

COALITION FOR GSP
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GSP's Impact on American Manufacturing

U.S. manufacturers are the biggest users of the GSP program

American manufacturers import under GSP to keep production costs low and remain competitive vis-à-vis producers in other countries. U.S. manufacturers benefited from GSP duty-free treatment for industrial supplies, raw materials, capital goods, and parts worth \$16.6 billion in 2010. These products represented nearly three quarters of total imports under the GSP program.

GSP expiration increases manufacturing costs by millions of dollars

[GSP expiration has cost U.S. companies more than \\$335 million in the first half of 2011](#), raising costs for thousands of companies already struggling to remain competitive. Select manufacturing inputs facing high tariffs this year include:

- Ferroalloys (\$15.0 million in tariffs)
- Auto parts (\$11.9 million in tariffs)
- Aluminum sheets, plates, and foils (\$11.1 million in tariffs)
- Electric motors, generating sets, and parts (\$6.0 million)
- Wire harnesses (\$5.9 million in tariffs)
- Iron or steel pipe fittings (\$5.8 million in tariffs)
- Plastic sheets, plates, and foils (\$5.1 million in tariffs)

Beyond just tariff savings, [a study completed for the U.S. Chamber of Commerce found the process of transporting and selling of GSP imports alone, from wholesalers to retailers to final consumers, supports thousands of U.S. manufacturing jobs.](#)

GSP expiration has caused layoffs by American manufacturers

Mullican Flooring employs 350 workers in four states. It manufactures 80 percent of its products domestically and imports the rest from Indonesia. [GSP expiration has caused it to lay off 5 employees and may delay or even cancel a multi-million dollar investment that would create 35 new manufacturing jobs.](#)

[Voith Hydro utilizes GSP to import a very specific component from Brazil that is required to manufacture hydropower turbines.](#) Like many products imported under GSP, the part is not available in the United States.

Whether its [plastic packaging](#), [handcrafted housewares](#), or [industrial metal products](#), GSP expiration raises costs of imported materials for many small businesses that provide custom-designed manufactured goods throughout the country.

As a result, these and [nearly 300 other companies and associations have signed a petition urging the immediate, retroactive renewal of the GSP program.](#)

For more information on company impacts of GSP expiration, visit <http://renewgsptoday.com>