

Generalized System of Preferences (GSP)

- Congress did not renew the GSP program during their last session in 2010. The entire program expires December 31, 2011, such that no imports of any product enter the USA GSP duty-free thereafter.
- If and when the GSP program is restored, it may be restored retroactively, as done in the past. Importers may continue to apply the GSP special program indicator (SPI) on eligible goods entered or withdrawn from warehouse subsequent to midnight, December 31, 2010, but must pay the applicable normal trade relations rate of duty. This will enable CBP, in the event that GSP is reauthorized with retroactivity, to liquidate all such preference claims with a refund.

http://apps.cbp.gov/csms/viewmssg.asp?Recid=18235&page=&srch_argv=&srctype=&btype=&sortby=&sby

- However, industry experts are expecting that the GSP program will be restored in early 2011.
- Without the GSP program, the duty rate will revert to what is on the Harmonized Tariff Schedule. For example, an 8.5% duty will be applied on Shoulder Bolts from India landing on or after 01/01/2011.