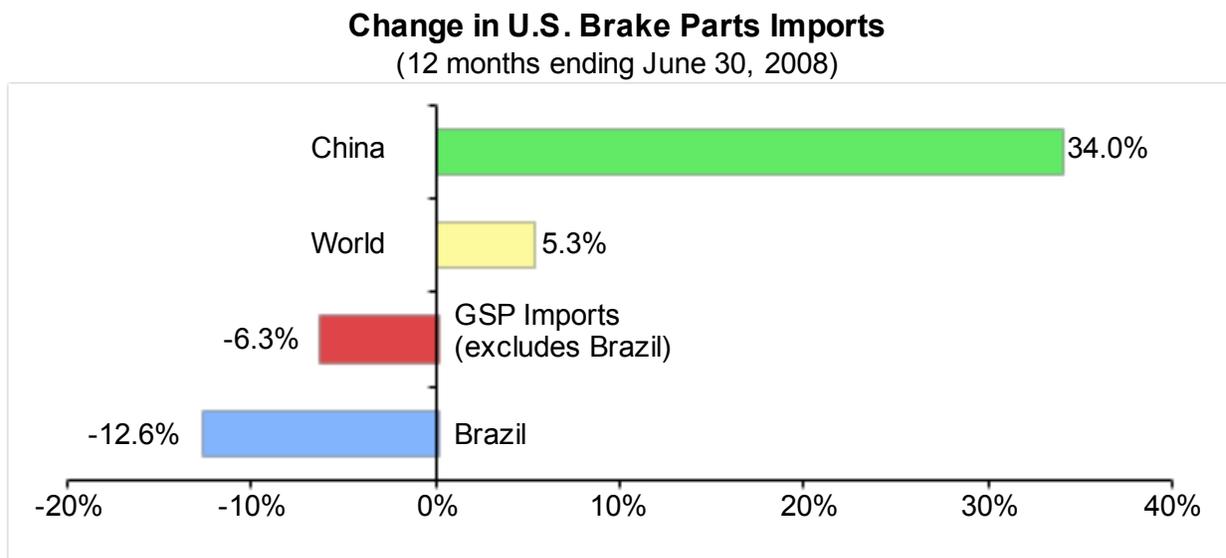


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U.S. Imports of Brake Parts from Brazil, Other GSP Countries Fall as China Continues Strong Export Growth

In December 2006, the U.S. Congress amended the Generalized System of Preferences (GSP) program in an effort to prevent “super-competitive” products and countries from receiving GSP benefits. It was argued that these products did not need the duty-free access to the U.S. market to remain competitive, and by taking away benefits from these products, other GSP beneficiaries could expand their exports to the United States.

On July 1, 2007, the Office of the U.S. Trade Representative officially revoked GSP benefits for brake parts from Brazil, among other products. The impact of these changes on brake parts imports has been drastic, as illustrated by the chart below:



Source: U.S. International Trade Commission

In the year ending June 30, 2008:

- Imports from Brazil fell by \$25.1 million compared to the same time period from one year earlier;
- Imports from GSP beneficiaries (excluding Brazil) fell by 6.3 percent, helping to repudiate the claim that revoking GSP benefits for Brazil would shift production to other, less-competitive GSP countries, and
- **China, which does not receive GSP benefits, experienced continued export growth to the United States, increasing its shipments by more than \$195 million and accounting for 98 percent of total U.S. import growth during the period.**

For more information, please contact the **Coalition for GSP** at **202-347-1085**.