

## **GSP Will End Soon for Turkey and India**

The USTR stated on Monday, March 4 that GSP status of Turkey and India would end as they “no longer comply with the statutory eligibility criteria.” The decision was made under the direction of President Trump and means that preferential trade status under the Generalized System of Preferences (GSP) will soon end for these countries

The U.S Trade Representative’s office explained in a news release that while India was being terminated from the program due to “failing to provide the US with assurances that it will provide equitable and reasonable access to its markets in numerous sectors,” Turkey was being terminated because it was found to be “sufficiently economically developed.” USTR further explained that “an increase in Gross National Income (GNI) per capita, declining poverty rates, and export diversification, by trading partner and by sector, are evidence of Turkey's higher level of economic development.”

In her Twitter post on March 5, Turkish Trade Minister Ruhsar Pekcan responded to the decision stating: “Unfortunately, this decision conflicts with our mutual objective of reaching a bilateral trade volume of \$75 billion, that had been announced by both governments. The decision will also negatively affect US SMEs (small and mid-sized enterprises) and manufacturers.”

Pekcan also stated that the value of US imports amounted to \$20.9 billion under its GSP program during the first 11 months of 2018; with exports amounting to \$1.74 billion, Turkey was the fifth largest supplier to the US with a share of 8.2%.

Turkey was designated as a beneficiary developing country in 1975. The changes will not go into effect until at least 60 days after the notifications to Congress and the governments of India and Turkey.

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