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# Importing Goods into the U.S.

## **Understanding the U.S. Generalized System of Preferences,**

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# Agenda

- U.S. Imports Overview
- Import Scenarios-Regulatory
- Import Scenarios-Commercial



# Import Performance – Top 10

| HTS  | % of total import | Value 2015 to September (Millions) | Value 2016 to September (Millions) | % Difference |
|--|-------------------|------------------------------------|------------------------------------|--------------|
| 03.--fish and crustaceans,                                     | 23.5              | \$25.10                            | \$22.90                            | <b>-8.8</b>  |
| 42.--articles of leather; travel goods, handbags               | 20.2              | \$18.30                            | \$52.50                            | <b>+286</b>  |
| 62.--articles of apparel and clothing accessories, not knitted | 19.7              | \$18.50                            | \$36.70                            | <b>+199</b>  |
| 61.--articles of apparel and clothing accessories, knitted     | 8.74              | \$8.40                             | \$16.70                            | <b>+198</b>  |
| 64.--footwear, gaiters and the like; parts of such articles    | 6.94              | \$7.20                             | \$14.70                            | <b>+204</b>  |
| 07.--edible vegetables and certain roots and tubers            | 4.75              | \$5.50                             | \$7.30                             | <b>+32</b>   |
| 67.--prepared feathers and down                                | 3.31              | \$3.60                             | \$3.60                             | <b>-</b>     |
| 44.--wood and articles of wood; wood charcoal                  | 3.06              | \$3.10                             | \$5.40                             | <b>+74</b>   |
| 63.--made-up textile articles nesoi; needlecraft sets;         | 1.87              | \$2.40                             | \$3.60                             | <b>+50</b>   |
| 04.--dairy produce; honey;                                     | 1.85              | \$2.50                             | \$0.90                             | <b>-64</b>   |



## Key features of importing: Seafood & Ag

- Regulated by up to 5 agencies (USDA, CBP, FDA, NMFS, FWS)
- Shipments subject to random inspection by FDA
- Registration with FDA is required of exporters to US
- Fresh Ag products cannot be exported to US without Pest Risk Assessment



## Key features of importing: Wood

- Two key regulatory authorities: CBP and USDA (APHIS)
- Phytosanitary Treatment – Heat / Chemical
- Teak from Myanmar OK due to license from US Treasury (International Wood Products Association)
- The Lacey Act
  - Myanmar exports (Chapter 44) are subject to Lacey Act
  - Includes everything from lumber to small finished goods



## Key features of importing: Bags

- Subject to basic import requirements and regulated by CBP
- Product presentation is critical:

| Product  | Import value 2016 YTD (000') | MFN Duty Rate | GSP Eligible Y/N? |
|--|------------------------------|---------------|-------------------|
| 42029245: Travel, sports and similar bags with outer surface of plastic sheeting                                 | \$5652.1                     | 20%           | YES               |
| 42029230: Travel, sports and similar bags with outer surface of textile materials other than of vegetable fibers | \$5105.3                     | 17.6%         | NO                |
| 42029231: Travel, sports and similar bags with outer surface of MMF textile materials                            | \$2278.5                     | 17.6%         | NO                |



## Key takeaways for importing in the US

- Multiple agencies manage imports: know their individual requirements
- Product form and presentation must be correct on packaging and all documentation for tariff assessment or preferential program
- The burden on import is on the US importer/customer. Ensure they know the requirements before you ship!
- All requirements are publically available on agency websites



## Commercial Considerations: Agriculture

There are many purchasing drivers for seafood and ag imports in the US:

- Unique varieties/species
- Availability/seasons of products
- Demand for processed/value added ag goods on the rise
- Traceability and certifications of the food increasingly demanded
- End use of product
- Reliability of supply
- Assurance of safe and sound harvest/production





## Commercial Considerations: Agriculture

- Compliance issues (regulatory/industry)
- Competitiveness factors
  - Raw material accessibility
  - Production capacity
  - Input availability
  - Infrastructure
  - Delivery time from Myanmar vs. other source



## Commercial Considerations: Bags-Travel goods

- Myanmar is likely a manufacturer not a designer so competitiveness factors are key (labor cost, material availability, logistics)
- US exports likely driven by foreign brands with existing US market
- Handbag distribution channels multi-layered and complex
  - How you identify buyer or “entry point” to the market is critical...



# Commercial Consideration Takeaways

- Factors beyond price influence purchasing
- End use determines sales channel and entry point
- Duty-free has impact and can influence sourcing patterns
- Intense competition requires proactive promotion
- Transparency in supply chain increasingly important
- Unique offering/destination is a marketing advantage



## Typical Sales Channels in U.S.

- Importer (any good, any form)
- Distributor (branded item)
- Broker/Agent (lumber, commodities)
- Retailer (branded food products)
- Consumer direct (silk scarves/handicrafts)



## How to start?

- US import data readily available
- US regulatory information available
- Get the industry perspective (trade associations, industry websites, etc)
- Identify “entry point” in the sales channel
- Identify competitive advantages, including tariff preference (GSP)