

New Partnership for Trade Development Act of 2009

November 17, 2009

The New Partnership for Trade Development Act of 2009 has three goals. It preserves and builds on the good results of AGOA by **recognizing AGOA as a priority** by extending its benefits and focusing on trade capacity building. The bill puts LDC and GSP preference programs on a path to **simplification** by establishing a single rule of origin and reviewing the current GSP statutory exclusions that were first established in 1974. The bill emphasizes **fairness** and **development** by extending preferences to non-AGOA LDCs, encouraging LDC-to-LDC trade, focusing on trade capacity building and requiring greater responsibility of Advanced Developing Countries.

To meet these goals the *New Partnership for Trade Development Act of 2009* has three major aspects aligned along these goals to further development through trade.

To strengthen and extend AGOA, the bill:

- extends AGOA's 3rd party fabric rule from 2012-2015 to increase AGOA predictability.
- Extends preferences for all AGOA countries through 2019 and for AGOA LDCs ongoing
- creates a new single rule-of-origin to be used side-by-side with the existing AGOA rule of origin for 5 years—the same rule of origin that GSP and non-AGOA LDCs will use
- creates a presidential-level Trade Capacity Building Review Panel to coordinate work with AGOA and other LDCs to help them remove barriers to efficient trade.

To put more fairness in U.S. preference programs the bill:

- creates a new program extending duty-free quota-free preferences to non-AGOA LDCs
- Extends preferences for non-AGOA LDCs ongoing
- protects AGOA by putting a quota on large non-AGOA LDC producers on specific apparel types. The quota lasts for 10 years and starts at 50% of 2007 import levels.
 - This quota level can be increased by 10% annually if 50% that country's use of apparel inputs comes from GSP and LDC countries.
- gives non-AGOA LDCs the same new single rule-of-origin
- requires non-AGOA LDCs to meet the labor standards of AGOA and other GSP eligibility criteria

To simplify and extend GSP the bill:

- extends GSP through 2019.
- puts the new single rule of origin in GSP
- requires Advanced Developing Countries to grant meaningful preferences in order to continue receiving GSP benefits
- creates a timeline and transparent process for reviewing the Statutory Exclusion currently in GSP.