



Trade – Generalized System of Preferences

NACD Position

NACD works closely with Congress and the administration to ensure trade policies continue to afford American businesses, like chemical distributors, opportunities to continue thriving in today's competitive global economy. Among the most important programs chemical distributors utilize to import goods is the Generalized System of Preferences (GSP) – a broad-based preference program set to expire at the end of 2020.

NACD supports:

- Legislation for long-term reauthorization of the GSP program;
- GSP country eligibility requirements set forth in [19 U.S.C. 2461 ET SEQ](#) requiring 60-day notice be made for whole-country terminations and partial suspensions¹; and
- Maintaining economic-based eligibility standards insulating the program from external political pressure.

Policy Background

GSP is a program established by the Trade Act of 1974 that aims both to reduce prices for American importers and promote economic development in developing nations. Under the program, the Office of the United States Trade Representative (USTR) provides non-reciprocal, duty-free tariff treatment on certain imported components, parts, or materials from developing nations. In 2018, President Trump signed GSP renewal legislation that became effective April 22, 2018. The program was retroactively renewed, allowing importers to seek refunds of duties paid during the authorization lapse. Currently, the program is slated for expiration at the end of 2020.

Latest Action

USTR is conducting several GSP country reviews that jeopardize the original intent of the program. The administration has decided not to follow the statutory 60-day termination notice requirement for partial country suspensions, which can essentially kill businesses overnight. Most recently, India and Turkey were removed entirely from the program and Thailand was partially removed. With GSP set to expire at the end of the year, NACD is working towards a long-term reauthorization for the program in its current form.

¹ <https://ustr.gov/sites/default/files/files/gsp/GSP%20statute%20updated%20to%202017.pdf>