives to China. Resolving issues and restoring some or all GSP benefits is win-win. **Imports into Georgia faced up to \$116 million in (non-refundable) tariffs in 2021/2022 due to country suspensions.**