

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

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### GENERALIZED SYSTEM OF PREFERENCES

#### Notification by the United States

The following communication, dated 27 July 1992, has been received from the delegation of the United States.

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Attached is a notification and copies of the Federal Register Notice announcing the results of the annual US GSP review, including a special review for Central and Eastern Europe, and a separate decision regarding the suspension of duty-free GSP treatment for certain products from India.

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\*This document continues the series L/5153 and Addenda. The change in numbering for GSP notifications has been made because documents in the previous series were not available in Spanish.

GENERALIZED SYSTEM OF PREFERENCES

Notification by the United States of America

This notification is to inform contracting parties of recent actions taken under the US Generalized System of Preferences (GSP) programme.

I. 1991 Annual Review

The United States has completed its annual GSP review for 1991. Details of the results of this review are contained in the 8 July 1992 Federal Register Notice, Volume 57, No. 131 (copy on file with the GATT secretariat).

The US GSP programme grants duty-free access to the United States for certain goods from 137 eligible developing countries. Total imports under the GSP programme in 1991 were US\$13.7 million.

Effective 1 July 1992, 22 new products have been added to the GSP. The United States in 1991 imported approximately US\$402 million of these products from eligible countries. One item - steel leaf springs for certain motor vehicles - lost its eligibility under the review.

By law, the US Government must consider requests for review of a beneficiary's worker rights practices in order to retain its status as a GSP recipient. Worker rights practices in seven countries were considered as part of the 1991 annual review process. Included were reviews of Bangladesh, El Salvador and Syria, which were continued from the 1990 annual reviews, and reviews of Sri Lanka, Mauritania, Panama and Thailand, which were accepted for review in the 1991 annual review.

After reviewing these requests, the President determined that Sri Lanka and Bangladesh have taken or are taking steps to afford internationally recognized worker rights. The President also determined that Syria is not taking such steps and therefore will be suspended from the US GSP programme. Reviews of Panama, Mauritania and El Salvador will be extended for one year, and the worker rights practices of Thailand will be continued until 15 December 1992.

Also by law, the US GSP programme must also take into account a beneficiary's intellectual property practices. Two beneficiaries - Malta and Guatemala - were reviewed as part of the 1991 cycle. These reviews were extended for one year.

In addition, the President extended again a review of Peru's actions regarding an alleged case of expropriation without compensation, first initiated in the 1990 annual review and continued in the 1991 review. Also, the implementation of actions to grant new GSP benefits to Peru were deferred indefinitely.

## II. Special GSP Review for Central and Eastern Europe

In July of 1991, President Bush initiated a special GSP review as part of his Trade Enhancement Initiative for Central and Eastern Europe to support the new democracies in Bulgaria, Hungary, Poland and the Czech and Slovak Republic. Details of the results of the special review are contained in the 13 July Federal Register Notice, Volume 57, No. 134 (copy on file with the GATT secretariat).

As a result of the special review, 83 items from the four countries were added to the US GSP programme, effective 15 days after publication in the Federal Register. The United States imported about US\$36 million of these products in 1991.

## III. Proclamation on India

As a result of a ninth month investigation under Section 302(b)(2)(A) of the Trade Act of 1974, as amended, the President determined that it was appropriate to suspend duty-free GSP treatment on certain GSP-eligible products from India. This became effective on 19 May 1991.

India exported a total of US\$524 million in duty-free GSP eligible products in 1991. The suspension affects approximately US\$60 million in trade from India, thereby restoring m.f.n. rates of duty. The action covers primarily imports of pharmaceuticals, chemicals and related products. Further information can be obtained from the 4 May 1992 Federal Register Notice, Volume 57, No. 86 (copy on file with the GATT secretariat).

**Note:** Further information may be obtained by contacting the GSP Subcommittee, Office of the US Trade Representative, 600 17th Street, NW, Room 517, Washington, DC 20506. The telephone number is 202-395-6971.