The U.S. Generalized System of Preferences Program:

An Update

Prepared for

The Coalition for GSP

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By

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I. Introduction: A Trade Program That Works for Everyone

Under the U.S. Generalized System of Preferences (GSP) program, the United States does not collect tariffs on imports from certain developing countries of selected products. It is a special trade preference program indeed: it works for everyone.

- By eliminating U.S. tariffs on imports from certain developing countries, the program encourages the development of job-creating industries in countries plagued by poverty and a paucity of good employment opportunities.
- Lower-cost imported raw materials, components, and machinery keep U.S. manufacturers competitive in a tough global economy, where they face competition not only in the U.S. market from imported finished products, but also in international markets to which they export.
- Lower-cost consumer goods help American families make ends meet.
- GSP's long list of eligibility criteria gives the United States a tool to encourage beneficiary countries to improve labor practices, protect intellectual property rights, treat U.S. investors fairly, steer clear of child labor, and open their markets to U.S. goods and services.

Consequently, GSP has long enjoyed support from American trading partners, companies, unions, and non-governmental organizations. It enjoys bipartisan support every time Congress renews it.

However, GSP expired on December 31, 2010, and Congress must enact legislation to renew it.

Key U.S. Impact Facts

Total Value of U.S. Imports under GSP, 2010	$22.6 billion
Total Value of U.S. Duty Savings Thanks to GSP, 2010	$688.8 million
Estimated Number of U.S. Jobs Linked to GSP	82,000

II. Summary of the U.S. GSP Program: How It Works

This chapter briefly describes how the GSP program works: the countries that benefit, the products affected, and the general ways in which it ensures that benefits only go to products from countries that would otherwise be uncompetitive in the U.S. market if import duties were assessed. It concludes with a brief summary of how the program is administered.

Eligible Countries

The United States imports from approximately 230 countries or territories. Of those, about 130 countries and territories hold "beneficiary developing country" (BDC) status under GSP – i.e., just over half of all U.S. trading partners in 2010 (*see Appendix A for a list*).

Specific “rules” of the program restrict the countries that can and cannot receive duty-free treatment under GSP. First and foremost, a BDC must be a developing country. This excludes obvious developed countries, like France and Canada as well as any country with a per capita income that meets the World Bank’s definition of “high income.”[1] In practice, it also excludes countries with which the United States has a free trade agreement in effect (e.g., Mexico and Chile).[2]

GSP also includes a long list of other eligibility rules that exempt from benefits countries with per capita incomes below the “high income” threshold, and thus technically are developing countries. These conditions effectively preclude developing countries like China and lower-income countries that are members of the European Union from getting duty-free access to the U.S. market under GSP (e.g., if Turkey joins the EU, it will lose its U.S. GSP benefits) (*see Box*).

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1 Every year, the World Bank issues updated data of countries’ per capita incomes in U.S. dollars, and the per capita income level that it defines as “high income.” In 2009 (the most recent year available), the per capita income defined as “high income” by the Bank is $12,196 or more.

2 No statutory authority precludes an otherwise-eligible developing country with an FTA from getting benefits under GSP. However, typically all of the products for which the country received GSP benefits become fully duty free on the first day the FTA goes into effect, so GSP benefits are no longer needed by the BDC.

GSP Eligibility Criteria

A developing country is not eligible for GSP benefits if:

- It is a country dominated or controlled by international **communism** (e.g., China);
- It is a member of the **European Union**;[3]
- It is part of a **commodity cartel** that limits international supply or raises prices to “an unreasonable level” and that causes “serious disruption” of the world economy;[4]
- It offers **preferential treatment** to products from other developed countries that might have an adverse effect on U.S. products;
- It has **seized property** of U.S. citizens or corporations without just compensation;
- It aids or abets any individual or group that has committed an act of international **terrorism**;
- It is not taking steps to afford internationally recognized **worker rights** to workers in the BDC; and
- It has not implemented its commitments to eliminate the worst forms of **child labor**.

In deciding whether to designate a country as eligible for GSP, the President also may consider, among other factors,

- The extent to which the country has assured the United States that it will provide **“equitable and reasonable” access to its markets**;
- The extent to which the country is providing adequate and effective **protection of intellectual property rights**; and
- The extent to which the country has taken steps to reduce **trade-distorting investment practices and policies and services trade barriers**.

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[3] On May 1, 2004, seven GSP beneficiaries lost GSP eligibility when they became members of the European Union, including former top beneficiaries Hungary, Poland and the Czech Republic. Bulgaria and Romania lost GSP eligibility for this reason on January 1, 2007.

[4] The Trade Agreements Act of 1979 amended this exclusion to allow GSP benefits to go to those Organization of Petroleum Exporting Countries (OPEC) members that entered into bilateral trade agreements with the United States before January 3, 1980. Effective March 30, 1980, Ecuador, Indonesia, and Venezuela became eligible for the GSP program.

GSP-eligible countries may be further designated as a "least developed beneficiary developing country" (LDBDC). There are no statutory requirements (e.g., a lower income threshold) that countries must meet before designation as a LDBDC, although the Office of the U.S. Trade Representative (USTR) does conduct a formal review. Today, 42 of the GSP beneficiaries are considered LDBDCs, meaning that they receive duty-free benefits for a longer list of products (*see Box*).

GSP Least-Developed Beneficiary Developing Countries for 2010

Afghanistan	Liberia
Angola	Madagascar
Bangladesh	Malawi
Benin	Mali
Bhutan	Mauritania
Burkina Faso	Mozambique
Burundi	Nepal
Cambodia	Niger
Central African Republic	Rwanda
Chad	Samoa
Comoros	Sao Tome & Principe
Congo (Kinshasa)	Sierra Leone
Djibouti	The Solomon Islands
East Timor	Somalia
Ethiopia	Tanzania
Gambia, The	Togo
Guinea	Tuvalu
Guinea-Bissau	Uganda
Haiti	Vanuatu
Kiribati	Yemen, Rep. of
Lesotho	Zambia

Designation as a GSP beneficiary, once attained, is not guaranteed in perpetuity. Countries may lose their eligibility for GSP benefits, in whole or in part, if they violate any of these conditions. In many cases, the threat of losing benefits is enough to encourage the beneficiary country to change the offending practices (*see Chapter III*).

The program also includes an automatic termination of benefits when the country's per capita income surpasses the "high income" country threshold. For example, the President determined that Croatia and Equatorial Guinea had reached "high income" status and graduated them from the GSP program in January 2011. Trinidad and Tobago was graduated in 2010. Even if a country does not reach the per capita income threshold for graduation, it may still lose GSP benefits if the President deems it to be a sufficiently competitive exporter across a range of exports. As the result of a such review of their advances in economic development and trade, the President "graduated" from GSP the four "Asian Tigers" – Hong Kong, Korea, Taiwan and Singapore – in 1989, and Malaysia in 1998, even though none of these economies had reached the prevailing "high income" threshold.

Eligible Products

GSP preferences are available for about one third – 3,400 products – of all products (more than 10,500) imported into the United States. GSP-eligible products are mostly manufactures and semi-manufactures – notably, consumer electronics and machinery and parts – but also selected agricultural and primary industrial products.

The GSP statute specifically excludes several product groups from benefits (*see Box*). It should be noted that many of these products are the products most commonly produced by developing countries.

Products Groups Excluded from GSP Benefits

- Most **textile and apparel products**;
- Certain **watches**;
- Import-sensitive **electronic products**;
- Import-sensitive **steel** products;
- Certain footwear, handbags, luggage, and other **leather products**;
- Import-sensitive **glass** products;
- **Agricultural products** in excess of a tariff-rate quota; and
- Products subject to any escape clause or national security action.

Least developed countries are eligible for benefits for an additional 1,450 products. The list includes food products, chemicals, steel, cases and chests, household porcelain, china or ceramic tableware, glassware, VCRs, radio-tape recorder combinations, radios, clocks, fishing rods and reels, brooms and pens. Importantly, the African Growth and Opportunity Act (AGOA) extends GSP duty-free benefits (subject to a different – stricter – rule of origin) to certain textile and apparel products produced in eligible AGOA countries.

The program establishes rules of origin thresholds countries must meet to ensure that only goods produced by BDCs receive duty-free treatment when imported into the United States.

Just as no country is guaranteed that benefits will last indefinitely, so too no product is guaranteed benefits forever. The President may withdraw duty-free benefits for any individual product exported from any beneficiary country (that is not a least-developed country) if U.S. imports of that product exceed certain thresholds that are deemed to constitute "competitiveness."[5]

Program Administration

Congress assigned responsibility for GSP to the President, who relies on an inter-agency committee (the "GSP Subcommittee") chaired by the Office of the U.S. Trade Representative to administer its day-to-day activities. Those activities include an annual review of the GSP program, in which the GSP Subcommittee considers a range of petitions that are submitted by foreign governments, or U.S. or foreign firms. Petitions may seek to have a new product made eligible for GSP benefits, or existing product eligibility terminated. They may ask that a product that lost GSP benefits for exceeding the competitive need limits have those benefits restored. Others may request that a particular country be removed from the program for violation of one or more eligibility criteria.

[5] These thresholds are called "competitive need limits" (CNLs). For calendar year 2010, a BDC is considered a "competitive" supplier of a given product if U.S. imports from that country of that product represented 50 percent of the value of total U.S. imports of the product or if they exceeded $140 million.

The review process typically extends over a year and entails hearings and briefs from petitioners and those who support or oppose the proposed changes. The U.S. International Trade Commission weighs in with an assessment of the economic effects of proposed changes.

In addition, the President has the authority to conduct reviews of GSP generally at any time he (or she) deems necessary. It conducted one such review in 2005/2006 in which hundreds of companies that use GSP weighed in to detail its impacts on them. Submissions were also received from organizations that use the GSP program's eligibility criteria on worker rights and intellectual property to report on the ways in which it has been helpful to them (*see following Chapter*).

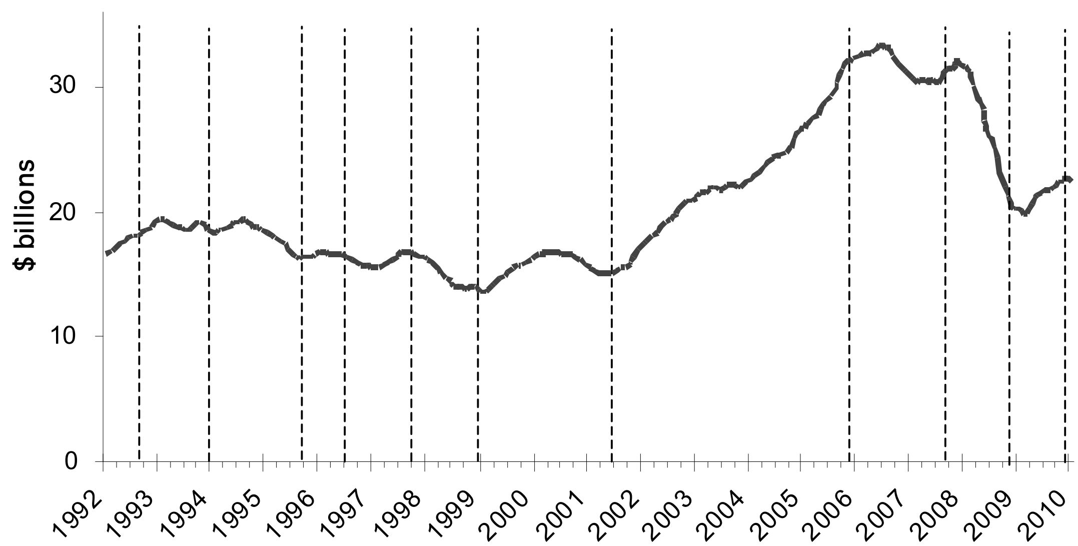
III. Impacts of the GSP Program

Needless to say, duty-free access to the U.S. market through the GSP program has long been important to a large number of developing countries that continue to struggle with poverty. But over the years its importance to American consumers and manufacturers has also grown. In part this is because U.S. tariffs for many individual products remain quite high – despite the fact that the average U.S. tariff rate has steadily declined and is today low. In addition, the eligibility criteria that make up GSP have proven to be effective tools in increasing U.S. access to developing country markets, enhancing intellectual property rights protection, and improving labor conditions.

GSP Matters for Developing Countries

U.S. imports from developing countries under GSP have been increasing over the years. The stop-and-start nature of the program from 1993-2001 (*see chart below*) created sufficient uncertainty that importers refrained from using GSP as much as they would otherwise have used the program. When Congress renewed GSP for over five years in 2001, use of the program soared. Uncertainty returned in 2006 when Congress attempted to limit GSP benefits for key countries and products and renewed GSP once again for only two years. The recession in 2009 further limited GSP usage, but GSP imports began to rebound in early 2010.

U.S. Imports under GSP



Source: U.S. Bureau of the Census

Note: Vertical lines mark GSP renewals

The leading beneficiary country users of the GSP program are a mixed group regionally, located in Asia, Africa, Latin America, and even Europe.

India and Thailand export a range of industrial and consumer products using GSP, although the loss of benefits for certain jewelry since 2007 has reduced the share of total exports under GSP. Apparel products' ineligibility for GSP benefits also keeps the share of U.S. imports from India and Thailand under GSP small. Top imports from Brazil under GSP include auto parts, wood and stone construction materials, and ferroalloys used by the U.S. steel industry. Brazil's share of total exports that benefit from GSP is small in part because footwear, petroleum oils, and import-sensitive steel products do not receive GSP benefits. Angola and Equatorial both make the "top ten" because of oil exports that are GSP eligible for LDBDCs only.

Table 1
Top 10 Sources of GSP Imports, 2010
(Millions)

Beneficiary Developing Country (BDC)	Duty-Free U.S. Imports under GSP	Total U.S. Imports from BDC	Share of U.S. Imports Using GSP
Thailand	3,611.7	22,653.0	15.9%
Angola	*3,543.8*	*11,778.5*	*30.1*
India	3,481.7	29,614.3	11.8
Brazil	2,124.0	23,401.8	9.1
Indonesia	1,856.5	16,329.9	11.4
Equatorial Guinea	*1,275.2*	*2,324.4*	*54.9*
South Africa	1,200.2	8,199.2	14.6
Philippines	912.7	7,958.5	11.5
Turkey	792.9	4,179.8	19.0
Russia	578.0	25,199.2	2.3
Total, Top 10 BDCs	19,376.7	151,638.5	12.8
Total, All BDCs	22,553.9	303,177.6	7.4

While Table 1 may seem to indicate that a relatively small share — 7.4 percent — of total U.S. imports from BDCs actually benefit from GSP, it is misleading to conclude that GSP is therefore unimportant. First, only about a third of all U.S. tariff line items are even eligible for duty-free treatment under GSP. Second, many countries in Africa (e.g., South Africa), the Caribbean, and Andean regions are eligible for duty-free benefits under other preference programs, which cover many of the same products as GSP. The stop and start nature that plagued the program in the past may have driven U.S. importers and businesses to source goods under these other preference programs because the programs have longer authorization periods. *Italics = Least Developed Beneficiary Country*

Source: U.S. Bureau of the Census.

"The continuation of duty-free programs like GSP provides the vital opportunity for developing countries to use trade as a way of achieving sustained economic growth and poverty reduction." – Oxfam

Despite major strides in recent years, the leading beneficiaries of the program continue to struggle with poverty. Countries that some have suggested no longer need GSP – India, Thailand and Brazil, for example – have per capita incomes well below the "high income" threshold. By making their exports more competitive in the U.S. market, GSP helps to support manufacturing jobs in economies that clearly need to find employment opportunities for workers that pay well and enable them to support their families and keep their children in school. The per capita incomes of Angola and Equatorial Guinea are biased upward by oil export earnings that do not filter down to the population at large; both countries suffer from severely low standards of living otherwise.

Table 2
Per-Capita Income Levels of Leading GSP Beneficiaries, 2009*

Thailand	$3,760
Angola	3,750
India	1,180
Brazil	8,040
Indonesia	2,050
Equatorial Guinea	12,420
South Africa	5,760
Philippines	2,050
Turkey	8,720
Russia	9,340
GSP Graduation Threshold ("High Income")	12,196
2009 U.S. Per Capita Income	46,360

* Countries are ranked by order of use of the U.S. program, as shown in Table 1.

Source: The World Bank.

GSP Matters for American Companies

"GSP … is particularly important for manufacturers who can't source domestically…. [It makes an] important contribution toward reducing costs for U.S. manufacturers and …[improving] the competitiveness of manufacturing in America." – National Association of Manufacturers

GSP provides significant savings to U.S. companies and consumers. While it is generally believed that the United States is one of the most open economies in the world, the fact is that it imposes duties on about 30 percent of all U.S. imports, and some of those duties remain quite high.

Table 3 shows just a few of the many hundreds of products that are eligible for GSP benefits and which otherwise would be assessed tariff rates well above the U.S. average rate.

Table 3
U.S. Tariff Rates for Selected GSP-Eligible Products

Certain household porcelain/china tableware/kitchenware	26.0%
Porcelain/china napkin rings	20.8
Certain nuts and seeds	17.9
Certain artificial flowers	17.0
Certain grated cheeses	15.0
Cotton hammocks	14.1
Railway cars	14.0
Certain silver jewelry	13.5
Ceramic roofing tiles	13.5
Flashlights	12.5
Screws made of iron/steel, for wood	12.5
Wood blinds, shutters	10.7
Wrenches	9.0
Metal drilling tools	8.4
Umbrellas	8.2
Machine tool parts	8.0
Christmas tree lights	8.0
Glass paving blocks	8.0
Certain transmission belts	8.0
Certain plywood	8.0
Paint rollers	7.5
Steam turbines and parts	6.7
Optical fibers	6.7
Aluminum alloy sheets/plates	6.5
Various chemicals and mixtures	6.5
Polyvinyl chloride	6.5
Average U.S. tariff	4.4

Source: Harmonized Tariff System of the United States, 2011; U.S. Census Bureau.

As a result of foregone tariffs on a large volume of imports, GSP saved U.S. importers approximately $689 million in 2010. Projected savings are highest for jewelry and agricultural products, but most of the goods benefiting from duty cost savings are raw materials, components, parts, and machinery used by U.S. manufacturers in their U.S. production facilities. Clearly, GSP keeps U.S. production of food products and other goods competitive.

Table 4
Leading Product Groups Imported Duty-Free Under GSP, 2010
(Millions and Percent)

Products	Value	Share of Total GSP Imports	Value of Duties Saved
Jewelry and parts	$1,359.1	6.0%	$79.7
Agricultural and food products (excl. sugar)	1,660.1	7.4	73.3
Electrical equipment and parts	1,579.8	7.0	52.1
Plastics and plastic products	968.2	4.3	46.0
Organic chemicals	921.6	4.1	44.1
Rubber products	1,221.6	5.4	43.6
Transportation equipment parts	1,231.7	5.5	31.6
Machinery (including computers), parts	1,003.6	4.4	28.7
Aluminum mill products	748.9	3.3	26.3
Iron and steel raw materials	938.5	4.2	24.6
Wood and wood products	458.0	2.0	24.5
Iron and steel products	598.9	2.7	23.9
Inorganic chemicals	453.0	2.0	17.8
Stone and stone products	271.3	1.2	14.9
Sugar	381.9	1.7	13.8
Oils and petroleum products	5,433.1	24.1	6.9
Leather products	198.4	0.9	5.5
Copper	222.5	1.0	5.4
Furniture and parts	29.3	0.1	1.8
Total, Leading Products	19,679.6	87.3	564.5
Total	22,553.9	100.0	688.8

Source: Derived from U.S. Census data provided by the Office of the U.S. Trade Representative.

"For many retailers, particularly smaller ones, GSP has become a key part of their businesses. … GSP has also allowed retailers to provide their customers, American families, better value and selection in the products they sell." – National Retail Federation

"…[GSP's] trade-related workers' rights protections have been responsible for improving labor laws in some countries and for enhancing enforcement in others. In many cases, the threat of withdrawing benefits has been sufficient to motivate compliance, and no trade sanctions were actually applied." – AFL-CIO

"…[M]aintaining the GSP program and providing benefits as broadly as possible provides leverage than can be used to advance important [U.S. Government] goals such as the effective protection of intellectual property." – The International Intellectual Property Alliance

Indeed, a study for the U.S. Chamber of Commerce[6] found that:

- GSP keeps American manufacturers and their suppliers competitive. In 2005, three quarters of U.S. imports using GSP were 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.
- American families also benefit from GSP. Finished consumer goods typically sold by retailers accounted for 25 percent of GSP imports in 2005.
- GSP is particularly important to U.S. small businesses, many of which rely on the program's duty savings to compete with much larger companies.
- Annual sectoral benefits to consumers of GSP products range up to $273 million.
- GSP imports support U.S. jobs. Direct and indirect jobs associated with moving aggregate GSP imports from the docks to the retail shelves totaled nearly 82,000 in 2005.

In addition to its contribution to company competitiveness, GSP has proven to be a successful "carrot" for promoting greater market access and intellectual property rights protections for U.S. exporters, and in improving worker rights practices in beneficiary countries who value the duty-free access to the U.S. market. For example, a market access challenge filed in a GSP petition against India in 1998 by U.S. soda ash exporters resulted in a reduction of Indian duties. Intellectual property rights (IPR) challenges filed by U.S. companies that put their GSP benefits of Brazil, Ukraine, Armenia, and Moldova at risk all resulted in IPR improvements. A worker rights GSP petition filed by the AFL-CIO against Uganda resulted in the passage and implementation of new laws, funding and placement of

[6] The Trade Partnership, "Estimated Impacts of the U.S. Generalized System of Preferences to U.S. Industry and Consumers," study prepared for the U.S. Chamber of Commerce, November 1, 2006.

labor inspectors, and other changes sought by the United States. In 2006, the President restored GSP least developed beneficiary status to Liberia after newly elected Liberian President Ellen Sirleaf Johnson made progress restoring many of the labor rights that had been curtailed during the previous regime of Charles Taylor.

IV. Current Status of the Program

For the first time in nearly a decade, the GSP program expired on December 31, 2010. U.S. Customs and Border Protection began collecting duties on imports from GSP countries in January 2011 and will continue to do so until Congress passes legislation renewing GSP. These new costs are significant, averaging close to $2 million per day.

When GSP has expired in the past, Congress renewed the program retroactively, meaning that companies that paid duties on GSP-eligible products received reimbursements. However, companies had to find the money to pay the tariffs while they waited for Congress to act, and there was never any certainty that Congress would renew GSP retroactively to its expiration date.

In addition to the uncertainty caused by GSP expiration, making tariff payments becomes much more difficult as weeks turn into months. Small businesses, which often rely on GSP to keep costs under control, bear a disproportionate share of the financial burden caused by expiration. The need to pay import duties creates cash-flow problems for small companies that do not have large cash reserves at their disposal.

The importance of GSP to a wide range of American constituencies, including manufacturers, workers, and families, argues that the 112th Congress should make an immediate, retroactive GSP renewal a top priority. Each day of inaction on this issue makes it a little more difficult for those that depend on GSP savings just to “get by” in a highly competitive global economy.

GSP's Legislative Journeys

Action	Term	Legislative Vehicle
• Enacted	10 years, 1/3/75-1/3/85	Trade Act of 1974
• Renewed	8.5 years, 1/4/85-7/3/93	Trade and Tariff Act of 1984
(Expiration period of just over one month in summer of 1993)		
• Renewed*	15 months, 7/4/93-9/30/94	FY 94 Budget Reconciliation Act
(Expiration period of just over two months, October and November 1994)		
• Renewed*	10 months, 10/1/94-7/31/95	Uruguay Round Agreements Act
(Expiration period of 15 months, August 1995 to October 1996)		
• Renewed*	22 months, 8/1/95-5/31/97	Small Business Job Protection Act of 1996
(Expiration period of just over two months, June-August 1997)		
• Renewed*	13 months, 6/1/97-6/30/98	Taxpayer Relief Act of 1997
(Expiration period of four months, July-October 1998)		
• Renewed*	12 months, 7/1/98-6/30/99	Tax and Trade Relief Extension Act of 1998
(Expiration period of five and a half months, July-December 1999)		
• Renewed*	27 months, 7/1/99-9/30/01	Work Incentives Improvement Act of 1999
(Expiration period of 10 months, October 2001-July 2002)		
• Renewed*	5 years, 10/01/01-12/31/06	The Trade Act of 2002
• Renewed	2 years, 1/1/07-12/31/08	Tax Relief and Health Care Act of 2006
• Renewed	1 year, 1/1/09-12/31/09	Andean Trade Preference Extension Act of 2008
• Renewed	1 year, 1/1/10-12/31/10	GSP/ATPA Extension of 2009
• Expired	1/1/11-?	

* The renewal was made retroactive to the date of expiration, and duties paid by importers were ultimately refunded.

Appendix A

List of Beneficiary Developing Countries, 2011

(as of 1/1/2011)

Independent Countries

Afghanistan
Albania
Algeria
Angola
Argentina
Armenia
Azerbaijan
Bangladesh
Belize
Benin
Bhutan
Bolivia
Bosnia and Herzegovina
Botswana
Brazil
Burkina Faso
Burundi
Cambodia
Cameroon
Cape Verde
Central African Republic
Chad
Colombia
Comoros
Congo (Brazzaville)
Congo (Kinshasa)
Cote d'Ivoire
Djibouti
Dominica
East Timor
Ecuador
Egypt
Eritrea
Ethiopia
Fiji
Gabon
Gambia, The
Georgia
Ghana
Grenada
Guinea
Guinea-Bissau
Guyana
Haiti
India
Indonesia
Iraq
Jamaica
Jordan
Kazakhstan
Kenya
Kiribati
Kosovo
Kyrgyzstan
Lebanon
Lesotho
Liberia
Macedonia, Former Yugoslav Republic of
Madagascar
Malawi
Maldives
Mali
Mauritania
Mauritius
Moldova
Mongolia
Montenegro
Mozambique
Namibia
Nepal
Niger
Nigeria
Pakistan
Panama
Papua New Guinea
Paraguay
Philippines
Russia
Rwanda
St. Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Samoa
Sao Tome and Principe
Senegal
Serbia
Seychelles
Sierra Leone
Solomon Islands
Somalia
South Africa
Sri Lanka
Suriname
Swaziland
Tanzania
Thailand
Togo
Tonga
Tunisia
Turkey
Tuvalu
Uganda
Ukraine
Uruguay
Uzbekistan
Vanuatu
Venezuela
Yemen, Republic of
Zambia
Zimbabwe

*Will lose GSP benefits on January 1, 2011 for exceeding the World Bank's "high-income" threshold.

Non-Independent Countries and Territories

Anguilla
British Indian Ocean Territory
Christmas Island (Australia)
Cocos (Keeling) Islands
Cook Islands
Falkland Islands (Islas Malvinas)
Gibraltar
Heard Island and McDonald Islands
Montserrat
Niue
Norfolk Island
Pitcairn Islands
Saint Helena
Tokelau
Turks and Caicos Islands
Virgin Islands, British
Wallis and Futuna
West Bank and Gaza Strip
Western Sahara

Associations of Countries (treated as one country)

Member Countries of the Cartagena Agreement (Andean Group)

Consisting of:

Bolivia
Colombia
Ecuador
Peru
Venezuela

Member Countries of the Association of South East Asian Nations (ASEAN)

Currently qualifying:

Cambodia
Indonesia
Philippines
Thailand

Member Countries of the South Asian Association for Regional Cooperation (SAARC)

Currently qualifying:

Bangladesh
Bhutan
India
Maldives
Nepal
Pakistan
Sri Lanka

Member Countries of the West African Economic and Monetary Union (WAEMU)

Consisting of:

Benin
Burkina Faso
Cote d'Ivoire
Guinea-Bissau
Mali
Niger
Senegal
Togo

Member Countries of the Southern Africa Development Community (SADC)

Currently qualifying:

Botswana
Mauritius
Tanzania

Member Countries of the Caribbean Common Market (CARICOM)

Currently qualifying:

Belize
Dominica
Grenada
Guyana
Jamaica
Montserrat
St. Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines