

COALITION FOR GSP
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AMERICAN BUSINESS CHEERS GSP RENEWAL INITIATIVE

Washington, DC – Congressmen Charles Rangel (D-NY), Jim McDermott (D-WA) and William Jefferson (D-LA) introduced today legislation that would renew the U.S. Generalized System of Preferences (GSP) program.

The GSP program is a special “trade preference program” first authorized by Congress in 1974 to promote economic growth in selected developing countries through trade rather than aid. Using GSP, U.S. companies can import products from these countries free of U.S. tariffs.

“This legislation recognizes that expiration of GSP will have an adverse impact not only on more than 100 very poor countries around globe, but on American companies and their workers as well,” said Laura Baughman, Executive Director of the Coalition for GSP. U.S. businesses use duty-free imports of raw materials and equipment to manufacture goods in the United States, and duty-free imports of finished consumer goods to meet the demand of American families for a range of products, from flashlights to jewelry.

“GSP duty-savings makes the products we import competitive with imports from China,” said Ian Zucker, President of Ten Strawberry Street in Denver. The small business imports dinnerware from Sri Lanka and Bangladesh, creating much-needed jobs there at the same time GSP saves Ten Strawberry Street as much as 24 percent in tariff costs (imports from China are assessed the duties).

“A wide variety of wood products, like lumber and plywood, are imported under GSP,” notes Brent McClendon, Executive Vice President of the International Wood Products Association in Alexandria, VA. “The duty savings, which can range up to 8 percent, have helped to make new homes and renovation projects more affordable.”

Legislative authority for GSP expires on December 31, 2006, after a five-year period that saw growing trade under the program. Congress must renew GSP before it adjourns for the year if American companies are to continue to benefit in the months and years ahead.

The Coalition for GSP is an *ad hoc* group of American companies and trade associations organized to educate policy makers and others about the important benefits to American companies, workers and consumers of this trade development program. More information about the Coalition and GSP can be found http://www.tradepartnership.com/site/coalition_gsp.html.