COALITION FOR GSP
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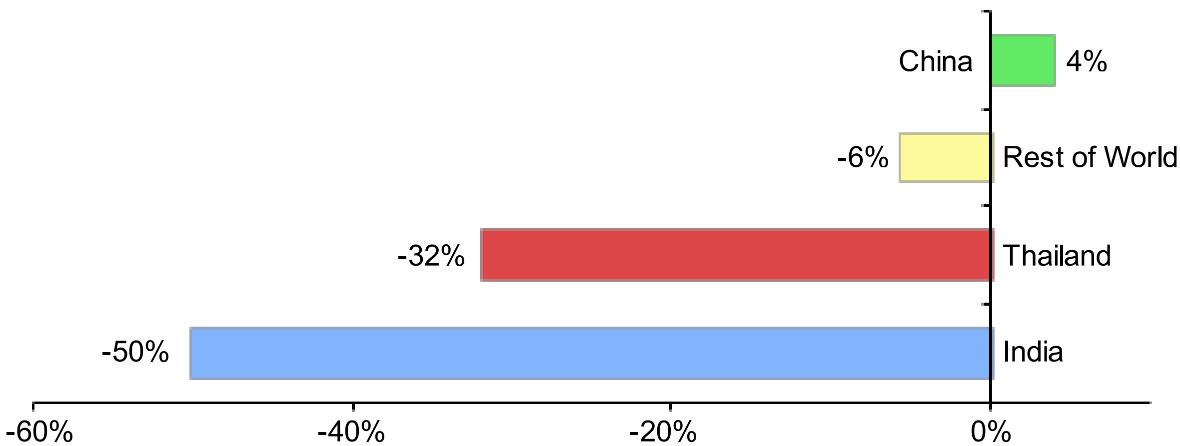
Indian and Thai Jewelry Producers Struggle to Maintain U.S. Market Share without GSP Benefits

In December 2006, the U.S. Congress amended the Generalized System of Preferences (GSP) program in an effort to prevent "super-competitive" products and countries from receiving GSP benefits. It was argued that these products did not need the duty-free access to the U.S. market to remain competitive.

On July 1, 2007, the Office of the U.S. Trade Representative officially revoked GSP benefits for jewelry from India and Thailand, among other products. The impact of these changes on jewelry imports has been drastic, as illustrated by the chart below:

Change in U.S. Jewelry Imports from Select Suppliers
(12 months ending June 30, 2008)



Source: U.S. International Trade Commission

In the 12 months ending June 30, 2008:

- Imports from India and Thailand fell by $1.5 billion compared to the same time period from one year earlier;
- Decreased imports from India and Thailand accounted for 91 percent of the decrease in overall U.S. imports;
- Imports from GSP beneficiaries (excluding India and Thailand) fell by 18 percent, helping to repudiate the claim that revoking GSP benefits for India and Thailand would shift production to other, less-competitive GSP countries, and
- **China, which does not receive GSP benefits, experienced continued export growth to the United States, despite falling exports from the rest of the world.**

For more information, please contact the **Coalition for GSP** at **202-347-1085**.