

GENERALIZED SYSTEM OF PREFERENCES (GSP)

SAF's "Ask":

Congress must pass legislation reauthorizing the Generalized System of Preferences (GSP), which supports the floral industry by containing costs and providing importers and retailers with greater price certainty.

The Generalized System of Preferences (GSP) has been in place for more than 45 years promoting opportunity for the least economically developed countries abroad and supporting U.S. businesses that rely on imported products to sustain and grow their businesses.

U.S. floral retailers have benefitted greatly from duty-free imports of cut flowers both through trade agreements and GSP. Nearly 80% of cut flowers purchased in the U.S. are grown in other countries and almost 95% of imports come from countries where relief from duties is applied. For local and family-owned floral shops and wholesalers that are facing financial pressures through state actions on minimum wage, increased healthcare costs and other challenges, the cost savings from duty-free imports are significant to the health of their business— and thus the industry.

Duty-free status has resulted in about \$40 million per year staying in the floral industry rather than being diverted to federal coffers. These dollars are then used to hire additional staff, promote consumer purchases and invest in the future of family businesses. However, GSP authorization lapsed on December 31, 2020, adding significant costs to these main street businesses trying to recover from the economic impact of COVID.

Congress should reauthorize GSP, which will reinstitute the duty-free status for fresh cut flowers and provide desperately needed price certainty to struggling family businesses.