GENERALIZED SYSTEM of PREFERENCES (GSP)

What GSP Is GSP is the United States' largest and oldest trade preference program. It provides duty-free treatment to U.S. imports from 119 beneficiary developing countries (BDCs). Forty-four of these countries are designated as least-developed beneficiary developing countries (LDBDCs) and received additional tariff benefits. The President holds the primary authority in designating BDCs and products eligible for GSP benefits based on recommendations from the Trade Policy Staff Committee (TSPC), which is chaired by the U.S. Trade Representative. The U.S. International Trade Commission also provides recommendations to the President when designating products. Country eligibility criteria include the level of economic development, reasonable market access for U.S. firms, protection of intellectual property rights (IPR), and granting internationally accepted worker rights.

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Role of Congress

Congress first authorized GSP in Title V of the Trade Act of 1974 and has reauthorized the program repeatedly on a time-limited basis. The current authorization expires December 31, 2020. The President must notify Congress of any designations of countries as BDCs or of termination of GSP status. GSP reporting requirements also include an annual report to Congress on the status of internationally-recognized worker rights within each BDC.



Information prepared by Liana Wong, Analyst in International Trade and Finance and Mari Lee, Visual Information Specialist. For more information, see CRS Report RL33663, Generalized System of Preferences (GSP): Overview and Issues for Congress, by Vivian C. Jones.

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