

# GENERAL AGREEMENT ON

# TARIFFS AND TRADE

RESTRICTED

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## GENERALIZED SYSTEM OF PREFERENCES

### Notification by the United States

#### Addendum

In a communication dated 15 May 1991, the delegation of the United States has forwarded a summary of changes in the U.S. Generalized System of Preferences.

#### 1990 Annual Generalized System of Preferences (GSP) Review

1. The 1990 Annual GSP Review resulted in 337 million US dollars in new benefits and 1.1 billion US dollars in restored and continued benefits. GSP eligibility is being removed for imports valued at 550 US million dollars.

2. The review provides benefits to 134 countries. Last year, imports valued at 11.1 billion US dollars entered into the US duty-free. More than half of the new benefits will go to four Eastern European countries: Poland, Hungary, Yugoslavia and the Czech and Slovak Federal Republic.

3. Two products -- linear alkybenzenes and ibuprofen -- were removed because of GSP statutory requirements related to the products' impact on US producers. Linear alkybenzenes are being removed for all beneficiaries. Ibuprofen is being removed from India after a review of GSP standards, including those regarding intellectual property rights. Seventeen other products were removed because they exceeded GSP competitive need limits.

4. Requests for expanded GSP coverage through competitive need waivers by Mexico and the Philippines are being deferred until June to allow full consideration of their intellectual property rights practices, as required by GSP statute.

5. The annual review considered petitions to determine whether eight beneficiaries met US GSP worker rights criteria. It was determined that Benin, the Dominican Republic, Haiti and Nepal have taken or are taking steps to afford their workers internationally recognized worker rights. Sudan was found not to meet this standard and will have its GSP benefits suspended indefinitely. Reviews of the worker rights practices of Bangladesh, El Salvador and Syria will be extended one year.

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6. One US firm asked that a review be conducted to determine whether Peru is meeting its obligations to provide prompt, adequate and effective compensation for nationalized properties. This review is being continued for up to one year. Petitions granted to Hungary, Poland and Yugoslavia are effective as of 1 May 1991: the Czech and Slovak Federal Republic will be eligible to receive duty-free treatment immediately. All other changes will become effective 1 July 1991.

#### **Bahrain and Brazil**

7. Effective 1 July 1990, Bahrain was reinstated as a GSP beneficiary for all eligible products. Bahrain had been removed from the eligibility list in 1988 when its per capita GNP exceeded the limits set in the GSP statutes.

8. As part of the 1989 GSP annual review, 108 products from Brazil were eligible for redesignation under GSP. Decisions on these products were deferred at the time the results of the 1989 review were announced. Effective 1 July 1990, the President of the United States determined that 90 Brazilian products valued at 345 million US dollars would be redesignated.

#### **Special GSP Review for Andean countries**

9. Effective 1 August 1990, sixty-six products from Bolivia, Colombia, Ecuador and Peru were eligible for duty-free entry under a special GSP review conducted as part of the US Andean Trade Initiative. All GSP beneficiary countries will be able to export the newly-designated products to the United States. Trade with the United States for these products from all beneficiaries was 103.7 million US dollars in 1989.

10. Products cover a range of agricultural and manufactured goods important to exporters in the Andean region. They include processed seafood, fresh and processed horticultural items, plywood and other wood products, carpets, laminated cotton products, chemicals, drawn glass, toys and several manufactured and semi-manufactured products.

**NOTE:** Details of the 1990 Annual GSP review and actual products listings for all changes have been provided to the GATT Secretariat for review by interested Contracting Parties.