

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

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EXECUTIVE VICE PRESIDENT  
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TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, strongly supports H.R. 2832, which would extend the Generalized System of Preferences (GSP) and is expected to be considered on the suspension calendar. Importantly, the bill provides for retroactive renewal and extension through July 31, 2013. The program expired on December 31, 2010.

For three and a half decades, GSP has promoted economic growth in developing countries by providing duty-free access to the U.S. market for 4,800 selected products from 129 developing countries. The program has also boosted the competitiveness of American manufacturers and lowered the cost of consumer goods for American families. In 2010, U.S. imports under GSP surpassed \$23 billion.

GSP helps keep U.S. manufacturers and their suppliers competitive. Approximately three-quarters of U.S. imports using GSP are raw materials, parts and components, or machinery and equipment used by U.S. companies to manufacture goods in the United States for domestic consumption or for export. The products coming in under GSP generally do not compete with U.S.-made goods in any significant way. A study prepared for the U.S. Chamber of Commerce in 2006 found the following:

- American families benefit from GSP. Finished consumer goods sold by U.S. retailers account for about 25% of GSP imports.
- GSP is particularly important to U.S. small businesses, many of whom rely on the program's duty savings to compete with much larger companies.
- Moving GSP imports from the docks to the retail shelves supported nearly 82,000 U.S. jobs in 2005.

GSP has been an effective tool promoting market-based economic growth in developing countries, bolstering U.S. manufacturing, and expanding consumer choice. It is vital that GSP be renewed swiftly by Congress.

Sincerely,



R. Bruce Josten