

Eight Global Review of Aid for Trade “Empowering Connected, Sustainable Trade”

July 27, 2022, 10:30am EDT (16:30 CET/14:30 UTC)

U.S. Session

How can exporting countries improve utilization of US Trade Preference Programs?

OBJECTIVE: To learn more about why US trade preferences are not being utilized, whether it’s because of a lack of knowledge, difficulty in compliance, or other reasons, and to suggest ways to improve utilization. We will also highlight examples of AGOA beneficiaries who have used the tariff preference program to be competitive in the U.S. market and discuss what we can learn from their success.

The United States has five programs that provide preferential tariff treatment based on either geographic location or development status that cover 130 beneficiaries. In some product sectors, beneficiaries of these programs might not be taking full advantage of the trade preferences. This session will look at rules of origin and utilization rates for these programs and investigate what hinders greater utilization by beneficiaries. For example, utilization of preferences—even for goods that are wholly obtained—can vary significantly among beneficiaries and can even vary year-to-year for an individual beneficiary. We will investigate how supply chains for certain products, such as textiles, apparel, and bicycles, interact with rules of origin and other factors to affect utilization of the preference programs.

Part 1 – Exporting countries and utilization of US Trade Preference Programs: An Overview (20 minutes)

This is an overview of U.S. Trade Preference Programs and rules of origin (ROO) based on originating content. This session will include a historical look at the 2015 and 2022 WTO Ministerial Decisions regarding ROOs and areas of possible future work at the WTO. A summary of analytical work on preferential ROOs will provide insight behind least-developed countries’ (LDC) requests on preferential ROOs.

Discussion Questions: Why does utilization vary significantly across countries and industries? Are the problems related to: (i) lack of knowledge? (ii) difficulty in compliance? (iii) other reasons? Why would LDCs prefer rules based on non-originating content? Are unilateral trade preferences sufficient to overcome differences in production costs between suppliers?

Panelists:

Kent Shigetomi, Director for Multilateral Non-Tariff Barriers, USTR

Darlan F. Martí, Trade Policy Specialist, WTO

Stefano Inama, Chief, Technical Assistance, Trade and Customs, UNCTAD

Part 2. Case Studies: Why companies make the sourcing decisions they do? (25 minutes)

Companies that have used AGOA, GSP, or Caribbean Basin preferences to be competitive in the U.S. market will discuss how these preference programs influence their sourcing decisions.

Discussion Questions: Can you provide a brief history of your company's use of AGOA, GSP, or Caribbean Basin preferences? In your opinion, what works well about the trade preference programs that your company uses? What are the benefits of sourcing from Africa, for example, compared to other regions? What are the difficulties of using these preference programs? What are factors other than preferential tariff rates that affect sourcing decisions? Any suggestions for improving utilization of the program among U.S. importers?

Panelists:

Patrick Fox, Senior Director, Customs and Trade Strategy, VF Corporation

Cen Williams, Hub Leader for Africa and Middle East region, PVH Corporation

Greg Poole, Chief Sourcing Officer, The Children's Place

Bob Margevicius, Executive Vice President, Specialized Bicycles

Part 3. A guided conversation Q&A (15 minutes)

Discussion Questions: Based on the highlighted examples in Part 2 of the session, how do we view public-private partnerships for sourcing from trade preference beneficiaries? What's the role of government? And private sector?

Moderator:

Paul Fekete, Senior International Trade Advisor, USAID's Center for Economics and Market Development

[Link to speakers' bios](#)