

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
GSP SUBCOMMITTEE

2015 GSP Annual Review:

Request for addition of the following as eligible products

HTSUS Subheadings

At the 8-digit level:

4202.11.00, 4202.12.20, 4202.12.40,
4202.12.80, 4202.21.60, 4202.21.90,
4202.22.15, 4202.22.45, 4202.22.80,
4202.31.60, 4202.32.40, 4202.32.80,
4202.32.95, 4202.91.00, 4202.92.15,
4202.92.20, 4202.92.30, 4202.92.45,
4202.92.90, 4202.99.90

At the 10-digit level:

4202.11.0030, 4202.11.0090,
4202.12.2020, 4202.12.2050,
4202.12.4000, 4202.12.8030,
4202.12.8070, 4202.21.6000,
4202.21.9000, 4202.22.1500,
4202.22.4500, 4202.22.8050,
4202.31.6000, 4202.32.4000,
4202.32.8000, 4202.32.9550,
4202.32.9560, 4202.91.0030,
4202.91.0090, 4202.92.1500,
4202.92.2000, 4202.92.3020,
4202.92.3031, 4202.92.3091,
4202.92.4500, 4202.92.9026,
4202.92.9060, 4202.99.9000

PETITION OF THE GOVERNMENT OF THE PHILIPPINES

Ron Sorini
Sorini, Samet & Associates LLC
700 13th Street, NW, Suite 930
Washington, DC 20005
TEL (202) 393-4481
FAX (202) 303-4494
rsorini@ssa-dc.com
Trade Advisers to the Philippines

John Kingery
Kingery, Samet & Sorini PLLC
700 13th Street, NW, Suite 930
Washington, DC 20005
TEL (202) 393-4481
FAX (202) 393-4494
jkingery@ssa-dc.com
Attorneys to the Philippines

On behalf of the Government of the Philippines
Dated: October 16, 2015

I. INTRODUCTION

The Government of the Republic of the Philippines is grateful that the U.S. Congress passed the Trade Preferences Extension Act of 2015, which was signed into law by President Obama on June 29, 2015, which among other things, reauthorized the U.S. Generalized System of Preferences (GSP) and extended this important program to travel goods. Pursuant to that law, the Philippine Government (“petitioner”) respectfully requests that the products identified on the cover page and further described in section III.A be granted the duty-free benefits of GSP for Beneficiary Developing Countries (BDCs). The Philippines is a longstanding member of the GSP program. The travel goods industry, which is growing and expanding exports to the United States and other markets, is important to the economic development of the Philippines.

The Philippine Government believes the granting of duty-free benefits will help secure current employment in the travel goods industry, as well as facilitate the growth of decent jobs. This will help offset declines in the Philippine garment industry that occurred over the last decade. Further, in addition to the benefits to larger companies and investors, we believe that small and medium sized enterprises will be in a position to develop handicraft and artisanal production of goods from local fibers such as the use of banana and other vegetable fibers in products such as handbags and laptop sleeves if this petition is approved.

Philippine producers have developed a small but important share of the U.S. travel goods market; yet the Philippines remains well below current market share of China,¹ which presently is a dominant supplier. China currently controls 87 percent of the import market share by quantity, while the Philippines supplied 0.5 percent to the U.S. market by quantity (see Appendix B).² The removal of the 4.5 to 20 percent *ad valorem* tariffs on the covered items would make the Philippines and other BDCs more competitive in the U.S. market. China’s current efficiency and the costs associated with shifting production means that, without GSP benefits for travel goods, the Philippines will remain a relatively small supplier of these products. The Philippine Government understands that many companies who either already source some travel goods from Philippine factories, plus others who are actively making plans, are committed to much needed additional investment if these products are provided GSP duty-free treatment.

The Philippines has a number of advantages that make it a logical producer of travel goods, including a skilled workforce and a government open to trade with the United States. Since China’s accession to the WTO, the Philippines lost 500,000 jobs in the apparel sector, most of which migrated to China. That has been devastating to Philippine workers and harmful to the Philippine economy, but these workers are ready to go back on the job if GSP benefits enable a shift of some production of travel goods from China.

U.S. firms also see many positive aspects to operating in the Philippines compared to the current business atmosphere in China, where production of travel goods overwhelmingly takes place at this point. During a state visit to the Philippines in 2014, the U.S. Government dismissed a labor review filed through the

¹ Even in products where the Philippines has been most successful, import values have remained below the 2015 Competitive Need Limitation level. Thus, even with significant growth, the Philippines will remain below the CNL limit (\$170 million at the 8-digit subheading in 2015) for some time.

² As will be discussed below, given the broad range in price points between different styles of travel goods, we believe quantity, rather than import value, is the most instructive unit of measure.

GSP Committee 2013 annual review. In addition, the Obama administration removed the Philippines from the Special 301 Watch List on April 19, 2014 and was discussed positively in the 2015 Special 301 Report.³

The United States also maintains a relatively balanced trade relationship with the Philippines. In 2012, the United States ran a \$1.5 billion trade deficit. This dropped to \$865 million in 2013, the year the Philippines was devastated by a super typhoon, and then increased to \$1.7 billion in 2014. Comparatively, the two largest producers of travel goods had very large trade surpluses with the United States. In 2014, China had a \$343 billion trade surplus and Vietnam's grew from \$15 billion in 2012, to \$19 billion in 2013, to \$24.8 billion in 2014.

The Philippines is not alone among BDCs in competing with China for U.S. market share in travel goods. Its Association of Southeast Asian Nations (ASEAN) partners, Cambodia, Indonesia and Thailand, are among the other BDC suppliers that hold small but meaningful parts of the U.S. market. It is logical to expect these and other BDCs to become attractive sources for travel goods brands seeking to diversify production from China. The Philippines believes that the small shift in sourcing seen since 2012 away from China will strengthen if GSP duty-free treatment is granted.

The Philippines and other BDCs will also be able to expand current production by leveraging duty-free access to both the U.S. and EU markets. The Philippines currently maintains membership in the European Union's Generalized Scheme of Preferences "GSP Plus" program. Subheading 4202 is considered "sensitive" in the EU Generalized Scheme of Preferences. Unlike the situation in the United States, meaningful production of the covered products continues in the EU. Subheading 4202 also receives benefits under preference programs in Canada, Japan, and Australia. Canada maintains duty-free imports for Least Developed BDCs (LDBDCs) under its preference programs, which applies to Cambodia. The Philippines also qualifies as a BDC to Canada's GSP program, for which these products receive decreased duties of 5 to 7 percent. Japan also maintains duty-free imports for LDBDCs, for which Cambodia also applies. These items are also duty-free or duty-reduced for Japan's FTA partners, which include Thailand, Indonesia, India, and the Philippines. Australia maintains duty-free imports for Cambodia as a LDBDC, and ASEAN countries have duty-free access to Australia under the AANZFTA. India receives a discounted tariff on 6 HTS subheadings to Australia as well.

Granting this petition would further the economic growth of the Philippines by boosting exports, creating jobs and growing GDP. Should the United States Government approve the petition, the Philippines conservatively estimates that exports will increase by about \$100 million annually for the first five years after duty-free access is granted. Based on this estimate, the increase in exports would generate 70,000 new direct jobs, which would lead to an increase in GDP of nearly 0.5 percent.⁴

Finally, the U.S.-Philippines relationship is a key pillar of U.S. diplomatic and national security policy in the Asia-Pacific region. The U.S. and the Philippines signed a Trade and Investment Framework Agreement (TIFA) in 1989 and holds regular bilateral discussions on trade. Moreover, the Philippines is a longstanding major non-NATO treaty ally of the United States. During his state visit in 2014, President Obama stressed the need for continued strong economic ties and for the U.S. to work to help

³ <https://ustr.gov/sites/default/files/2015-Special-301-Report-FINAL.pdf> at pages 6, 8 and 77.

⁴ As required by 15 CFR § 2007.1(c)(12), "If the petition is submitted by a foreign government or a government controlled entity, it should include a statement of the manner in which the requested action would further the economic development of the country submitting the petition;"

the Philippines to achieve equitable economic growth for all Filipino citizens. By helping the Philippines grow their share in the travel goods market, the U.S. would help grow employment, skills and investment in the Philippines to meet this goal.

This petition includes detailed cost, sourcing, and price information of the individual companies provided at the request of petitioner, and therefore any public release of such sensitive company business information would cause substantial harm to the individual companies if revealed and also to the economic interests of petitioner. The information has not been shared between companies, but only with petitioner and its advisors and counsel. Thus, petitioner respectfully requests that all sensitive business confidential information designated in brackets – [...] – be treated as such during the interagency review of the petition.

II. PRODUCT DESCRIPTION.

A. Description of Products:

This petition 28 Harmonized Tariff Schedule (HTS) 10-digit subheadings covering a variety of products with various uses.

Luggage

First, hand held “occupational” luggage, such as attaché cases, briefcases, and school satchels used for daily commuting to work or school. These may be of leather (4202.11.0030, 4202.11.0090) or man-made fiber (4202.12.8030), or cotton textiles (4202.12.4000). These goods provide “storage, protection, organization, and portability” to documents, files, and personal effects.⁵

Also covered are trunks, suitcases, and vanity cases used for “storage, protection, organization, and portability” of items, according to descriptions by Customs and Border Protection.⁶ These may include suitcases (with or without wheels) as well as “Pullman” type suitcases with a collapsing handle. Vanity, or makeup, cases also fall into this category. These may be made of plastic (4202.12.2020 and 4202.12.2050) or of manmade fiber (4202.12.8070).

Handbags

This petition also covers five HTSUS subheadings exclusive to handbags. As described by Customs and Border Protection, a handbag is “designed to contain the small personal effects commonly carried on a daily basis” that could include money, car keys, and small accessories.⁷ Handbags may or may not have a shoulder strap or handles.

⁵ This commonly used definition is used frequently by CBP. See CBP Ruling from April 23, 2014 NY 252170: The tariff classification of a briefcase from China and April 19, 2011, NY N155419: The tariff classification of a briefcase from China.

⁶ See CBP Ruling from July 9, 2015 NY N265610: The tariff classification of a trunk and various cases from China and July 8, 2015 NY N265524: The tariff classification of a trunk and plastic cases from Italy.

⁷ See Customs and Border Protection ruling from November 20, 2014 NY N258520: The tariff classification of a handbag from China and October 3, 2014 NY N257030: The tariff classification of a handbag from China.

This petition includes leather handbags valued at \$20 or less (4202.21.6000), leather handbags valued over \$20 (4202.21.9000), as well as handbags with an outer surface of plastic (4202.22.1500), cotton (4202.22.4500), and man-made fiber (4202.22.8050) regardless of value.

Pocket Goods

This petition also covers pocket goods, as defined by the Harmonized Tariff Schedule as “articles of a kind normally carried in the pocket or handbag,” of a variety of materials. These are small goods used to organize and transport small items and money. These goods include wallets, business card cases, lipstick carry cases, coin purses, coupon holders and eyeglass cases. These items may be made of leather (4202.31.6000), cotton (4202.32.4000), vegetable fibers (4202.32.8000), man-made fibers (4202.32.9550), or textiles (4202.32.9560).

Backpacks, Sport & Travel Bags

Eleven HTS subheadings includes a variety of products such as bags commonly purchased by consumers for recreational, commuting, and travel purposes. These include backpacks of man-made fibers, both those commonly seen in use by students and commuters, utilizing two shoulder straps, to more advanced packs with load-bearing internal frames, shoulder straps, and attached weight-bearing belts used for camping or outdoor recreation (4202.92.3020).

In addition, this petition includes “travel, sports and similar bags” of a variety of materials, including cotton, leather, vegetable fibers, man-made fiber, textiles, and plastic sheeting (4202.91.0030, 4202.92.1500, 4202.92.2000, 4202.92.3031, 4202.92.3091, 4202.92.4500). Customs and Border Protection (CBP) refers to travel bags as those that provide storage, protection, portability, and organization to personal effects during travel.⁸ These bags include a variety of styles, which can include bags with double handles for carrying by hand or by shoulder, or a single shoulder strap. These classifications include “duffel” style bags and tote bags. These bags may or may not have exterior pockets. In addition to travel, these bags may be used for storing clothing and personal items for carrying sports uniforms and equipment, and for other uses. Also included in these subheadings are toiletry bags, which are designed to contain toiletries and other small personal effects during travel.

This petition also includes smaller containers, such as pouches, cell phone cases, and iPad cases made of leather (4202.91.0090). Three other HTSUS numbers cover an array of man-made fibers, plastic sheeting, or vulcanized fiber or paperboard bags, such as tool bags, tool organizers, or trunk organizers, wine bottle bags, jewelry cases, cases for car remote entry devices, cellular phone and tablet computer carrying cases, and drawstring bags (4202.92.9026, 4202.92.9060, 4202.99.9000). These items may appear similar to travel or toiletry bags covered in other HTS numbers but have a specific purpose other than travel or sports, such as storing or carrying tools or other specific devices and items.

Worldwide, almost 2 billion bags were imported under these categories in 2014, valued at over \$9.6 billion.

B. Current Tariff Treatment:

⁸ This commonly used definition is used frequently by CBP. See CBP Ruling from August 24, 2015, NY N267117: The tariff classification of a toiletry bag with a storage case from China and August 22, 2014 NY N255831: The tariff classification of a travel bag from China among others.

The travel goods covered by this petition and their Most Favored Nation (MFN) tariff rates are:

1. Luggage:

4202.11.0030	Attaché cases, briefcases, school satchels, occupational luggage cases and similar containers of leather (8 percent)
4202.11.0090	Attaché cases, briefcases, other (8 percent)
4202.12.2020	Trunks, suitcases, vanity cases and similar containers with outer surfaces of plastics, structured, rigid on all sides (20 percent)
4202.12.2050	Trunks, suitcases, vanity cases and similar containers with outer surface of plastics materials, NESOI ⁹ (20 percent)
4202.12.4000	Trunks, suitcases, vanity & attaché cases, occupational luggage & like containers, surfaces of cotton, not of pile or tufted construction (6.3 percent)
4202.12.8030	Attaché cases, briefcases, school satchels, occupational luggage cases and similar containers, of man-made fibers (17.6 percent)
4202.12.8070	Trunks, suitcases, vanity cases & similar containers, etc., with outer surface of textile materials, of man-made fibers (17.6 percent)

2. Handbags:

4202.21.6000	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, NESOI, not over \$20 each (10 percent)
4202.21.9000	Handbags with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, NESOI, over \$20 each (9 percent)
4202.22.1500	Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics (16 percent)
4202.22.4500	Handbags with or without shoulder strap or without handle, with outer surface of cotton, not of pile or tufted construction or braid (6.3 percent)
4202.22.8050	Handbags, outer surface textile material, except braid, pile or tufted construction, of man-made fiber. (17.6 percent)

3. Pocket Goods:

4202.31.6000	Articles of a kind normally carried in the pocket or handbag, with outer surface of leather, composition or patent leather, NESOI (8 percent)
4202.32.4000	Articles of a kind normally carried in the pocket or handbag, with outer surface of cotton, not of pile or tufted construction. (6.3 percent)
4202.32.8000	Articles of a kind normally carried in the pocket or handbag, with outer surface of vegetable fibers, not of pile or tufted construction, NESOI (5.7 percent)

⁹ Not Elsewhere Specified or Indicated

- 4202.32.9550 Articles for pocket or handbag, with outer surface of textiles, of man-made fibers (17.6 percent)
- 4202.32.9560 Articles for pocket or handbag, with outer surface of textiles, NESOI (17.6 percent)

4. Backpacks, sports and travel bags:

- 4202.91.0030 Travel, sports and similar bags, outer surface of leather, composition leather, or patent leather (4.5 percent)
- 4202.91.0090 Containers, with outer surface of leather, composition leather, or patent leather, NESOI (4.5 percent)
- 4202.92.1500 Travel, sports and similar bags with outer surface of cotton, not of pile or tufted construction (6.3 percent)
- 4202.92.2000 Travel, sports and similar bags with outer surface of vegetable fibers, excl. cotton, not of pile construction (5.7 percent)
- 4202.92.3020 Backpacks, of man-made fiber (17.6 percent)
- 4202.92.3031 Travel, sports and similar bags, except backpacks, of man-made fiber (17.6 percent)
- 4202.92.3091 Travel, sports & similar bags, outer surface of textile materials, NESOI (17.6 percent)
- 4202.92.4500 Travel, sports and similar bags with outer surface of plastic sheeting (20 percent)
- 4202.92.9026 Other bags, outer surface of man-made fibers (17.6 percent)
- 4202.92.9060 Other bags and cases with outer surface of sheeting of plastic, NESOI (17.6 percent)
- 4202.99.9000 Cases, bags and similar containers, NESOI, with outer surface of vulcanized fiber or of paperboard (20 percent)

To the extent that a new 8-digit subheading is required for implementation of any items accepted for designation as GSP eligible, the Government of the Philippines respectfully asks that the GSP Subcommittee request the U.S. International Trade Commission to create new 8-digit subheadings reflecting the product coverage.

C. Previous Submissions:

The Trade Preferences Extension Act of 2015, signed into law on June 29, 2015, removed the statutory exclusion on the above tariff subheadings. This is the first annual review covered by that law. The Philippines is not aware of any previously submitted petitions, but, if there were any, none would have been accepted for review due to the statutory exclusion.

III. CURRENT PRODUCTION IN THE PHILIPPINES

A. Current Known Producers:

[

]

[

]

[

]

[

]

[

]

[

]

B. Current Production by HTSUS Subheading:

[

]

[

]

[

]

[

]

C. Capacity and Capacity Utilization:

[

]

D. Costs:

While not every factory was able to supply cost information, [], [], and [] all reported current production costs for travel goods at approximately [] percent material, [] percent labor, and [] percent overhead.

E. Employment:

In general, producers of travel goods are a significant employer in BDCs, and the Philippines is a prime example. In general, the travel factories achieve an economy of scale at 500 to 1,000 workers. The [] facility employs [] workers, up from just over [] in 2012. The [] facilities employ [] workers. The [] facility employs [] workers, and the [] facility employs around [].

Wages in the Philippines vary based on the level of development of the region at issue. Petitioners are aware of travel goods production in Region III, which includes Clark and Tarlac. []¹⁰

F. Sales:

Overall U.S. sales for GSP eligible travel goods surpassed \$24.9 billion in 2014 based on multipliers utilized by leading U.S. private sector groups. These vary depending on the type of product being imported.

Retail sales for luggage in the United States are estimated to have surpassed \$3.1 billion in 2014, with sales from BDCs accounting for \$164.6 million in U.S. retail sales in 2014.¹¹

Retail sales handbags approached \$8.2 billion in 2014. Retail sales of imports from BDCs accounted for approximately \$375 million in sales in 2014.¹²

Sales for pocket goods approached \$1.6 billion in 2014, and include sourcing from a number of GSP BDCs including the Philippines. Imports from BDCs accounted for approximately \$335 million in sales in 2014.¹³

Retail sales for backpacks, sports and travel bags were over \$12 billion in 2014 in the U.S. market, and include sourcing from a number of GSP BDCs, such as Cambodia, India, Indonesia, Pakistan, the

¹⁰ Wages calculated based on an exchange rate of 1 Philippine Pesos to .02159 dollars.

¹¹ Sales values are calculated by multiplying dollar value of imports (General Customs Value) by industry standard multipliers, to approximate retail markup. For the purposes of this petition, the multiplier for luggage is 3.1 and 3 for professional bags such as attaché cases. Total imports for these goods were \$1,018,657,653 in 2014, and total GSP imports were \$53,019,532.

¹² Sales values are calculated by multiplying dollar value of imports by 2.8. This formula is the generally accepted practice in the travel goods industry. Petitioners consulted leading private sector groups on this calculation. World imports were \$2,899,296,551 in 2014 and GSP imports were \$134,084,131.

¹³ Sales values for pocket goods are calculated by multiplying dollar value of imports (General Customs Value) by 2.5, to approximate retail markup. World imports were \$640,205,520 in 2014 and GSP imports were valued at \$134,039,110.

Philippines, and Thailand. Retail sales of imports from BDCs are estimated to have accounted for approximately \$592 million in sales in 2014.¹⁴

G. Exports and Exports to the United States:

The United States has consistently been the largest export market for the Philippines for total travel goods, including petition products listed on the cover page of this petition. In 2014, the U.S. accounted for 56 percent of Philippine exports of travel goods, compared to 12 percent to Japan. The Philippines and Japan have a free trade agreement which provides duty-free treatment of travel goods. Germany (6.0 percent), China (5.7 percent), and the Netherlands (3.1 percent) are the other top markets for the Philippines. All told, the Philippines has exported travel goods to 69 countries since 2012, although many of those markets have not been steady.

Exports to the U.S.

The Philippines continues to hold a small but significant share of the market for travel goods sourcing to the United States, exporting under all twenty-eight 10-digit HTS subheadings now eligible for consideration for duty-free under GSP. Given China's market dominance, petitioners feel that it is reasonable to consider this diverse presence as evidence that the Philippines – and other BDCs – could readily compete with China for market share in the absence of duties. Philippine companies manufacture numerous types of travel goods made from various materials, including leather, plastic and textiles, including vegetable fibers. Travel goods manufactured in the Philippines are made from imported and domestically-made materials. The imported materials are usually flat rolls or sheets of leather, plastic or fabric, which are then cut-to-shape of components, then fully assembled into handbags, backpacks, etc. Such travel goods often contain features such as zippers, buckles and other accessories, some of which are made in the Philippines. Cut to shape of components from rolled or flat material, which are then wholly assembled into a finished good, is generally considered a double substantial transformation, and as such, the components are treated as originating in the BDC for purposes of determining whether the 35 percent value-added minimum is satisfied.

Luggage

Luggage													
Country	HTS Number	2012	2013	2014	2015 YTD	2012	2013	2014	2015 YTD	2012	2013	2014	2015 YTD
In Actual Dollars					In Actual Units of Quantity					Unit Price			
Philippines	4202128030	1,240,137	3,517,811	993,001	11,011	101,489	339,136	96,900	184	12.22	10.37	10.25	59.84
.	4202110030	48,331	23,103	656,473	1,040,830	383	143	12,320	24,718	126.19	161.56	53.29	42.11
.	4202128070	220,409	112,808	102,296	17,327	49,448	6,781	1,189	1,887	4.46	16.64	86.04	9.18
.	4202122050	13,794	1,961	26,774	29,377	153	69	283	1,651	90.16	28.42	94.61	17.79
.	4202110090	1,851	2,491	1,695	292	71	178	23	3	26.07	13.99	73.70	97.33
.	4202122020	0	0	700	3,342	0	0	7	4	N/A	N/A	100.00	835.50
Total		1,524,522	3,658,174	1,780,939	1,102,179	151,544	346,307	110,722	28,447	10.06	10.56	16.08	38.74

Exports in the luggage category have shown uneven growth for the Philippines. Exports hit a high in 2013 with 346,000 units, but decreased over 50 percent in 2014. The strongest HTS subheading for the Philippines in this product group is leather professional bags, including attaché cases and briefcases, with almost 100,000 units in 2014.

¹⁴ Sales values are calculated by multiplying dollar value of imports by 2.2 for sports and travel bags and 3.1 for backpacks. World imports were \$5,172,810,779 in 2014 and GSP imports were \$247,971,213.

Handbags

Handbags													
Country	HTS Number	2012	2013	2014	2015 YTD	2012	2013	2014	2015 YTD	2012	2013	2014	2015 YTD
		In Actual Dollars				In Actual Units of Quantity				Unit price in dollars/units			
Philippines	4202224500	12,370,034	23,000,988	15,665,215	2,043,130	804,684	1,769,713	1,146,488	369,889	15.37	13.00	13.66	5.52
.	4202219000	1,680,946	3,301,291	13,830,395	18,792,728	45,912	117,974	422,342	619,920	36.61	27.98	32.75	30.31
.	4202216000	2,650,484	6,137,513	4,705,691	1,535,674	217,879	471,567	382,655	82,528	12.16	13.02	12.30	18.61
.	4202221500	765,094	2,158,546	3,399,190	9,586,495	39,981	191,982	170,231	392,187	19.14	11.24	19.97	24.44
.	4202228050	561,587	1,078,490	1,816,318	1,964,191	60,271	59,202	94,107	106,788	9.32	18.22	19.30	18.39
Total		18,028,145	35,676,828	39,416,809	33,922,218	1,168,727	2,610,438	2,215,823	1,571,312	15.43	13.67	17.79	21.59

Handbags are an important category for the Philippines, accounting for over 2.2 million units in exports in 2014. While the total number of units saw a 15 percent drop from 2013 to 2014, 2015 YTD numbers appear strong. While the Philippines exports bags under all the handbag categories now eligible for GSP, cotton handbags under 4202.22.4500 have dominated other categories until 2015. The dollar value of exports for these products was just under \$40 million in 2014.

Pocket Goods

Pocket Goods													
Country	HTS Number	2012	2013	2014	2015 YTD	2012	2013	2014	2015 YTD	2012	2013	2014	2015 YTD
		In Actual Dollars				In Actual Units of Quantity				Unit Price			
Philippines	4202316000	275,418	2,114,128	6,923,740	6,443,155	57,165	227,683	610,570	505,866	4.82	9.29	11.34	12.74
.	4202324000	3,216,432	4,224,637	6,219,032	1,758,112	879,411	533,153	563,173	392,194	3.66	7.92	11.04	4.48
.	4202329550	456,115	444,983	385,040	269,670	564,771	447,367	437,818	286,819	0.81	0.99	0.88	0.94
.	4202329560	373	8,205	17,319	506	2,118	2,179	1,414	46	0.18	3.77	12.25	11.00
.	4202328000	4,147	2,936	811	0	3,290	3,448	95	0	1.26	0.85	8.54	N/A
Total		3,952,485	6,794,889	13,545,942	8,471,443	1,506,755	1,213,830	1,613,070	1,184,925	2.62	5.60	8.40	7.15

Pocket goods have remained a healthy part of the travel goods business for the Philippines. While the dollar values are not as large as other categories, it is important to note that the Philippines have exported under all the relevant HTS subheadings now available for GSP duty-free treatment.

Backpacks, Sports and Travel Bags

Backpacks, Sports and Travel Bags													
Country	HTS Number	2012	2013	2014	2015 YTD	2012	2013	2014	2015 YTD	2012	2013	2014	2015 YTD
<i>In Actual Dollars</i>					<i>In Actual Units of Quantity</i>				<i>Unit Price in actual dollars/units</i>				
Philippines	4202910030	3,220,081	7,284,649	24,046,128	24,878,301	74,656	171,722	574,847	567,562	43	42	42	44
.	4202921500	3,823,788	11,995,159	18,503,083	2,186,715	301,102	480,769	749,565	150,781	13	25	25	15
.	4202923020	26,515,050	18,507,033	16,907,761	16,317,791	1,179,150	670,237	744,707	728,639	22	28	23	22
.	4202923031	9,117,593	11,405,321	12,596,744	5,831,855	2,773,267	1,982,209	2,453,493	1,616,478	3	6	5	4
.	4202924500	2,612,650	2,154,821	8,718,770	10,412,978	1,048,591	446,289	675,740	658,279	2	5	13	16
.	4202929026	997,219	919,782	919,160	558,813	577,769	283,126	138,661	85,861	2	3	7	7
.	4202929060	32,825	179,782	205,584	1,008,331	6,444	363,788	27,312	88,810	5	0	8	11
.	4202999000	148,922	219,017	160,800	119,243	56,204	74,968	39,332	27,126	3	3	4	4
.	4202910090	53,908	38,033	136,465	259,902	2,043	1,128	12,660	20,419	26	34	11	13
.	4202922000	83,063	19,671	33,978	66,146	17,003	3,763	3,272	3,204	5	5	10	21
.	4202923091	9,790	14,371	17,190	8,610	3,105	4,828	6,141	4,100	3	3	3	2
Total		46,614,889	52,737,639	82,245,663	61,648,685	6,039,334	4,482,827	5,425,730	3,951,259	8	12	15	16

The backpack, sports and travel bag category is the largest category for the Philippines, with over 5 million units exported to the United States in 2014. This category includes man-made fiber and leather sports and travel bags as well as man-made fiber backpacks.

H. Profitability:

[

]

IV. COMPETITION

In preparing this petition, the Philippines did not find evidence of meaningful competition among BDC countries, due to small market share when compared with China. Rather, in discussions with current and potential customers, current sourcing plans if these items are made eligible involve shifting production from non-BDCs to BDCs, including the Philippines. Companies generally have reported interest in expanding current work with BDC partners, or moving business from China into additional BDCs, if GSP eligibility is approved.

V. U.S. DOMESTIC INDUSTRY

To the knowledge of the Government of the Philippines, there is no commercial production of travel goods in the United States. We tried to identify U.S. Government and private sector sources for this information, but could not find any.

Past actions by the U.S. Government indicate that the shift to non-U.S., particularly Asian production, is a long-standing shift in the industry that will not be reversed. Textile luggage included in HTSUS Chapter 42 was among the first to be removed from quota treatment under World Trade Organization (WTO) Agreement on Textiles and Clothing, and was integrated by 2002. This indicates that the United States considered this category among the least import-sensitive textile items.

In addition, many of these goods are included in the Haiti preference program, which was negotiated with U.S. stakeholders to avoid sensitive products. Recent free trade agreement language confirms this lack of sensitivities. In the U.S.-Korea Free Trade Agreement (KORUS), all of subheading 4202 was

made immediately duty-free upon implementation. In the U.S.-Dominican Republic-Central America Free Trade Agreement (DR-CAFTA), the goods covered by this petition were all given immediate duty-free status, while some other travel goods were phased in to duty-free treatment. As further evidence of the lack of sensitivity, textile travel goods are subject to a liberal tariff shift rule of origin rather than a yarn-forward rule of origin in CAFTA-DR and KORUS.

Not surprisingly, the ITC has found no domestic sensitivities for travel goods. Textile travel goods covered by subheading 4202 were studied by the U.S. International Trade Commission in a 2007 study and found that not only were travel goods no longer made in the United States, it was difficult to find producers of the inputs for travel goods in the United States (USITC Publication 3957, October 2007). As can be seen from the data in Appendix A, this pattern continues. There are some high value products made in Europe, but the mass consumer market has long since moved to Asia and remains there.

VI. EXPECTED BENEFITS

Granting travel goods GSP duty-free benefits would greatly benefit the Philippines and other BDCs. Currently Cambodia, India, and Indonesia also produce modest amounts of travel goods. All of these GSP members would see increased employment and trade with the United States as a result of duty-free treatment.

In addition, the Philippines and other BDCs would see significant interest in additional investments in infrastructure, new factories, and expansions of existing factories if duty-free treatment is granted. This can be seen in the discussion of capacity in Section IV.C, above. Current producers are planning on adding substantial new capacity if the requested products are provided GSP benefits. The Government of the Philippines is aware of a number of U.S. brands and retailers that do not currently import from the Philippines but have solid plans for sourcing new production of travel goods here if GSP benefits become available. The Philippines Government understands that these companies have separately indicated such plans in petitions filed in this annual review and would like to include by reference such discussions in this petition. Given current industry trends and a review of the production at current known facilities, each additional factory would employ at least 500 to 1,000 workers, although that number can be significantly higher over time as skills are gained and investment progressively increases. The Government of the Philippines expects that production could double over the next one to two years.¹⁵

VII. CONCLUSION

The Government of the Philippines respectfully requests that the GSP Subcommittee and the Trade Policy Staff Committee recommend adding the products identified in this petition to the list of products that are eligible for duty-free treatment under the Generalized System of Preferences.

Thank you for your consideration of this petition request.

¹⁵ As noted above, it is impossible to know if exports of any of the products under the 28 HTS 10-digit subheadings would increase to such a degree in the near term that a Competitive Need Limitation would be triggered. Too many of the companies' plans are contingent and it will always take some time to ramp up production for products that are newly eligible for duty-free treatment. Indeed, the largest exports are for HTS number 4202.91.0030 at \$24 million for 2014 and \$24.9 million for YTD 2015. Thus, these remain far below the Competitive Need Limitation level at this point.



Ceferino S. "Perry" Rodolfo
Assistant Secretary
Department of Trade and Industry
Government of the Philippines



Raymond Batac
Commercial Attaché
Philippine Trade & Investment Center,
Washington, D.C.

Appendix A
Import Data for Petition Products From the Philippines By HTS Subheading

HTS Number	Country	2012	2013	2014	Percent	2015 YTD	2012	2013	2014	Percentage	2015 YTD	2012	2013	2014	2015 YTD
		In Actual Dollars					In Actual Units of Quantity					Unit Price			
4202110030 ATTACHE CASES,BRIEF CASES,SCHOOL SATCHELS,OCCUPATIONAL LUGGAGE CASES AND SIMILAR CONTAINERS,WITH OUTER SURF OF LEATHER,COMPOSITION LEATHER,PATENT LTHR	China	56,927,938	53,236,217	53,969,559	54.8%	22,057,839	1,714,603	1,338,163	1,269,724	67.7%	525,234	33.20	39.78	42.50	42.00
	Vietnam	2,548,454	4,991,654	9,907,348	10.1%	6,140,577	52,422	107,361	214,643	11.4%	135,868	48.61	46.49	46.16	45.20
	Philippines	48,331	23,103	656,473	0.7%	1,040,830	383	143	12,320	0.7%	24,718	126.19	161.56	53.29	42.11
	Total GSP	5,318,917	5,000,784	5,670,980	5.8%	3,899,227	106,806	112,851	119,104	6.3%	79,089	49.80	44.31	47.61	49.30
	World	92,215,319	89,915,428	98,424,619	100%	47,256,109	2,093,822	1,793,888	1,876,202	100%	837,330	44.04	50.12	52.46	56.44
4202110090 TRUNKS, SUITCASES,VANITY CASES & SIMILAR CONTAINERS,WITH OUTER SURFACE OF LEATHER,COMPOSITION LEATHER,PATENT LEATHER,NESOI	China	7,002,465	6,842,340	7,269,199	28.0%	4,441,082	785,084	738,995	644,536	39.0%	335,446	8.92	9.26	11.28	13.24
	Vietnam	16,611	14,912	353,743	1%	265,528	2,175	1,378	4,922	0.3%	2,517	7.64	10.82	71.87	105.49
	Philippines	1,851	2,491	1,695	0.01%	292	71	178	23	0.00%	3	26.07	13.99	73.70	97.33
	Total GSP	1,552,147	1,537,634	2,214,125	9%	1,120,604	144,049	126,193	145,010	8.8%	58,840	10.78	12.18	15.27	19.04
	World	21,859,128	23,316,136	25,955,113	100%	10,521,047	1,381,305	1,658,190	1,651,765	100%	489,422	15.82	14.06	15.71	21.50
4202122020 TRUNKS, SUITCASES, VANITY CASES AND SIMILAR CONTAINERS WITH OUTER SURFACE OF PLASTICS STRUCTURED, RIGID ON ALL SIDES	China	87,173,501	128,098,787	143,430,738	72%	99,994,424	4,682,972	6,476,811	6,812,451	88.5%	4,155,878	18.61	19.78	21.05	24.06
	Vietnam	255,073	406,309	99,861	0.05%	213,431	12,757	34,992	2,256	0.03%	3,903	19.99	11.61	44.26	54.68
	Philippines	0	0	700	0.0004%	3,342	0	0	7	0.0001%	4	N/A	N/A	100.00	835.50
	Total GSP	3,190,669	7,234,899	7,963,870	4.0%	9,435,165	78,744	168,365	151,417	2.0%	87,863	40.52	42.97	52.60	107.38
	World	130,328,042	185,694,825	198,575,447	100%	136,919,743	5,191,509	7,213,182	7,698,980	100%	4,671,403	25.10	25.74	25.79	29.31
4202122050 TRUNKS, SUITCASES, VANITY CASES AND SIMILAR CONTAINERS, WITH OUTER SURFACE OF PLASTICS MATERIALS, NESOI	China	18,955,052	20,499,041	20,720,419	71%	14,444,256	5,810,221	5,843,548	4,049,167	92.3%	2,367,667	3.26	3.51	5.12	6.10
	Vietnam	781,203	1,939,463	1,791,131	6.1%	1,340,466	26,162	41,344	29,670	0.7%	22,638	29.86	46.91	60.37	59.21
	Philippines	13,794	1,961	26,774	0.1%	29,377	153	69	283	0.0%	1,651	90.16	28.42	94.61	17.79
	Total GSP	16,929	74,080	59,135	0.2%	42,622	183	6,282	1,169	0.0%	1,848	92.51	11.79	50.59	23.06
	World	27,476,227	27,417,240	29,127,784	100%	18,902,832	6,026,612	6,123,967	4,386,556	100%	2,431,207	4.56	4.48	6.64	7.78
4202124000 TRUNKS,SUITCASES,BRIEF CASES,VANITY CASES,ATTACHE CASES,ETC,WITH OUTER SURF OF TEXTILE,VEG FIBERS,NOT OF PILE OR TUFTED CONSTRUCTION,OF COTTON	China	33,698,657	30,102,392	19,738,562	82%	9,562,803	3,015,037	2,520,054	2,232,893	78.0%	1,549,002	11.18	11.95	8.84	6.17
	Vietnam	1,046,293	1,599,174	523,403	2.2%	178,863	36,223	57,131	35,375	1.2%	13,044	28.88	27.99	14.80	13.71
	Total GSP	1,736,993	2,050,997	1,554,709	6.5%	527,219	321,336	537,783	246,060	8.6%	94,008	5.41	3.81	6.32	5.61
	World	38,129,013	35,934,913	24,102,049	100%	11,200,527	3,563,776	3,417,392	2,861,414	100%	1,854,855	10.70	10.52	8.42	6.04
	China	158,764,590	137,836,848	132,301,281	85.9%	76,599,377	40,305,335	36,984,664	33,927,402	96.3%	19,682,784	3.94	3.73	3.90	3.89
4202128030 ATTACHE CASES,BRIEF CASES,SCHOOL SATCHELS,OCCUPATIONAL LUGGAGE CASES AND SIMILAR CONTAINERS,OF MAN-MADE FIBERS	Vietnam	4,952,588	6,368,487	8,087,426	5.2%	8,957,963	350,807	387,469	625,632	1.8%	615,633	14.12	16.44	12.93	14.55
	Philippines	1,240,137	3,517,811	993,001	0.6%	11,011	101,489	339,136	96,900	0.3%	184	12.22	10.37	10.25	59.84
	Total GSP	9,155,443	10,818,277	7,294,844	4.7%	3,775,327	686,013	575,653	311,351	0.9%	142,549	13.35	18.79	23.43	26.48
	World	180,283,525	160,884,330	154,054,508	100%	92,157,244	41,873,930	38,679,081	35,239,307	100%	20,720,275	4.31	4.16	4.37	4.45

4202128070 TRUNKS,SUITCASES,VANITY CASES & SIMILAR CONTAINERS,ETC,WITH OUTER SURFACE OF TEXTILE MATERIALS,OF MAN-MADE FIBERS	China	400,465,198	407,206,159	446,420,744	91.4%	253,425,240	31,069,481	30,092,414	30,912,846	97.1%	16,805,585	12.89	13.53	14.44	15.08
	Vietnam	12,824,987	8,708,364	10,685,412	2.2%	7,176,813	318,178	204,888	216,004	0.7%	162,015	40.31	42.50	49.47	44.30
	Philippines	220,409	112,808	102,296	0.0%	17,327	49,448	6,781	1,189	0.00%	1,887	4.46	16.64	86.04	9.18
	Total GSP	23,172,558	22,904,617	28,261,869	5.8%	14,490,991	422,102	379,775	520,177	1.6%	267,303	54.90	60.31	54.33	54.21
	World	441,319,059	444,073,742	488,418,133	100%	277,062,923	32,100,883	30,940,536	31,850,734	100%	17,336,011	13.75	14.35	15.33	15.98
4202216000 HANDBAGS,WITH OUTER SURFACE OF LEATHER,COMPOSITION LEATHER,OR PATENT LEATHER, VALUED NOT OVER \$20 EACH	China	84,552,715	79,544,058	64,191,967	73.5%	40,119,015	7,841,928	7,506,619	6,164,104	74.6%	3,558,994	10.78	10.60	10.41	11.27
	Vietnam	7,062,676	6,440,143	9,403,950	10.8%	3,446,126	546,271	473,292	657,200	8.0%	209,130	12.93	13.61	14.31	16.48
	Philippines	2,650,484	6,137,513	4,705,691	5.4%	1,535,674	217,879	471,567	382,655	4.6%	82,528	12.16	13.02	12.30	18.61
	Total GSP	9,317,615	12,940,470	11,678,623	13.4%	5,851,401	935,794	1,197,792	1,111,107	13.5%	617,089	9.96	10.80	10.51	9.48
	World	103,551,542	101,467,117	87,386,014	100%	50,762,097	9,778,936	9,507,176	8,258,825	100%	4,560,713	10.59	10.67	10.58	11.13
4202219000 HANDBAGS,WITH OUTER SURFACE OF LEATHER, COMPOSITION LEATHER,OR PATENT LEATHER, VALUED OVER \$20 EACH	China	543,689,493	596,570,206	620,867,611	41.8%	338,279,665	12,430,406	13,771,693	14,223,332	70.2%	7,879,912	43.74	43.32	43.65	42.93
	Vietnam	35,464,133	64,907,456	92,643,122	6.2%	68,103,370	932,771	1,765,870	2,499,297	12.3%	1,827,639	38.02	36.76	37.07	37.26
	Philippines	1,680,946	3,301,291	13,830,395	0.9%	18,792,728	45,912	117,974	422,342	2.1%	619,920	36.61	27.98	32.75	30.31
	Total GSP	56,520,345	48,195,053	63,582,242	4.3%	47,640,623	1,126,810	1,030,186	1,448,676	7.2%	1,273,352	50.16	46.78	43.89	37.41
	World	1,099,573,945	1,322,786,100	1,487,100,811	100%	869,360,979	16,194,035	18,625,597	20,256,621	100%	12,333,055	67.90	71.02	73.41	70.49
4202221500 HANDBAGS,WITH OUTER SURFACE OF PLASTIC SHEETING	China	629,225,180	685,458,204	674,944,973	74%	409,525,776	109,988,512	116,071,160	107,040,694	93.6%	65,316,196	5.72	5.91	6.31	6.27
	Vietnam	8,738,404	17,335,614	59,582,722	6.6%	42,189,085	478,875	753,635	2,907,601	2.5%	1,818,935	18.25	23.00	20.49	23.19
	Philippines	765,094	2,158,546	3,399,190	0.37%	9,586,495	39,981	191,982	170,231	0.15%	392,187	19.14	11.24	19.97	24.44
	Total GSP	9,511,382	16,795,312	23,826,258	3%	22,087,646	747,435	1,490,870	2,588,175	2.3%	1,743,859	12.73	11.27	9.21	12.67
	World	727,096,462	833,565,280	909,517,664	100%	550,922,188	112,645,928	119,799,959	114,406,550	100%	69,966,987	6.45	6.96	7.95	7.87
4202224500 HANDBAGS, OUTER SURFACE TEXTILE MATERIAL,EXCEPT BRAID,VEGETABLE FIBR,NOT PILE OR TUFTED CONSTRUCTION, OF COTTON	China	289,156,459	205,853,496	134,572,803	64.7%	79,155,607	35,100,823	30,558,172	21,847,221	78.3%	14,889,445	8.24	6.74	6.16	5.32
	Vietnam	38,538,707	38,839,263	22,764,950	11.0%	8,914,261	2,309,311	2,057,301	1,246,603	4.5%	570,647	16.69	18.88	18.26	15.62
	Philippines	12,370,034	23,000,988	15,665,215	7.5%	2,043,130	804,684	1,769,713	1,146,488	4.1%	369,889	15.37	13.00	13.66	5.52
	Total GSP	37,468,727	38,652,852	28,749,060	13.8%	8,004,163	5,168,391	5,040,476	4,165,435	14.9%	1,689,817	7.25	7.67	6.90	4.74
	World	387,321,447	304,631,449	207,863,127	100%	107,557,147	42,915,775	38,108,145	27,916,377	100%	17,694,269	9.03	7.99	7.45	6.08
4202228050 HANDBAGS, OUTER SURFACE TEXTILE MATERIAL,EXCEPT BRAID,PILE OR TUFTED CONS,OF MAN-MADE FIBER	China	188,750,769	163,147,715	146,535,920	70.6%	93,690,512	43,371,131	40,376,352	40,871,338	94.5%	24,378,259	4.35	4.04	3.59	3.84
	Vietnam	7,785,122	5,118,423	6,635,342	3.2%	3,514,512	626,099	407,166	547,524	1.3%	244,814	12.43	12.57	12.12	14.36
	Philippines	561,587	1,078,490	1,816,318	0.9%	1,964,191	60,271	59,202	94,107	0.2%	106,788	9.32	18.22	19.30	18.39
	Total GSP	8,491,074	8,216,555	6,247,948	3.0%	6,277,388	916,363	1,020,825	902,598	2.1%	739,435	9.27	8.05	6.92	8.49
	World	248,236,175	214,064,826	207,428,935	100%	130,605,183	46,129,296	42,563,021	43,242,570	100%	26,090,304	5.38	5.03	4.80	5.01
4202316000 ARTICLES NORMALLY CARRIED IN POCKET OR HANDBAG, OUTER SURFACE OF LEATHER, COMPOSITION LEATHER, OR PATENT LEATHER, OTHER THAN REPTILE LEATHER	China	213,328,622	231,438,631	204,804,636	41.5%	110,299,310	30,875,799	30,361,256	25,458,270	44.9%	13,316,899	6.91	7.62	8.04	8.28
	Vietnam	10,372,286	19,386,535	32,783,551	6.6%	16,805,198	588,291	1,351,506	2,328,136	4.1%	1,351,462	17.63	14.34	14.08	12.43
	Philippines	275,418	2,114,128	6,923,740	1.4%	6,443,155	57,165	227,683	610,570	1.1%	505,866	4.82	9.29	11.34	12.74
	Total GSP	80,540,838	104,781,323	119,013,713	24.1%	71,739,819	24,166,094	27,049,128	26,724,874	47%	15,927,917	3.33	3.87	4.45	4.50
	World	431,430,181	485,423,709	494,057,886	100%	282,706,862	58,026,665	61,003,351	56,759,584	100%	32,085,086	7.44	7.96	8.70	8.81
4202324000 ARTICLES FOR POCKET OR HANDBAG, OF VEGETABLE FIBERS AND NOT OF PILE OR TUFTED CONSTRUCTION, OF COTTON	China	87,908,489	67,076,246	40,848,438	63.2%	21,164,022	26,229,406	18,539,180	14,698,782	85.4%	8,243,320	3.35	3.62	2.78	2.57
	Vietnam	4,838,220	7,954,552	8,729,667	13.5%	4,008,566	527,429	712,206	755,932	4.4%	651,332	9.17	11.17	11.55	6.15
	Philippines	3,216,432	4,224,637	6,219,032	9.6%	1,758,112	879,411	533,153	563,173	3.3%	392,194	3.66	7.92	11.04	4.48
	Total GSP	11,841,651	13,669,641	11,307,209	17.5%	4,378,393	2,399,616	2,111,253	1,426,900	8.3%	961,256	4.93	6.47	7.92	4.55
	World	108,057,823	91,720,212	64,590,933	100%	32,830,716	29,684,609	22,296,696	17,216,300	100%	10,181,164	3.64	4.11	3.75	3.22

4202328000	ARTICLES FOR POCKET OR HANDBAG,OF VEGETABLE FIBERS AND NOT OF PILE OR TUFTED CONSTRUCTION,NESOI	China	2,690,659	6,066,948	6,240,182	91.1%	3,892,820	2,424,251	3,746,622	2,672,827	85.7%	1,859,321	1.11	1.62	2.33	2.09
		Vietnam	39,681	15,237	5,278	0.1%	11,205	5,550	8,421	2,061	0.1%	3,467	7.15	1.81	2.56	3.23
		Philippines	4,147	2,936	811	0.01%	0	3,290	3,448	95	0.00%	0	1.26	0.85	8.54	#DIV/0!
		Total GSP	196,408	186,202	187,916	3%	233,713	62,384	199,542	117,613	3.8%	129,866	3.15	0.93	1.60	1.80
		World	3,306,512	6,842,307	6,851,745	100%	4,275,005	2,591,472	4,088,572	3,120,068	100%	2,029,257	1.28	1.67	2.20	2.11
4202329550	ARTICLES FOR POCKET OR HANDBAG,WITH OUTER SURFACE OF TEXTILES,OF MAN-MADE FIBERS	China	65,597,457	65,487,040	59,508,990	86.4%	31,865,603	83,681,914	86,026,829	70,614,779	93.9%	37,894,822	0.78	0.76	0.84	0.84
		Vietnam	1,367,024	1,295,784	1,148,934	1.7%	1,394,989	404,193	435,520	601,114	0.8%	377,743	3.38	2.98	1.91	3.69
		Philippines	456,115	444,983	385,040	0.6%	269,670	564,771	447,367	437,818	0.6%	286,819	0.81	0.99	0.88	0.94
		Total GSP	2,165,794	2,984,580	3,317,057	4.8%	2,404,691	1,523,737	2,961,734	1,953,304	2.6%	4,032,286	1.42	1.01	1.70	0.60
		World	77,222,456	76,236,580	68,837,075	100%	40,425,936	88,239,289	92,430,082	75,234,684	100%	44,045,687	0.88	0.82	0.91	0.92
4202329560	ARTICLES FOR POCKET OR HANDBAG,WITH OUTER SURFACE OF TEXTILES, NESOI	China	2,795,683	4,510,085	4,692,829	80%	2,980,516	2,431,788	4,696,623	5,124,536	92.4%	3,620,933	1.15	0.96	0.92	0.82
		Philippines	373	8,205	17,319	0.3%	506	2,118	2,179	1,414	0.03%	46	0.18	3.77	12.25	11.00
		Vietnam	1,027	12,133	579	0.01%	130,546	1,341	3,686	422	0.01%	17,338	0.77	3.29	1.37	7.53
		Total GSP	295,353	353,679	213,215	4%	170,560	179,437	154,309	122,580	2.2%	74,380	1.65	2.29	1.74	2.29
		World	3,516,037	5,379,066	5,867,881	100%	4,043,120	2,838,678	5,011,695	5,548,122	100%	3,874,368	1.24	1.07	1.06	1.04
4202910030	TRAVEL,SPORTS AND SIMILAR BAGS,OUTER SURFACE OF LEATHER,COMPOSITION LEATHER,OR PATENT LEATHER	China	409,853,490	443,890,332	458,847,717	49.9%	242,899,800	9,199,359	9,829,901	10,438,768	59.4%	5,809,503	44.55	45.16	43.96	41.81
		Vietnam	65,972,930	136,586,217	164,190,647	17.9%	76,789,138	1,370,676	2,898,316	3,337,552	19.0%	1,516,189	48.13	47.13	49.19	50.65
		Philippines	3,220,081	7,284,649	24,046,128	2.6%	24,878,301	74,656	171,722	574,847	3.3%	567,562	43.13	42.42	41.83	43.83
		Total GSP	33,419,231	52,603,024	63,335,335	6.9%	48,334,462	909,432	1,362,178	1,607,416	9.1%	1,173,267	36.75	38.62	39.40	41.20
		World	749,277,547	822,537,124	919,431,940	100%	505,332,840	12,289,941	15,176,180	17,575,119	100%	10,025,268	60.97	54.20	52.31	50.41
4202910090	CONTAINERS,WITH OUTER SURFACE OF LEATHER,COMPOSITION LEATHER OR PATENT LEATHER,NESOI	China	90,029,908	106,354,407	111,757,966	52%	51,370,306	17,903,296	19,614,432	20,065,748	75.0%	9,520,830	5.03	5.42	5.57	5.40
		Vietnam	6,416,539	13,131,557	16,406,941	8%	11,853,264	680,448	892,243	1,214,041	4.5%	884,206	9.43	14.72	13.51	13.41
		Philippines	53,908	38,033	136,465	0.06%	259,902	2,043	1,128	12,660	0.05%	20,419	26.39	33.72	10.78	12.73
		Total GSP	21,052,545	20,529,885	19,962,594	9%	11,286,807	2,238,812	2,449,271	2,562,563	9.6%	1,522,151	9.40	8.38	7.79	7.42
		World	187,319,482	222,366,733	216,069,750	100%	119,451,281	24,475,027	26,511,302	26,744,202	100%	13,802,532	7.65	8.39	8.08	8.65
4202921500	TRAVEL,SPORTS AND SIMILAR BAGS,OUTER SURFACE OF COTTON	China	388,679,911	352,749,084	331,182,226	75.4%	190,654,133	62,478,518	63,590,458	64,719,936	76.2%	43,070,882	6.22	5.55	5.12	4.43
		Vietnam	48,634,723	53,986,369	38,279,306	8.7%	19,873,917	2,826,456	2,978,741	1,784,252	2.1%	1,059,261	17.21	18.12	21.45	18.76
		Philippines	3,823,788	11,995,159	18,503,083	4.2%	2,186,715	301,102	480,769	749,565	0.9%	150,781	12.70	24.95	24.69	14.50
		Total GSP	33,720,269	37,023,602	50,330,859	11.5%	24,851,871	13,040,548	13,063,702	16,766,793	19.7%	11,231,442	2.59	2.83	3.00	2.21
		World	490,672,079	459,753,542	439,145,083	100%	250,106,618	79,530,604	81,372,880	84,927,591	100%	56,528,548	6.17	5.65	5.17	4.42
4202922000	TRAVEL,SPORTS AND SIMILAR BAGS,OUTER SURFACE EXCEPT OF COTTON	China	27,162,891	23,012,320	22,956,502	70.4%	15,021,775	7,367,058	7,221,619	7,699,681	56.43%	5,410,080	3.69	3.19	2.98	2.78
		Vietnam	446,233	884,837	205,943	0.6%	234,608	23,644	202,116	28,631	0.21%	19,208	18.87	4.38	7.19	12.21
		Philippines	83,063	19,671	33,978	0.1%	66,146	17,003	3,763	3,272	0.02%	3,204	4.89	5.23	10.38	20.64
		Total GSP	3,171,306	5,826,158	7,131,966	21.9%	4,964,354	1,973,732	4,547,086	5,315,695	39.0%	2,988,760	1.61	1.28	1.34	1.66
		World	32,125,868	31,580,328	32,595,317	100%	21,270,025	9,917,871	12,247,371	13,644,939	100%	8,643,521	3.24	2.58	2.39	2.46
4202923020	BACKPACKS, OF MAN-MADE FIBER	China	446,711,830	467,369,713	520,779,934	71%	407,581,587	124,404,591	128,485,058	154,504,703	89.6%	105,321,461	3.59	3.64	3.37	3.87
		Vietnam	93,823,003	121,811,792	155,844,045	21.4%	123,304,376	6,170,722	8,835,534	11,865,479	6.9%	9,263,094	15.20	13.79	13.13	13.31
		Philippines	26,515,050	18,507,033	16,907,761	2.3%	16,317,791	1,179,150	670,237	744,707	0.4%	728,639	22.49	27.61	22.70	22.39
		Total GSP	39,220,357	36,549,330	37,293,450	5.1%	42,284,806	2,556,596	2,842,428	4,280,785	2.5%	4,813,395	15.34	12.86	8.71	8.78
		World	592,004,285	641,669,209	729,518,505	100%	587,284,372	134,388,070	142,747,334	172,424,957	100%	120,691,477	4.41	4.56	4.23	4.87
4202923031	TRAVEL,SPORTS AND SIMILAR BAGS,EXCEPT BACKPACKS,OF MAN-MADE FIBER	China	898,034,098	903,836,466	885,620,812	84.0%	533,258,939	557,338,936	491,281,298	501,190,085	93.1%	314,910,986	1.61	1.84	1.77	1.69
		Vietnam	55,850,899	78,203,903	90,739,939	8.6%	50,761,689	13,203,509	17,687,153	20,484,400	3.8%	12,508,015	4.23	4.42	4.43	4.06
		Philippines	9,117,593	11,405,321	12,596,744	1.2%	5,831,855	2,773,267	1,982,209	2,453,493	0.5%	1,616,478	3.29	5.75	5.13	3.61
		Total GSP	46,703,556	41,012,826	41,605,244	3.9%	30,561,934	9,126,613	7,407,535	9,006,642	1.7%	9,214,923	5.12	5.54	4.62	3.32
		World	1,059,083,928	1,063,176,472	1,053,704,274	100%	636,774,258	589,181,119	522,929,370	538,461,439	100%	344,417,347	1.80	2.03	1.96	1.85

4202923091 TRAVELSPORTS & SIMILAR BAGS, OUTER SURFACE OF TEXTILE MATERIALS, NESOI	China	14,049,415	13,146,015	10,446,593	78.3%	7,885,525	19,076,980	14,082,805	9,770,267	81.4%	8,318,022	0.74	0.93	1.07	0.95
.	Vietnam	102,563	1,798,576	787,452	5.9%	754,088	28,097	1,003,357	1,436,494	12.0%	1,308,201	3.65	1.79	0.55	0.58
.	Philippines	9,790	14,371	17,190	0.13%	8,610	3,105	4,828	6,141	0.05%	4,100	3.15	2.98	2.80	2.10
.	Total GSP	212,838	416,449	719,678	5%	304,753	30,522	580,628	692,221	5.8%	164,715	6.97	0.72	1.04	1.85
.	World	16,345,070	16,714,613	13,348,174	100%	10,114,674	19,316,217	15,934,044	11,998,161	100%	10,004,577	0.85	1.05	1.11	1.01
4202924500 TRAVELSPORTS & SIMILAR BAGS, OUTER SURFACE OF PLASTIC SHEETING, NESOI	China	380,153,108	402,545,283	417,335,423	73.0%	216,015,904	155,569,023	171,916,648	168,611,618	85.3%	87,677,614	2.44	2.34	2.48	2.46
.	Vietnam	21,558,526	39,786,667	70,790,477	12.4%	38,003,716	11,376,270	14,994,324	23,108,652	11.7%	13,379,337	1.90	2.65	3.06	2.84
.	Philippines	2,612,650	2,154,821	8,718,770	1.5%	10,412,978	1,048,591	446,289	675,740	0.3%	658,279	2.49	4.83	12.90	15.82
.	Total GSP	7,064,488	4,772,744	15,973,124	2.8%	16,371,414	1,744,391	914,317	2,456,831	1.2%	2,529,452	4.05	5.22	6.50	6.47
.	World	519,707,220	523,342,328	572,060,784	100%	303,354,142	172,839,349	193,390,550	197,684,794	100%	107,015,435	3.01	2.71	2.89	2.83
4202929026 OTHER BAGS, OUTER SURFACE OF MAN-MADE FIBERS	China	330,838,051	329,111,611	293,227,210	85.8%	161,799,207	120,874,507	113,838,837	102,898,741	85.3%	59,518,710	2.74	2.89	2.85	2.72
.	Vietnam	16,795,137	22,208,156	22,228,320	6.5%	11,604,699	4,673,522	7,488,835	10,043,359	8.3%	6,837,676	3.59	2.97	2.21	1.70
.	Philippines	997,219	919,782	919,160	0.27%	558,813	577,769	283,126	138,661	0.11%	85,861	1.73	3.25	6.63	6.51
.	Total GSP	6,064,726	6,267,326	6,284,915	1.8%	3,622,071	1,904,233	1,748,569	2,008,670	1.7%	1,131,253	3.18	3.58	3.13	3.20
.	World	378,596,896	393,348,805	341,886,182	100%	188,655,404	134,737,269	129,146,443	120,600,947	100%	70,998,179	2.81	3.05	2.83	2.66
4202929060 OTHER BAGS AND CASES WITH OUTER SURFACE OF SHEETING OF PLASTIC, NESOI	China	218,843,465	215,204,709	210,473,781	73.6%	92,791,827	125,103,088	131,246,202	151,022,673	92%	74,966,667	1.75	1.64	1.39	1.24
.	Vietnam	2,564,292	6,019,383	22,753,319	8.0%	12,487,829	569,104	731,988	2,236,886	1.4%	1,016,834	4.51	8.22	10.17	12.28
.	Philippines	32,825	179,782	205,584	0.07%	1,008,331	6,444	363,788	27,312	0.02%	88,810	5.09	0.49	7.53	11.35
.	Total GSP	1,807,693	1,943,107	4,285,757	1.5%	3,388,846	1,118,957	1,152,306	773,980	0%	644,945	1.62	1.69	5.54	5.25
.	World	251,835,297	282,140,204	286,074,414	100%	135,446,086	135,665,154	143,537,052	165,011,202	100%	82,123,411	1.86	1.97	1.73	1.65
4202999000 OTHER BAGS, OUTER SURFACE NOT OF LEATHER, COMPOSITION LEATHR, PATENT LEATHER, NOT OF PLASTIC SHEETING OR OF TEXTILE MATERIAL, NOT COVERED WITH PAPER, NESOI	China	284,566,334	343,396,522	400,709,046	70.4%	185,523,700	119,425,538	118,713,047	131,567,970	79.1%	66,156,719	2.38	2.89	3.05	2.80
.	Vietnam	892,964	1,391,222	195,960	0.03%	66,646	121,722	232,237	35,874	0.02%	7,320	7.34	5.99	5.46	9.10
.	Philippines	148,922	219,017	160,800	0.03%	119,243	56,204	74,968	39,332	0.02%	27,126	2.65	2.92	4.09	4.40
.	Total GSP	1,460,789	1,412,955	1,048,291	0.18%	405,445	434,749	465,153	319,143	0.19%	107,464	3.36	3.04	3.28	3.77
.	World	404,707,367	460,119,959	568,976,356	100%	257,810,125	145,433,542	142,294,386	166,269,966	100%	82,942,617	2.78	3.23	3.42	3.11

Sources: Data on this site have been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.

Appendix B

GSP Eligible Travel Goods: Customs Value for Certain Suppliers

Country	2012	2013	2014	Percent	2015 YTD	2012	2013	2014	Percent	2015 YTD	2012	2013	2014	2015 YTD
	<i>In Actual Dollars</i>					<i>In Actual Units of Quantity</i>					<i>Unit Price</i>			
World	8,901,976,300	9,461,933,465	9,806,136,580	100.0%	6,754,787,121	1,964,670,015	1,939,274,164	1,964,154,494	100.0%	1,379,680,760	4.53	4.88	4.99	4.90
GSP Total	459,852,848	514,464,066	589,047,261	6.0%	486,233,979	74,275,820	81,175,464	88,450,023	4.5%	76,138,267	6.19	6.34	6.66	6.39
China	6,387,808,573	6,556,420,187	6,436,027,052	65.6%	4,367,328,271	1,764,493,374	1,714,572,023	1,700,421,672	86.6%	1,173,686,281	3.62	3.82	3.78	3.72
Vietnam	468,552,256	675,925,587	866,715,655	8.8%	673,231,460	49,103,836	67,464,585	89,133,333	4.5%	68,684,479	9.54	10.02	9.72	9.80
Philippines	74,585,377	101,930,877	145,034,230	1.5%	150,242,937	9,068,389	8,893,038	9,608,307	0.5%	8,727,232	8.22	11.46	15.09	17.22

Sources: Data has been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.
 Year to Date (YTD) is through August, 2015