

**PRESIDENT'S LIST OF ARTICLES  
WHICH MAY BE DESIGNATED OR  
MODIFIED AS ELIGIBLE ARTICLES  
FOR PURPOSES OF THE  
U.S. GENERALIZED SYSTEM  
OF PREFERENCES**

**Report to the President on  
Investigation Nos. TA-503(a)-  
11 and 332-166**



**USITC PUBLICATION 1526**

**MAY 1984**

**UNITED STATES INTERNATIONAL TRADE COMMISSION**

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Note.--The whole of the Commission's report to the President in November 1983 may not be made public since it contains certain information that has been classified by the United States Trade Representative or would result in the disclosure of the operations of individual concerns. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.



## INTRODUCTION

On July 21, 1983, in accordance with sections 503(a) and 131(a) of the Trade Act of 1974 and pursuant to the authority of the President delegated to the U.S. Trade Representative (USTR) by Executive Order 11846, as amended by Executive Order 11947, the USTR requested advice in four areas related to the GSP: (1) the addition of certain articles to the list of GSP eligible articles, (2) the removal of certain articles from the GSP list, (3) the removal of duty-free status under the GSP for certain beneficiary developing countries for certain articles ("graduation"), and (4) a determination of whether or not certain articles are like or directly competitive with any article produced in the United States on January 3, 1975, for purposes of section 504(d) of the Act. 1/

For each article being considered for addition to the list of eligible articles, the Commission is advising the USTR as to the probable economic effect of the addition on U.S. industries producing like or directly competitive articles and on consumers. For each article being considered for removal or graduation, the Commission is advising the USTR as to the impact on U.S. industries producing like or directly competitive articles and on consumers of continued GSP status for the articles and countries in question.

The USTR requested the Commission, in providing its advice, to assume that benefits of the GSP would not apply to imports that would be excluded from receiving such benefits by virtue of the "competitive need" limitations specified in section 504(c) of the Act.

Section 504(d) of the Act exempts from one of the competitive-need limits in section 504(c) articles for which no like or directly competitive article

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1/ The USTR request, including four listings of concerned articles, is contained in appendix A.

was being produced in the United States on the date of enactment of the Act. Accordingly, pursuant to the authority of section 332(g) of the Tariff Act of 1930, the USTR requested that the Commission also provide advice with respect to whether products like or directly competitive with any articles contained in Part A of the USTR request were being produced in the United States on January 3, 1975.

In response to the USTR request, the Commission on August 5, 1983, instituted investigation Nos. TA-503(a)-11 and 332-166 for the purpose of obtaining, to the extent practicable, information for use in connection with the preparation of advice requested by the USTR. The Commission notice of investigation and hearing is contained in appendix B. 1/

A public hearing in connection with the investigation was held in the Commission hearing room, 701 E Street NW., Washington, D.C. 20436, on September 27 and 29, 1983. All interested parties were afforded an opportunity to appear by counsel or in person, to produce evidence, and to be heard. Transcripts of the hearing and copies of briefs submitted by interested parties in connection with the investigation are attached. 2/

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1/ The following Federal Register notices have been issued related to Investigation Nos. TA-503(a)-11 and 332-166:

<u>Date</u>	<u>Agency</u>	<u>Notice</u>	<u>Subject</u>
July 21, 1983	USTR	48 F.R. 33400	Initial notice.
Aug. 12, 1983	ITC	48 F.R. 36675	Initial notice of ITC investigation and hearing.

2/ A list of witnesses appearing at the Commission hearing is contained in app. C.

PRESENTATION OF PROBABLE EFFECTS ADVICE

Commodity digests

In response to the USTR request for probable effects advice, the Commission determined that an appropriate format for such an analysis would be commodity digests, each digest dealing with the effects of tariff modifications on a specific commodity area.

For each of the commodity areas being analyzed, the digests provide an analysis of the impact of the possible tariff modifications on U.S. import levels, industry and the consumer. Within each digest the probable effects advice is provided in both a textual and code format. The probable effects code provides the reader with a quick summary of the probable effects on import levels, industry, and the consumer as follows:

1. Level of U.S. imports

- Code A: nil or negligible increase (0-5 percent)
- Code B: modest increase (6-15 percent)
- Code C: significant increase (16-25 percent)
- Code D: substantial increase (over 25 percent)

2. U.S. industry

- Code A: nil or negligible adverse impact
- Code B: significant adverse impact (significant proportion of workers unemployed; declines in output; firms depart, but adverse impact not industry-wide)
- Code C: substantial adverse impact (substantial unemployment; widespread idling of productive facilities; adverse impact on the industry as a whole)

3. U.S. consumer

- Code A: Duty savings are expected to be absorbed by the foreign supplier and/or importer and will not likely benefit the industrial/intermediate consumer or the consuming public.
- Code B: Duty savings will likely benefit the industrial/intermediate consumer, but the consuming public is not expected to benefit from the duty savings (which are expected to be absorbed in the trade).
- Code C: Duty savings will likely benefit both the industrial/intermediate consumer and the consuming public (which are expected to benefit by lower prices, slower rises in prices and/or greater availability of the ultimate products).

TSUS items covered in prior investigations

GSP probable economic effect advice was provided in Investigation no. TA-503(a)-7 for the items listed below. This volume contains updated data and probable effect statements for these articles.

161.60

685.1915 (Advice previously given at 5-digit level)

## DIGEST LOCATOR

Digest numbers, titles, and the contents of each digest by TSUS item are provided below.

## A. Articles being considered for designation as eligible articles for the GSP

<u>Digest number</u>	<u>Commodity/TSUS item</u>
A101	Alfalfa seeds 126.01
A102	Certain prepared or preserved strawberries 146.85
A103	Mustard, other than ground (prepared) 161.60
A401	p-Toluenesulfonyl choride 403.05
A402	Benzoic acid 404.04
A403	Rubber processing chemicals 406.16 406.40(pt.)
A404	Other cyclic intermediate chemicals 403.16(pt.) 405.09 (pt.) 406.48(pt.)
A405	Meclizine hydrochloride 411.56(pt.)
A406	Acetyl sulfisoxazole; and sulfamerazine, sodium 411.83(pt.)
A407	Chlorpropamide and chlorothiazide 412.69(pt.)
A501	Certain colored sheet glass 542.57 542.67 542.71 542.73 542.75 542.77 542.92 542.94 542.96 542.98
A502	Certain float and plate glass 543.21 543.23 543.27 543.31 543.61 543.63 543.67 543.69
A601	Antennas 685.1915

<u>Digest number</u>	<u>Commodity/TSUS item</u>
A701	Handmade wood or clay dolls 737.24(pt.)
A702	Resin buttons and certain button blanks, molds, and parts 745.32 745.42

B. Articles being considered for removal as eligible articles for the GSP

<u>Digest number</u>	<u>Commodity/TSUS item</u>
B401	2,4-Dinitro-6-sec-butylphenol 408.22(pt.)
B402	Melamine 425.1020
B403	Citric acid 425.74
B601	Pipe & tube fittings of iron or steel 610.62 610.63 610.65 610.66 610.70 610.71 610.74 610.80
B701	Furniture of rubber and plastics, n.s.p.f. 727.50 727.8630
B703	Fishing reels valued not over \$2.70 each 731.20

C. Articles being considered to remove duty-free status from a beneficiary country for a product on the list of eligible articles for the GSP

<u>Digest number</u>	<u>Commodity/TSUS item</u>
C501	Certain glass containers 545.21 545.25 545.27 (Mexico)
C601	Porcelain-on-steel cooking and kitchen ware 654.02(pt.) (Taiwan)
C602	Portable air purifiers 661.95(pt.) (Hong Kong, Taiwan)



Digest  
number

Commodity/TSUS item

C603	Drilling machines valued under \$2,500 each 674.3227 (Taiwan)
C604	12-volt lead acid storage batteries 683.05 (Republic of Korea)
C605	Ignition wiring sets for motor vehicles 688.12 (Taiwan)
C701	Certain fixed-focus cameras 722.1205 722.1212 722.1225 (Hong Kong, Republic of Korea, Taiwan)
C702	Pianos 725.01 725.03 (Republic of Korea)



**TITLE: Alfalfa seed**

**I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status**

TSUS item No.	Description	Pre-MTM col. 1 rate of duty	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--							Col. 2 rate of duty	U.S. imports in 1982 in (1,000)	Product produced in U.S.
			1980	1981	1982	1983	1984	1985	1986			
126.01	Garden and field seeds: Alfalfa seed	1.5¢ per lb (AVE 2.0%)	1/	1/	1/	1/	1/	1/	1/	8¢ per lb (AVE 10.6%)	902	Yes.

1/ No concession was granted on this item in the Tokyo round of the Multilateral Trade Negotiations (MTN).

## II. Comments

Description and uses

The seed here considered is used in the production of one of the most widely grown cultivated forage 1/ legumes, alfalfa. The plant is a long-lived perennial legume 2/ which is high in digestible protein. The long tap roots of alfalfa, which may penetrate the soil to a depth of 25 feet, improve soil texture. Alfalfa is grown separately or with other legumes and grasses as a pasture, hay, silage, 3/ and soil-improving crop; some is dehydrated to produce alfalfa meal pellets. Of relatively recent origin is the use of sprouted alfalfa seed as an ingredient in salads; the amount of seed so used is not known, but it is small relative to that used for planting purposes.

The Federal Seed Act 7 U.S.C. 1551 §1551 (1976) requires that imported alfalfa seed for planting be stained to identify its origin. Ten percent of the alfalfa seed in each container imported from sources other than Canada or South America must be stained red, 10 percent of such seed from South America must be stained orange red, and 1 percent of such seed from Canada must be stained violet. Imported alfalfa seed must also be treated to eliminate fungus infection.

U.S. producers

Alfalfa is grown for forage in nearly every State, but principally in the North Central States. Alfalfa seed, however, is produced primarily in the

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1/ Forage is an animal feed, generally hay or pasture.

2/ Legumes are a family of plants that, with the aid of bacteria, have the ability to use atmospheric nitrogen for plant nutrition; examples include alfalfa, clover, peas, and beans.

3/ Silage is grasses, legumes, or grains which are preserved by their own fermentation in a silo.

Western States, where the climate is favorable for seed production and harvesting. In recent years, California has been the leading producer, accounting for more than 40 percent of the U.S. production. About 5,000 farms produce alfalfa seed. U.S. producers are well-established and world-renowned for the quality of their alfalfa seed.

Alfalfa seed production is a capital-intensive operation. The producer often produces seeds under the regulations of the State seed-certifying agency in order to be eligible for seed certification. <sup>1/</sup> The grower may produce seed under contract for a wholesaler, he may be a member of a cooperative, or completely independent. Most producers limit their marketing activities to large wholesalers in their area of production. The wholesaler, in turn, may be tied by contract, pricing, policy, custom, or ownership directly to midwestern or eastern distributors.

#### U.S. consumption and production

Apparent consumption of alfalfa seed increased from 74 million pounds in 1978 to 95 million pounds in 1981 and then declined slightly to 90 million pounds in 1982 (table A). Domestic producers supply virtually all of consumption.

The United States is the world's leading producer of alfalfa seed. During 1978-82, annual U.S. production of such seed increased irregularly from 92 million to 106 million pounds. In recent years, alfalfa seed has been

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<sup>1/</sup> Seed certification is the system used to keep pedigree records for crop varieties and to make available sources of genetically pure seed for general distribution.

harvested from fewer acres, but with increased yields. Forage crop seed can be stored for several years and still retain most of its viability (the ability to take root and grow). In recent years, carryover stocks of alfalfa seed have been equivalent to one-third to two-fifths of domestic output. Most of the stocks are held by seed dealers.

#### U.S. exports

During 1978-82, annual U.S. exports of alfalfa seed ranged from 11.6 million pounds in 1978 to 20.7 million pounds in 1980 and averaged 15.7 million pounds, valued at \$20.1 million (table B). Mexico, Canada, and the Republic of South Africa were the principal markets for U.S. exports, and together accounted for two-thirds of the 1982 total. Exports were equivalent to about 15 percent of production during the period under review. A decline in exports in 1982 reflects, in part, the strength of the U.S. dollar in relation to foreign currencies, Mexico's economic situation which dampened sales to that market, and reduced purchases by Australia due to drought conditions in that country; also, exports to Poland ceased because of that country's foreign exchange problems. Exports to Poland resumed during January-June 1983 and accounted for most of the increased shipments in that 6-month period compared with those in the corresponding period in 1982.

#### U.S. imports

U.S. imports of alfalfa seed are small in relation to domestic production and consumption. Canada is virtually the only foreign producer of alfalfa

Digest No.  
A101--Con.

seed that is adapted for general agricultural use in the United States (7 CFR 201.103). During 1978-82, imports increased irregularly from 107,000 pounds, valued at \$109,000, to 1.2 million pounds, valued at \$902,000 (table C). During January-June 1983, imports amounted to 1.7 million pounds, up 49 percent from those in the corresponding period of 1982. The sharp jump in imports reflects, in part, increased demand for seed owing to a new U.S. Department of Agriculture (USDA) program in 1983 to reduce certain crop surpluses (payment-in-kind program). To participate in the program, the USDA requires that growers of wheat, corn, grain sorghum, rice, and upland cotton must keep idle a portion of their crop land, which must then be put into soil conservation uses such as pasturage (which includes alfalfa).

Canada has been the leading supplier of alfalfa seed imports in recent years. Imports from GSP-eligible countries accounted for less than 1 percent of the total during 1979-82; no imports of alfalfa seed entered from Chile, the petitioner for duty-free treatment (table D). Chilean alfalfa seed is grown at various altitudes which results in seed of differing degrees of hardiness; consequently, some of the output may be suitable for use in parts of the United States. The sharp difference in the unit values of imports from different sources and from one year to the next reflects, in part, the relative quantities of high-priced certified seed and low-priced uncertified seed. Most of the imports consist of entries by U.S. seed companies to

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supplement their domestic output or to use for experimental purposes; some imports from Canada are border trade entries.

Position of interested parties

The Government of Chile is the petitioner for GSP treatment of alfalfa seed. There were no representations presented by interested parties during the investigation.



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A101--Con.

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Table A.--Alfalfa seed: U.S. beginning stocks, production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in thousands of pounds; value in thousands of dollars;  
unit value per pound)

Period	Begin- ning stocks	Production	Exports	Imports: <u>1/</u>	Apparent consump- tion	Ratio (per- cent) of imports to consumption
Quantity						
1978-----	28,268	91,725	11,572	107	74,481	<u>2/</u>
1979-----	34,547	100,235	17,063	3	77,556	<u>2/</u>
1980-----	40,166	102,140	20,723	66	76,068	<u>2/</u>
1981-----	43,581	114,955	17,097	426	94,869	<u>2/</u>
1982-----	46,996	<u>3/</u> 106,000	12,254	1,198	<u>3/</u> 90,000	1
January-June--						
1982-----	46,996	<u>4/</u>	5,961	1,113	<u>4/</u>	<u>4/</u>
1983-----	<u>4/</u>	<u>4/</u>	7,735	1,663	<u>4/</u>	<u>4/</u>
Value						
1978-----	<u>4/</u>	106,084	14,220	109	-	-
1979-----	<u>4/</u>	113,115	21,174	7	-	-
1980-----	<u>4/</u>	114,652	26,098	64	-	-
1981-----	<u>4/</u>	122,133	23,969	301	-	-
1982-----	<u>4/</u>	<u>4/</u>	14,914	902	-	-
January-June--						
1982-----	<u>4/</u>	<u>4/</u>	8,259	879	-	-
1983-----	<u>4/</u>	<u>4/</u>	7,925	1,368	-	-
Unit value						
1978-----	-	\$1.16	\$1.23	\$1.01	-	-
1979-----	-	1.13	1.24	2.28	-	-
1980-----	-	1.12	1.26	.98	-	-
1981-----	-	1.06	1.40	.71	-	-
1982-----	-	-	1.22	.75	-	-
January-June--						
1982-----	-	-	1.39	.79	-	-
1983-----	-	-	1.02	.82	-	-

1/ Canada accounted for 94 percent of the imports during 1978-82, in terms of quantity.

2/ Less than 0.5 percent.

3/ Estimated by the staff of the U.S. International Trade Commission.

4/ Not available.

Source: Production and beginning stocks, compiled from official statistics of the U.S. Department of Agriculture, except as noted; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

Note.--Unit values are calculated from the unrounded figures.

Table B.--Alfalfa seed: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	1978		1979		1980		1981		1982		January-June-- 1983	
	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)
Mexico	2,867	4,361	3,636	7,670	5,938	6,367	4,930	3,459	3,459	3,459	668	668
Canada	3,450	6,666	5,266	5,323	4,682	4,249	3,311	2,785	2,785	2,785	2,284	3,114
Rep Saf	10	6	5	22	14	1,640	888	1,986	1,986	1,986	904	904
S Arab	49	104	68	307	172	367	144	486	486	486	100	215
Italy	350	2,390	2,213	3,328	3,228	436	327	1,079	1,079	1,079	253	110
Fr Germ	1,095	258	209	963	744	1,288	859	537	537	537	537	0
Austral	1,288	1,970	1,445	2,637	1,589	3,323	1,872	347	347	347	231	535
Moroc	76	79	132	164	161	100	80	331	331	331	331	0
All other	2,387	4,739	4,088	5,628	4,326	6,197	4,686	1,245	1,245	1,245	853	3,116
Total	11,572	21,174	17,063	26,098	20,723	23,969	17,097	12,254	12,254	12,254	5,961	7,735
Mexico	3,063	4,361	3,636	7,670	5,938	6,367	4,930	3,459	3,459	3,459	668	668
Canada	4,550	6,666	5,266	5,323	4,682	4,249	3,311	2,785	2,785	2,785	2,284	3,114
Rep Saf	12	6	5	22	14	1,640	888	1,986	1,986	1,986	904	904
S Arab	63	104	68	307	172	367	144	486	486	486	100	215
Italy	353	2,390	2,213	3,328	3,228	436	327	1,079	1,079	1,079	253	110
Fr Germ	1,222	258	209	963	744	1,288	859	537	537	537	537	0
Austral	1,970	1,970	1,445	2,637	1,589	3,323	1,872	347	347	347	231	535
Moroc	79	79	132	164	161	100	80	331	331	331	331	0
All other	2,907	4,739	4,088	5,628	4,326	6,197	4,686	1,245	1,245	1,245	853	3,116
Total	14,220	21,174	17,063	26,098	20,723	23,969	17,097	12,254	12,254	12,254	5,961	7,735
Mexico	01.07	01.20	01.29	01.29	01.29	01.29	01.29	01.15	01.15	01.15	01.43	01.07
Canada	1.32	1.27	1.19	1.19	1.20	1.20	1.20	1.15	1.15	1.15	1.20	1.14
Rep Saf	1.20	1.22	1.56	1.56	1.85	1.85	1.85	1.28	1.28	1.28	1.56	1.56
S Arab	1.30	1.53	1.78	1.78	2.55	2.55	2.55	1.70	1.70	1.70	2.10	1.26
Italy	1.01	1.08	1.03	1.03	1.33	1.33	1.33	0.75	0.75	0.75	1.42	1.08
Fr Germ	1.12	1.23	1.29	1.29	1.50	1.50	1.50	1.33	1.33	1.33	1.33	1.39
Austral	1.53	1.72	1.66	1.66	1.78	1.78	1.78	1.65	1.65	1.65	1.72	1.72
Moroc	1.04	1.24	1.37	1.37	1.25	1.25	1.25	1.52	1.52	1.52	1.52	1.52
All other	1.22	1.16	1.28	1.28	1.32	1.32	1.32	1.41	1.41	1.41	1.46	0.82
Average	1.23	1.24	1.26	1.26	1.40	1.40	1.40	1.22	1.22	1.22	1.39	1.02

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Alfalfa seed: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity (1,000 pounds)					Value (1,000 dollars)		Unit value (per pound)	
	1978	1979	1980	1981	1982	1982	1983	1982	1983
Canada	20	2	62	413	1,189	1,113	987		
Austral	0	0	0	0	9	0	1/		
Italy	1	0	0	1	1/	0	256		
Nethlds	0	0	0	0	1/	1/	0		
Pakistn	0	0	0	12	0	0	0		
N Zeal	1	0	0	1/	0	0	0		
France	1	0	2	0	0	0	88		
Mexico	0	0	1	0	0	0	0		
All other	85	1	1/	0	0	0	331		
Total	107	3	66	426	1,198	1,113	1,663		
Canada	36	6	57	290	890	878	924		
Austral	1	0	0	2	11	0	1/		
Italy	0	0	0	0	1	0	166		
Nethlds	0	0	0	0	1	1	0		
Pakistn	0	0	0	7	0	0	0		
N Zeal	4	0	5	1	0	0	60		
France	0	0	2	0	0	0	0		
Mexico	0	0	0	0	0	0	0		
All other	68	1	1	0	0	0	209		
Total	109	7	64	301	902	878	1,368		
Canada	01.75	02.65	00.92	00.70	00.75	00.79	00.94		
Austral	0	0	0	0	1.16	0	0.91		
Italy	1.93	0	0	2.04	2.29	0	0.65		
Nethlds	0	0	0	0	920.00	920.00	0		
Pakistn	0	0	0	0.58	0	0	0		
N Zeal	3.19	0	0	4.88	0	0	0.78		
France	0	0	0	0	0	0	0		
Mexico	0.80	1.44	2.44	0	0	0	0.63		
Average	1.01	2.28	0.98	0.71	0.75	0.79	0.82		

1/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table D.--Alfalfa seed: U.S. imports by certain world areas including designated GSP countries, 1979-82 and January-June 1983

Item	1979	1980	1981	1982	January - June 1983	
					Imports	Percentage distribution
Quantity (1,000 pounds)						
Gross imports-----	3	66	426	1,198	1,663	100
26 developed cttries, total:	3	65	414	1,198	1,354	81
GSP countries, total-----	0	1	12	0	0	
Mexico-----	0	1	0	0	0	
Argent-----	0	0	0	0	0	
Pakistan-----	0	0	12	0	0	
Other-----	0	0	0	0	309	19
Value (1,000 dollars)						
Gross imports-----	7	64	301	902	1,368	100
26 developed cttries, total:	7	62	294	902	1,182	86
GSP countries, total-----	-	2	7	-	-	
Mexico-----	-	2	-	-	-	
Argent-----	-	-	-	-	-	
Pakistan-----	-	-	7	-	-	
Other-----	-	-	-	-	185	14

Source: Compiled from official statistics of the U.S. Department of Commerce.



**TITLE: Certain prepared or preserved strawberries**

**I. TSUS item number; description; tariff rate information; U.S. imports in 1982; competitive status**

TSUS item No.	Description	(Percent ad valorem)										Col. 2 rate of duty	U.S. imports in 1982 in U.S. (\$1,000)	Product in U.S. 1/3/75
		Pre-1974 col. 1 rate of duty	1980	1981	1982	1983	1984	1985	1986	1987	rate of duty			
146.85	Berries, fresh, or prepared or preserved; Fresh, in brine, dried, or frozen. Otherwise prepared or preserved; Strawberries-----	14%	1/	1/	1/	1/	1/	1/	1/	1/	1/	35%	455	Yes.

1/ Rate not modified in the Tokyo round of the Multilateral Trade Negotiations.

## II. Comments

Description and uses

The article under review is strawberries prepared or preserved in any manner other than by being frozen, dried, or in brine, as provided for in TSUS item 146.85, subpart B, part 9 of schedule 1. Headnote 1(e) to subpart B excludes certain kinds of products from the definition of "prepared or preserved;" the principal strawberry products so excluded are strawberry paste and pulp, and strawberry jelly and jam. Products which are covered by TSUS item 146.85 include strawberry preserves, strawberries heat-sterilized in airtight containers of glass or metal (canned strawberries), and strawberries aseptically packed. Strawberries which might appear fresh or chilled but are advanced beyond their crude or natural state also would be classified under TSUS item 146.85 1/, as would any other forms of strawberry preparation or preservation not elsewhere provided for in the TSUS.

Strawberries are processed for many end-uses, chief among them are jams, jellies, and preserves; desserts and dessert toppings; and flavoring for ice cream and yogurts. For such uses most strawberries are first processed into frozen strawberries 2/ before being reprocessed by the end-use manufacturers.

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1/ A U.S. Customs Service internal advice memorandum (139/80) in September 1980 discusses certain classification issues between "fresh," which is defined in headnote 1(a) to subpart B of part 9 of Schedule 1, and "otherwise prepared or preserved."

2/ Frozen strawberries, upon a petition from Chile, were under review for GSP eligibility in 1981 and became a GSP eligible article effective March 31, 1982.



Strawberry preserves (which comprised most of the imports under TSUS item 146.85 in recent years) are used largely as a spread in a manner similar to jam, except that the preserves contain pieces of fruit.

Canned strawberries are used mostly in desserts by retail consumers; such strawberries are not popular with end-use manufacturers, partly because the cooked berries lack firmness. Aseptically-packed strawberries, a relatively new product, are used largely in industries where sterile conditions are very important, such as yogurt manufacturing.

#### U.S. customs treatment

Two customs classification decisions where articles have been found classifiable under TSUS item 146.85 are of note for this review.

A Customs Court decision has held that strawberries processed and packed in a manner which substantially retains the shape of the strawberry in its natural condition is not a jam. <sup>1/</sup> Thus, strawberry preserves in which the fruit remains largely whole or in visible pieces are classified for duty purposes as otherwise prepared or preserved strawberries (currently TSUS item 146.85).

In a 1981 decision on a difference of opinion concerning strawberry flavorbase, the U.S. Customs Service held that the inclusion of a modified starch stabilizer and other ingredients with strawberries, so that the viscosity was sufficient to suspend the fruit, did not remove the classification of the flavorbase from the provision for otherwise prepared

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<sup>1/</sup> Goldfarb V. U.S., 55 Cust. Ct. 120 (1965).

or preserved strawberries 1/. This decision, in effect, reversed an earlier classification ruling made in 1973 (T.D. 73-262(7) 7 Cust. B & Dec. 766(1973)).

#### U.S. producers

Processors of strawberries are located throughout the United States. There are an estimated 29 firms with production of \$100,000 or more that produce strawberry preserves and jams. Frozen strawberries, which are produced by about 80 U.S. firms, are produced predominately in California. Canned strawberries are produced probably by not more than a dozen U.S. firms, chiefly located in the Pacific Northwest. Information on the number of producers of aseptically-packed strawberries is not available.

#### U.S. consumption and production

During 1978-82, U.S. consumption and production of the type of processed strawberries that are dutiable under TSUS item 146.85 is estimated at 40 million pounds annually (table A-1).

During 1978-82, U.S. consumption of all processed strawberries increased irregularly from 333 million pounds in 1978 to 412 million pounds in 1982, or by 24 percent (table A-2). Nearly all of the consumption was comprised of frozen strawberries processed by industrial users to manufacture end-use products. During 1978-82, U.S. production of all processed strawberries (converted from fresh weight to an estimated product-weight basis) increased irregularly from 236 million pounds in 1978 to 381 million pounds in 1982, or by 61 percent.

Of the consumption of all processed strawberries, it is estimated that perhaps one-half are consumed as preserves or jams, one-quarter in desserts or

ice cream, from 5 percent to 10 percent in yogurt, and the balance in miscellaneous uses including a small percentage as canned strawberries.

#### U.S. exports

During 1978-82, U.S. exports of all processed strawberries (nearly all frozen strawberries) are estimated to have ranged from 4 million to 10 million pounds annually (table A-2). Exports of canned strawberries (the article petitioned for) are believed to be negligible or nil.

#### U.S. imports

During 1978-82, U.S. imports of otherwise prepared or preserved strawberries, under TSUS item 146.85, declined 38 percent from 954,000 pounds in 1978 to 596,000 pounds in 1982, and based on January-June data for 1982 and 1983, imports are likely to decline further in 1983 (table B). Non-GSP eligible countries were the principal suppliers in 1982. However, in recent years when GSP eligible suppliers were in the market, such as Mexico in 1981 and Israel in 1980, they were the predominant suppliers, providing products of comparable quality at unit values below the average unit value for all sources (table C-1). For January-June 1983, GSP-eligible countries supplied 19 percent of the value of the imports.

During 1978-82, U.S. imports of otherwise prepared or preserved strawberries under TSUS item 146.85 accounted for 1 percent of the average annual imports of all processed strawberries. During that period, U.S. imports of all processed strawberries declined from 106 million pounds in 1978 to 38 million pounds in 1982 (table A-2). The relative importance of the different forms in which processed strawberries are imported is illustrated in

the following tabulation for the years 1978, 1980, and 1982, as compiled from official statistics of the U.S. Department of Commerce:

(Quantity in millions of pounds)				
Processed form of strawberries	U.S. imports			
	1978	1980	1982	
Frozen-----	97.6	83.5	34.9	
Pulp and paste-----	6.5	4.3	1.4	
Jams and jellies-----	1.0	1.6	1.1	
Otherwise prepared or preserved (item 146.85)---	1.0	.7	.6	
Total-----	106.1	90.1	38.0	

Nearly all of the U.S. imports of processed strawberries (mostly frozen strawberries) are not covered under TSUS item 146.85 and are from suppliers that are designated GSP beneficiary countries, mostly Mexico (tables C-2). Imports of frozen strawberries, which are subject to a 14 percent ad valorem rate of duty (the same rate applicable under TSUS item 146.85), became eligible for duty-free entry under the GSP effective March 31, 1982, except that Mexico was excluded from the benefits due to competitive need limitations. However, Mexico was not a significant supplier of otherwise prepared or preserved strawberries in 1982 and would not be excluded from GSP benefits under competitive need limitations, should GSP treatment be granted to TSUS item 146.85. U.S. imports of strawberry pulp and paste are subject to a U.S. rate of duty of 15 percent ad valorem and are not GSP eligible; virtually all imports are from Mexico. The rate of duty applicable to strawberry jams and jellies is 3 percent ad valorem, and imports are eligible for GSP treatment; in recent years nearly all imports have been from non-GSP suppliers.

Position of interested parties

The petitioner for granting GSP treatment to canned strawberries was Chile.

The Processing Strawberry Advisory Board of California (PSAB) opposes Chile's petition to add canned strawberries, TSUS item 146.85, to the list of articles eligible for GSP treatment. They assert that the high cost of research and development of new strawberry varieties (which are then used by foreign producers free of such costs) and lower foreign prices put domestic producers and processors of strawberries at a competitive disadvantage with foreign producers. The PSAB also asserts that lower quality of the foreign product disadvantages domestic consumers of both domestic and foreign-produced processed strawberries.

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## IV. Statistical Data

Table A-1.--Strawberries, otherwise prepared or preserved: 1/ U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82

(Quantity in thousand of pounds; value in thousands of dollars; unit value cents per pound)

Period	Production <u>2/</u>	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1978-----	40,000	<u>3/</u>	954	40,954	2
1979-----	40,000	<u>3/</u>	761	40,761	2
1980-----	40,000	<u>3/</u>	734	40,734	2
1981-----	40,000	<u>3/</u>	662	40,662	2
1982-----	40,000	<u>3/</u>	596	40,596	1
Value					
1978-----	<u>4/</u>	<u>3/</u>	235	-	-
1979-----	<u>4/</u>	<u>3/</u>	230	-	-
1980-----	<u>4/</u>	<u>3/</u>	380	-	-
1981-----	<u>4/</u>	<u>3/</u>	347	-	-
1982-----	<u>4/</u>	<u>3/</u>	445	-	-
Unit value					
1978-----	<u>4/</u>	<u>3/</u>	25	-	-
1979-----	<u>4/</u>	<u>3/</u>	30	-	-
1980-----	<u>4/</u>	<u>3/</u>	52	-	-
1981-----	<u>4/</u>	<u>3/</u>	52	-	-
1982-----	<u>4/</u>	<u>3/</u>	75	-	-

1/ TSUS item 146.85.2/ Estimated. Chiefly strawberry preserves.3/ Not available but believed to be negligible.4/ Not available.

Source: Production and exports, estimated by staff of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

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Table A-2.--Strawberries, processed: 1/ U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82

(Quantity in thousand of pounds; value in thousands of dollars; unit value cents per pound)

Period	Production <u>2/</u>	Exports <u>3/</u>	Imports <u>4/</u>	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1978-----	236,000	9,535	106,063	332,500	32
1979-----	263,000	5,159	120,974	378,800	32
1980-----	285,000	4,364	90,092	370,700	24
1981-----	265,000	6,561	65,744	324,200	20
1982-----	381,000	7,127	37,994	411,900	9
Value					
1978-----	34,102	3,586	94,016	-	-
1979-----	57,745	2,443	111,450	-	-
1980-----	57,661	2,037	83,461	-	-
1981-----	57,858	3,957	58,437	-	-
1982-----	99,038	4,778	31,525	-	-
Unit value					
1978-----	19	38	89	-	-
1979-----	29	47	92	-	-
1980-----	26	47	93	-	-
1981-----	28	60	89	-	-
1982-----	34	67	83	-	-

1/ Processed for all uses including frozen, canned, preserves, pulp, jelly, jam, and other uses.

2/ Fresh farm weight adjusted for estimated average weight gain (30 percent) in producing the processed products; values and unit values relate to the fresh farm weight.

3/ Frozen strawberries only.

4/ Chiefly frozen strawberries.

Source: Production, compiled from official statistics of the U.S. Department of Agriculture as noted; exports and imports, compiled from official statistics of the U.S. Department of Commerce.

Table B.--Strawberries, otherwise prepared or preserved: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity (1,000 pounds)					Value (1,000 dollars)						
	1978	1979	1980	1981	1982	1983	1978	1979	1980	1981	1982	1983
U King	6	3	27	37	144	43	0.71	0.95	01.13	01.46	01.24	01.39
Poland	18	49	46	255	261	257	.31	.29	.38	.36	.41	.37
France	3	28	16	51	58	21	2.03	.61	1.20	1.02	1.12	1.01
Canada	0	40	361	17	59	55	-	.36	.49	.75	.49	.53
Switzld	3	11	4	6	25	9	1.33	.61	1.18	.58	1.00	1.04
Brazil	0	0	0	0	20	0	-	-	-	.86	-	-
Belgium	0	0	0	0	11	0	-	-	-	.74	-	-
Israel	8	72	216	42	9	0	.43	.42	.30	.81	-	.81
All other	913	558	63	254	8	7	.23	.26	.55	.82	.70	.30
Total	954	761	734	662	596	383	.25	.30	.52	.75	.58	.75
Unit value (per pound)												
U King	6	3	31	55	179	60	0.71	0.95	01.13	01.46	01.24	01.39
Poland	6	14	18	92	107	106	.31	.29	.38	.36	.41	.37
France	7	17	20	52	65	24	2.03	.61	1.20	1.02	1.12	1.01
Canada	-	14	177	13	29	27	-	.36	.49	.75	.49	.53
Switzld	4	7	5	3	26	9	1.33	.61	1.18	.58	1.00	1.04
Brazil	-	-	-	-	17	-	-	-	-	.86	-	-
Belgium	-	-	-	-	8	-	-	-	-	.74	-	-
Israel	3	30	96	13	7	20	.43	.42	.30	.81	-	.81
All other	210	144	35	121	6	5	.23	.26	.55	.82	.70	.30
Total	235	230	380	347	445	222	.25	.30	.52	.75	.58	.75

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Data are for TSUS item 146.85.



Table C-2.--Strawberries, frozen: U.S. imports by certain world areas including designated GSP countries, 1979-82 and January-June 1983

Item	Quantity (1,000 pounds)				January - June 1983 Imports	Percentage distribution
	1979	1980	1981	1982		
Gross imports	112,159	83,471	60,122	34,858	31,607	100
26 developed countries, total	8,158	5,181	5,852	4,838	3,782	12
GSP countries, total	104,001	78,291	54,271	30,020	27,825	88
Mexico	103,868	78,291	54,229	29,938	26,168	83
Portugal	0	0	0	79	0	
Israel	16	0	0	3	20	1/
Salvadr	56	0	0	0	0	
Colomb	40	0	0	0	0	
Chile	22	0	0	0	1,638	5
Yugosl	0	0	41	0	0	
Other	0	0	0	0	0	
	Value (1,000 dollars)					
Gross imports	34,408	26,812	25,225	17,508	12,514	100
26 developed countries, total	2,623	1,891	2,248	2,188	1,539	12
GSP countries, total	31,785	24,921	22,977	15,320	10,975	88
Mexico	31,741	24,921	22,961	15,222	10,264	82
Portugal	-	-	-	96	-	
Israel	7	-	-	2	6	1/
Salvadr	15	-	-	-	-	
Colomb	14	-	-	-	-	
Chile	7	-	-	-	705	6
Yugosl	-	-	16	-	-	
Other	-	-	-	-	-	

1/ Less than 0.5 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.



TITLE: Mustard, other than ground (prepared)  
 TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No.	Description	Pre-MTM col. 1 rate of duty	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--					Col. 2 rate of duty	U.S. imports in 1982 in (\$1,000)	Product in U.S. on 1/3/75	
			1980	1981	1982	1983	1984				1985
161.60	Mustard, other than ground (prepared)	2¢ per lb. (AVE 2.4%)	1/	1/	1/	1/	1/	1/	10¢ per lb.	\$2,423	Yes.

1/ No concession was granted on this item in the Tokyo round of the Multilateral Trade Negotiations (MTN).

## II. Comments

Description and uses

Prepared mustard is a paste composed of a mixture of ground mustard seed or mustard flour and sweetening agents, salt, vinegar, and other spices (often including turmeric). Most of the mustard consumed in the United States is in the form of prepared mustard.

Prepared mustard is a popular seasoning for meats (particularly sandwich meats and hotdogs), meat dishes, and other prepared foods.

Producers

New York, California, and Wisconsin are the principal producing States and contain over a third of the approximately 100 domestic producing establishments. These firms vary widely in size and are distributed throughout the country. However, a few large firms distributing nationally advertised brands control a large share of the market.

U.S. consumption, production

During 1980-82, domestic consumption of prepared mustard is estimated to have steadily trended upward from 450 million to 461 million pounds (table A). Domestic producers supplied virtually all of domestic consumption. Trade and industry sources indicate the steadily increasing consumption of prepared mustard is related to population growth and the acquired taste for this product as a complement to meat. Production of prepared mustard during 1978-82 is estimated to have increased steadily from 438 million pounds, valued at \$107 million, to 461 million pounds, valued at \$171 million.



U.S. exports

During 1978-82, U.S. exports of ground or prepared mustard (separate data for prepared mustard are not available) decreased irregularly from 3.3 million pounds, valued at \$1.3 million, to 3.1 million pounds, valued at \$1.5 million (table B). Japan was the chief market, accounting for 16 percent, by value, of 1982 exports. Saudi Arabia, Greece, and Canada were also major markets, accounting for 8, 7, and 7 percent, respectively.

U.S. imports

During 1980-82 (separate data for prepared mustard were not available until 1980), U.S. imports of prepared mustard increased from 2.5 million pounds, valued at \$2.1 million, to 2.9 million pounds, valued at \$2.4 million (table C). France was the principal source of imports in 1982, accounting for 87 percent, by value, of total imports. Other suppliers of note were the United Kingdom, West Germany, and Canada. In 1982, GSP-eligible countries supplied 18,000 pounds of prepared mustard, valued at \$15,000 (table D). Most of the prepared mustard imported from France is considered to be a high quality mustard because of the high standards used in the selection and processing of seed. In general, prepared mustard from European suppliers is considered by some to be a specialty or gourmet product and often commands a premium price over the domestic article.

Position of interested parties

The petition for granting GSP treatment to prepared mustard was presented by the Government of Peru (FOPEX). There were no representations presented by interested parties during the investigation.

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Table A.--Prepared mustard: U.S. production, foreign trade, and consumption, 1978-82, January-June 1982 and January-June 1983

(Quantity in millions of pounds; value in millions of dollars;  
unit value per pound)

Period	Production <u>1/</u>	Exports <u>2/</u>	Imports	Consumption	Ratio (per- cent) of imports to consumption
Quantity					
1978-----	437.8	3.3	<u>3/</u>	-	-
1979-----	443.7	3.3	<u>3/</u>	-	-
1980-----	449.7	2.7	2.5	449.5	.6
1981-----	455.6	3.4	2.5	454.7	.5
1982-----	460.7	3.1	2.9	460.5	.6
January-June--					
1982-----	<u>3/</u>	1.7	1.3	-	-
1983-----	<u>3/</u>	1.6	1.6	-	-
Value					
1978-----	106.6	1.3	<u>3/</u>	-	-
1979-----	119.4	1.2	<u>3/</u>	-	-
1980-----	133.7	1.3	2.1	-	-
1981-----	149.7	1.5	2.2	-	-
1982-----	170.6	1.5	2.4	-	-
January-June--					
1982-----	<u>3/</u>	.8	1.2	-	-
1983-----	<u>3/</u>	.7	1.3	-	-
Unit value					
1978-----	\$0.24	\$0.38	<u>3/</u>	-	-
1979-----	.27	.36	<u>3/</u>	-	-
1980-----	.30	.50	\$0.84	-	-
1981-----	.33	.45	.88	-	-
1982-----	.37	.48	.84	-	-
January-June--					
1982-----	<u>3/</u>	.49	.92	-	-
1983-----	<u>3/</u>	.42	.83	-	-

1/ Estimated from the reported quantity and value of prepared mustard as reported by the U.S. Department of Commerce in 1977 Census of Manufactures-Industry Series. Quantity has been converted from gallons to pounds through a conversion factor of 8.5 pounds per 1 gallon of prepared mustard.

2/ Includes ground and prepared mustard.

3/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table B.--Mustard, ground or prepared: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	1978		1979		1980		1981		1982		January-June-- 1983	
	Quantity (1,000 pounds)											
Japan	1,058		1,015		770		778		738		422	
Arab	191		268		21		27		248		139	
reece	23		51		110		101		156		94	
anada	393		725		305		540		332		136	
lomb	53		132		85		78		115		59	
ustral	1		3		25		0		146		138	
inidad	63		57		78		49		75		16	
ndisia	53		0		28		35		77		36	
ll other	1,456		1,053		1,247		1,793		1,222		670	
Total	3,291		3,302		2,669		3,402		3,108		1,711	
Value (1,000 dollars)												
Japan	385		329		317		312		242		130	
Arab	99		122		10		13		118		62	
reece	12		33		72		77		111		72	
anada	72		129		114		135		97		60	
lomb	41		96		51		50		87		54	
ustral	1		1		14		-		63		59	
inidad	42		39		51		21		62		14	
ndisia	29		-		20		26		54		26	
ll other	584		456		696		890		657		356	
Total	1,263		1,205		1,344		1,523		1,492		832	
Unit value (per pound)												
Japan	\$0.36		\$0.32		\$0.41		\$0.40		\$0.33		\$0.31	
Arab	0.52		0.46		0.47		0.47		0.48		0.45	
reece	0.52		0.64		0.66		0.76		0.71		0.76	
anada	0.18		0.18		0.37		0.25		0.29		0.44	
lomb	0.77		0.73		0.60		0.64		0.76		0.91	
ustral	1.07		0.42		0.56		-		0.43		0.43	
inidad	0.66		0.68		0.66		0.43		0.83		0.87	
ndisia	0.54		-		0.72		0.73		0.70		0.72	
ll other	0.40		0.43		0.56		0.50		0.54		0.53	
Average	0.38		0.36		0.50		0.45		0.48		0.49	

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Mustard, other than ground(prepared): U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	1978 1/		1979 1/		1980		1981		1982		January-June-- 1982		1983	
	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)
France	-	-	-	-	1,601	1,972	2,117	986	1,220	924	844	844	844	844
King	-	-	-	-	293	212	321	85	118	130	130	130	130	130
Germany	-	-	-	-	210	180	243	124	129	118	118	118	118	118
Canada	-	-	-	-	356	52	114	82	53	86	86	86	86	86
Japan	-	-	-	-	7	6	6	3	6	10	10	10	10	10
Philippines	-	-	-	-	2	18	24	6	28	4	4	4	4	4
Guiana	-	-	-	-	0	0	17	0	0	17	17	17	17	17
Sweden	-	-	-	-	3	5	6	2	4	2	2	2	2	2
Other	-	-	-	-	47	20	40	22	24	28	28	28	28	28
<b>Total</b>	-	-	-	-	<b>2,520</b>	<b>2,465</b>	<b>2,888</b>	<b>1,326</b>	<b>1,581</b>	<b>2,423</b>	<b>1,223</b>	<b>1,223</b>	<b>1,223</b>	<b>1,319</b>
<b>Unit value (per pound)</b>														
France	-	-	-	-	\$0.91	\$0.82	\$0.79	\$0.86	\$0.76	\$0.82	\$0.86	\$0.86	\$0.86	\$0.76
King	-	-	-	-	0.78	1.17	0.87	1.53	0.77	0.91	0.91	0.91	0.91	0.77
Germany	-	-	-	-	1.08	0.91	0.85	0.92	0.92	0.91	0.91	0.91	0.91	0.77
Canada	-	-	-	-	0.37	1.65	1.50	1.05	2.25	1.65	1.65	1.65	1.65	2.25
Japan	-	-	-	-	2.95	3.27	3.24	3.66	3.48	3.27	3.27	3.27	3.27	3.48
Philippines	-	-	-	-	0.97	0.65	0.77	0.70	0.64	0.65	0.65	0.65	0.65	0.64
Guiana	-	-	-	-	-	-	1.00	1.00	-	-	-	-	-	-
Sweden	-	-	-	-	1.38	1.18	1.15	1.17	1.14	1.18	1.17	1.17	1.17	1.14
Other	-	-	-	-	0.68	1.09	0.71	0.59	0.98	0.68	0.68	0.68	0.68	0.98
<b>Average</b>	-	-	-	-	<b>0.84</b>	<b>0.88</b>	<b>0.84</b>	<b>0.92</b>	<b>0.83</b>	<b>0.84</b>	<b>0.84</b>	<b>0.84</b>	<b>0.84</b>	<b>0.83</b>

1/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table D.--Mustard, other than ground(prepared): U.S. imports by certain world areas including designated GSP countries, 1979-82 and Jan - June 1983

Item	1979 1/		1980	1981	1982	January - June 1983	
	Quantity (1,000 pounds)		Quantity (1,000 pounds)		Imports	Percentage distribution	
Gross imports	-	2,520	2,465	2,888	1,581	100	
Developed countries, total:	-	2,502	2,450	2,867	1,560	99	
SP countries, total	-	16	12	18	21	1	
Hong Kong	-	7	3	7	6	2/	
China	-	9	6	6	13	1	
Korea	-	0	1	1	0		
Israel	-	0	0	3	0		
India	-	0	1	1	1	2/	
Mexico	-	0	0	3/	0	2/	
Argentina	-	0	0	0	0		
Thailand	-	0	2	0	0		
Other GSP	-	1	0	0	0		
Other	-	1	3	4	3/	2/	
Value (1,000 dollars)							
Gross imports	-	2,104	2,170	2,423	1,319	100	
Developed countries, total:	-	2,093	2,158	2,405	1,300	99	
SP countries, total	-	10	11	15	18	1	
Hong Kong	-	5	3	6	3	2/	
China	-	5	4	4	14	1	
Korea	-	-	2	2	-		
Israel	-	-	1	2	-	2/	
India	-	-	1	1	3/		
Mexico	-	-	-	1	-		
Argentina	-	-	-	-	1		
Thailand	-	1	-	-	-	2/	
Other GSP	-	-	-	-	-		
Other	-	1	1	3	1	2/	

1/ Not available.  
 2/ Less than 0.5 percent.  
 3/ Less than 500.



Also, the major foreign producers are more competitive in world markets because of their generally lower prices compared with the U.S. product.

#### U.S. imports

During 1978-82, U.S. imports of p-toluenesulfonyl chloride increased from 279,000 pounds to 1.1 million pounds (table B). The principal sources of this chemical during this period were Japan and the Netherlands. During January-June 1983, imports of this chemical amounted to 894,000 pounds, an increase of 50 percent compared with imports in the corresponding period in 1982. Small amounts of this chemical were imported from India, a GSP-beneficiary country, beginning in 1981 through the first 6 months of 1983. The Republic of Korea, another GSP-beneficiary country, also began exporting small amounts of this chemical to the United States in 1982 (table C).

There is no difference in quality between the domestic and the imported chemicals; pure grades of this chemical can be obtained from both sources. A determining factor to suppliers, consequently, is the cost of the chemical. In 1982, the unit value of the imported chemical was \$1.00 per pound as compared with approximately \$1.50 per pound for the domestic chemical.

#### Position of interested parties

The Government of the Republic of Korea is the petitioner requesting GSP status for p-toluenesulfonyl chloride (item 403.05). The granting of GSP status will enable Korea to be more competitive with other major exporters of this chemical (e.g., Japan) to the U.S. market; according to the petitioner, it will also benefit the domestic consumers by providing more competitive prices. No submissions were received from other interested parties.



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Table A.--p-Toluenesulfonyl chloride: U.S. production, foreign trade,  
apparent consumption, and ratio of imports to consumption(Quantity in thousands of pounds; value in thousands of dollars;  
unit value per pound)

Period	Production	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1978-----	***	<u>1/</u>	279	***	***
1979-----	***	<u>1/</u>	642	***	***
1980-----	***	<u>1/</u>	871	***	***
1981-----	***	<u>1/</u>	950	***	***
1982-----	***	<u>1/</u>	1,056	***	***
Jan.-June:					
1982-----	<u>2/</u>	<u>1/</u>	597	-	-
1983-----	<u>2/</u>	<u>1/</u>	894	-	-
Value					
1978-----	***	<u>1/</u>	250	***	***
1979-----	***	<u>1/</u>	814	***	***
1980-----	***	<u>1/</u>	1,263	***	***
1981-----	***	<u>1/</u>	908	***	***
1982-----	***	<u>1/</u>	1,051	***	***
Jan.-June:					
1982-----	<u>2/</u>	<u>1/</u>	597	-	-
1983-----	<u>2/</u>	<u>1/</u>	712	-	-
Unit value					
1978-----	***	-	\$0.90	-	-
1979-----	***	-	1.27	-	-
1980-----	***	-	1.45	-	-
1981-----	***	-	.96	-	-
1982-----	***	-	1.00	-	-
Jan.-June:					
1982-----	<u>2/</u>	-	1.00	-	-
1983-----	<u>2/</u>	-	.80	-	-

1/ Negligible.2/ Not available.Source: U.S. production, U.S. International Trade Commission, Synthetic Organic Chemicals, United States Production and Sales, annual reports, 1978-82.

Table B.--p-Toluenesulfonyl chloride: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity (1,000 pounds)					
	1978	1979	1980	1981	1982	January-June-- 1983
Nethlds	145	238	397	444	454	258
Japan	100	398	474	469	539	298
India	7	0	0	29	60	37
Kor Rep	0	0	0	0	4	4
Belgium	21	0	0	8	0	0
U King	0	6	0	1/	0	0
Fr Germ	0	1/	0	0	0	0
Italy	6	0	0	0	0	0
All other	1/	0	0	0	0	0
Total	279	642	871	950	1,056	597
						894
	Value (1,000 dollars)					
Nethlds	123	288	517	434	508	280
Japan	95	517	745	443	479	265
India	6	-	-	19	37	24
Kor Rep	-	-	-	-	28	28
Belgium	19	-	-	8	-	-
U King	-	7	-	5	-	-
Fr Germ	-	1/	-	-	-	-
Italy	6	-	-	-	-	-
All other	1/	-	-	-	-	-
Total	250	814	1,263	908	1,051	597
						712
	Unit value (per pound)					
Nethlds	90.85	91.21	91.30	90.98	91.12	91.09
Japan	0.95	1.30	1.57	0.94	0.89	0.89
India	0.93	-	-	0.65	0.61	0.63
Kor Rep	-	-	-	-	7.60	7.60
Belgium	0.93	-	-	1.01	-	-
U King	-	1.22	-	2,520.00	-	-
Fr Germ	-	4.49	172.50	-	-	-
Italy	0.91	-	-	-	-	-
All other	54.56	-	-	-	-	-
Average	0.90	1.27	1.45	0.96	1.00	1.00
						0.80

1/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--p-Toluenesulfonyl chloride: U.S. imports by certain world areas including designated GSP countries, 1979-82 and Jan - June 1983

Item	Quantity (1,000 pounds)				January - June 1983 Imports	Percentage distribution
	1979	1980	1981	1982		
Gross imports	642	871	950	1,056	894	100
26 developed cttries, total:	642	871	921	993	872	98
GSP countries, total	0	0	29	63	22	2
India	0	0	29	60	20	2
Kor Rep	0	0	0	4	2	1/
Other	0	0	0	0	0	0
Value (1,000 dollars)						
Gross imports	814	1,263	908	1,051	712	100
26 developed cttries, total:	814	1,263	890	987	697	98
GSP countries, total	-	-	19	65	15	2
India	-	-	19	37	13	2
Kor Rep	-	-	-	28	1	1/
Other	-	-	-	-	-	-

1/ Less than 0.5 percent.  
2/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

TITLE: Benzoic acid

I. TSUS item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No.	Description	Pre-MTN col. 1 rate of duty 1/	(Cents per pound; percent ad valorem)					Col. 2 rate of duty	U.S. imports in 1982 : (\$1,000)	Product produced in U.S. : on 1/3/75			
			1980 2/	1981	1982	1983	1984				1985	1986	1987
404.04	Benzoic acid	1.7¢ + 12.5% (AVE 12.7%)	1.3¢ + 12.5% (AVE 12.7%)	0.9¢ + 12.5% (AVE 12.7%)	0.6¢ + 12.5% (AVE 12.8%)	0.2¢ + 12.5% (AVE 12.8%)	12%	10.6%	9.3%	8%	7¢ + 40%	\$880 3/	Yes.

1/ Rate effective prior to July 1, 1980.

2/ Rate effective after July 1, 1980.

3/ Estimated by the staff of the U.S. International Trade Commission.

## II. Comments

Description and uses

Benzoic acid is a synthetic organic chemical derived principally from toluene. This chemical is used primarily as a broad-based intermediate in the manufacture of plasticizers, resins, dyes, drugs, flavors, and perfumes. It is also used as a food additive and in the production of phenol. This chemical is available in two grades, technical and pharmaceutical (U.S.P). Only the technical-grade benzoic acid is included in this digest, as the pharmaceutical-grade benzoic acid is classified in TSUS item 410.56. The major use of benzoic acid, excluding its use to produce phenol, is in the production of glycol dibenzoate plasticizers which are used as stabilizers in vinyl resins. Benzoic acid is also used in the production of sodium benzoate, a food preservative, and of benzoyl chloride, an initiator and curing agent in the production of polymers (i.e., plastics).

U.S. producers and employment

During 1978-82, there were four domestic producers of technical-grade benzoic acid. These four producers operate five plants with a total annual capacity of approximately 160 million pounds, excluding the amount used to produce phenol. Employment data for the chemical are not available, as workers in these plants are usually engaged in the production of more than one chemical.

U.S. consumption and production

During 1978-82, U.S. consumption of benzoic acid decreased from 85 million pounds to 62 million pounds, or by 28 percent (table A). Except for a slight rise in 1981 because of increased consumer demand following an economic downturn, the general trend has been downward since 1978.

Domestic production of benzoic acid during this period also decreased from 85 million pounds in 1978 to 62 million pounds in 1982, or by 28 percent (table A). During this period, yearly changes in production were similar to the domestic consumption changes for the reason stated earlier; domestic production and consumption were approximately the same for each year during this period.

U.S. exports

During 1978-82, U.S. exports of benzoic acid were negligible. Industry sources estimate that exports ranged from 1 to 3 percent of domestic production during this period, mainly to Canada.

U.S. imports

U.S. imports of benzoic acid during 1978-82 increased from 7,000 pounds to 441,000 pounds (table B). The large increase in 1982 was due to imports from Canada and Japan. This trend continued in the first 6 months of 1983, as imports continued to increase compared with a corresponding period in 1982, from 141,000 pounds to 617,000 pounds, principally from Japan and Canada. Imports from Japan are believed to be the higher grade, while those from Canada are the technical grade as evidenced by their values in 1982



(\$7.89 per pound from Japan vs. \$0.22 per pound from Canada). In 1982 and January-June 1983, there were small quantities of imports of this chemical from Romania, an eligible GSP-beneficiary country (table C). Despite an increase in imports during 1978-82, the imports-to-consumption ratio, by quantity, remained at less than 1 percent.

Position of interested parties

The Government of Colombia is the petitioner requesting GSP status for benzoic acid (item 404.04). That Government believes its exports of this chemical under GSP would have little adverse impact on the U.S. producers while providing an incentive to the development of the Colombian economy.

No submissions were received from U.S. producers.

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Table A.--Benzoic acid: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in thousands of pounds, value in thousands of dollars:  
unit value in cents per pound)

Year	Production	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1978-----	85,175	<u>1</u> /	7	85,168	0.01
1979-----	77,043	<u>1</u> /	21	77,022	.03
1980-----	73,414	<u>1</u> /	17	73,397	.02
1981-----	78,547	<u>1</u> /	225	78,322	.3
1982-----	62,115	<u>1</u> /	441	61,674	.7
Jan.-June--					
1982-----	<u>2</u> /	<u>1</u> /	141	<u>2</u> /	-
1983-----	<u>2</u> /	<u>1</u> /	617	<u>2</u> /	-
Value					
1978-----	20,440	<u>1</u> /	2	20,438	.01
1979-----	24,650	<u>1</u> /	58	24,592	.2
1980-----	29,370	<u>1</u> /	30	29,340	.1
1981-----	35,350	<u>1</u> /	1,098	34,252	3.2
1982-----	27,330	<u>1</u> /	880	26,450	3.3
Jan.-June--					
1982-----	<u>2</u> /	<u>1</u> /	800	<u>2</u> /	-
1983-----	<u>2</u> /	<u>1</u> /	265	<u>2</u> /	-
Unit value					
1978-----	\$0.24	-	\$0.25	-	-
1979-----	.32	-	2.79	-	-
1980-----	.40	-	1.77	-	-
1981-----	.45	-	4.87	-	-
1982-----	.44	-	1.99	-	-
Jan.-June--					
1982-----	-	-	5.69	-	-
1983-----	-	-	.43	-	-

1/ Negligible.

2/ Not available.

Source: U.S. production, compiled from U.S. International Trade Commission, Synthetic Organic Chemicals, United States Production and Sales, annual reports 1978, 1979, 1980, 1981, and 1982.

Table B.--Benzoic acid: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	1978		1979		1980		1981		1982		January-June-- 1983	
	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)
Japan	0	1/	17	224	100	79	100	100	100	100	79	79
Canada	0	15	0	0	284	493	284	284	40	40	493	493
Romania	0	0	0	0	44	0	44	0	0	0	44	44
Austria	0	0	0	0	11	0	11	0	0	0	0	0
Fr Germ	2	0	1/	1	2	0	2	1	1	1	0	0
U King	0	1/	1/	1/	1/	0	1/	1/	0	0	0	0
Sweden	0	5	0	0	0	0	0	0	0	0	0	0
Switzld	0	1/	0	0	0	0	0	0	0	0	0	0
All other	6	0	0	0	0	0	0	0	0	0	0	0
Total	7	21	17	225	441	617	441	441	141	141	617	617
Value (1,000 dollars)												
Japan	-	1	28	1,095	789	130	789	789	789	789	130	130
Canada	-	20	-	-	64	120	64	64	10	10	120	120
Romania	-	-	-	-	15	-	15	-	-	-	15	15
Austria	-	-	-	-	7	-	7	-	-	-	-	-
Fr Germ	1	-	2	2	3	-	3	1	1	1	-	-
U King	-	1	1	1	-	-	-	-	-	-	-	-
Sweden	-	30	-	-	-	-	-	-	-	-	-	-
Switzld	-	6	-	-	-	-	-	-	-	-	-	-
All other	1	-	-	-	-	-	-	-	-	-	-	-
Total	2	58	30	1,098	880	265	880	880	800	800	265	265
Unit value (per pound)												
Japan	-	85.71	91.68	64.89	67.89	81.64	67.89	67.89	67.89	67.89	81.64	81.64
Canada	-	1.34	-	-	0.22	0.24	0.22	0.22	0.26	0.26	0.24	0.24
Romania	-	-	-	-	0.35	-	0.35	0.35	-	-	0.33	0.33
Austria	-	-	-	-	0.65	-	0.65	0.65	-	-	-	-
Fr Germ	0.78	-	3.57	1.61	1.62	-	1.62	1.62	1.92	1.92	-	-
U King	-	37.23	6.30	23.22	119.00	-	119.00	119.00	-	-	-	-
Sweden	-	5.49	-	-	-	-	-	-	-	-	-	-
Switzld	-	25.14	-	-	-	-	-	-	-	-	-	-
All other	0.10	-	-	-	-	-	-	-	-	-	-	-
Average	0.25	2.79	1.77	4.87	1.99	0.43	1.99	1.99	5.69	5.69	0.43	0.43

1/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Benzoic acid: U.S. imports by certain world areas including designated GSP countries, 1979-82 and Jan - June 1983

Item	Quantity (1,000 pounds)				Value (1,000 dollars)		Percentage distribution
	1979	1980	1981	1982	1982	January - June 1983	
Gross imports	21	17	225	441	617	100	
26 developed countries, total	21	17	225	397	573	93	
GSP countries, total	0	0	0	44	44	7	
Romania	0	0	0	44	44	7	
India	0	0	0	0	0	0	
Other	0	0	0	0	0	0	
Gross imports	58	30	1,098	880	265	100	
26 developed countries, total	58	30	1,098	864	250	94	
GSP countries, total	-	-	-	15	15	6	
Romania	-	-	-	15	15	6	
India	-	-	-	-	-	-	
Other	-	-	-	-	-	-	

1/ Less than 0.5 percent.  
2/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.



TITLE: Rubber processing chemicals

I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No.	Description	Pre-MTN col. 1 rate of duty 1/	(Cents per pound; percent ad valorem)										Col. 2 rate of duty	U.S. imports in 1982 : (\$1,000)	Product produced in U.S. : on 1/3/75
			Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--												
			1980 2/	1981	1982	1983	1984	1985	1986	1987					
406.16	2,2'-Dithiobisbenzothiazole--	1.7¢ + 12.5% ***	1.3¢ + 17.9% (AVE : 17.9%)	0.9¢ + 17.9% (AVE : 17.9%)	0.5¢ + 17.9% (AVE : 17.9%)	0.1¢ + 17.9% (AVE : 17.9%)	17.3%	16.6%	15.8%	15%	7¢ + 57%	\$900 3/	Yes.		
406.40(pt.)	1,2-Dihydro-2,2,4-trimethyl-quinoline polymer.	1.7¢ + 12.5%	1.7¢ + 16.2%	4/	4/	4/	4/	4/	4/	4/	7¢ + 52%	***	Yes.		
406.40(pt.)	2-Mercaptobenzothiazole-----	1.7¢ + 12.5%	1.7¢ + 16.2%	4/	4/	4/	4/	4/	4/	4/	7¢ + 52%	***	Yes.		
406.40(pt.)	N-(Oxydiethylene)benzothiazole-2-sulfenamide.	1.7¢ + 12.5%	1.7¢ + 16.2%	4/	4/	4/	4/	4/	4/	4/	7¢ + 52%	***	Yes.		

1/ Rates effective prior to July 1, 1980.

2/ Rates effective after July 1, 1980.

3/ Estimated by the staff of the U.S. International Trade Commission.

4/ The converted rate of duty is the final rate of duty.



## II. Comments

Description and uses

The products included in this digest are synthetic organic chemicals derived principally from petroleum. All of these chemicals are used primarily in the processing of synthetic and natural rubber as either accelerators or antioxidants. Accelerators are usually organic chemicals which greatly reduce the time required for vulcanization of synthetic and natural rubber, and at the same time improve ageing and other physical properties. Chemicals used as antioxidants are added to rubber before curing to retard oxidation and deterioration. One of the chemicals in this digest, 1,2-dihydro-2,2,4-trimethylquinoline polymer, is used as an antioxidant, while the other three chemicals are used primarily as accelerators.

U.S. producers and employment

At various times during 1978-82, five domestic producers manufactured at least three of these chemicals. Three of these domestic producers are major manufacturers of rubber products, while the remaining two producers are major chemical firms. Two of the major rubber producers manufactured all four of these chemicals at various times during 1978-82.

In 1982, there were three producers of 1,2-dihydro-2,2,4-trimethylquinoline polymer; five producers of 2,2'-dithiobisbenzothiazole; four producers of 2-mercaptobenzothiazole; and two producers of N-(oxydiethylene)-benzothiazole-2-sulfenamide. The number of employees engaged in the production of these chemicals is not readily available because the employees are generally used to produce a number of similar chemicals at a facility.

U.S. consumption and production

Overall U.S. consumption of these four chemicals during 1978-82

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Domestic production of these chemicals during 1978-82

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During 1978-82, the imports-to-consumption ratio for these chemicals ranged from

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U.S. exports

Exact export data for the chemicals included in this digest are not available as these chemicals are included in "basket" Schedule B numbers, namely, antioxidants and accelerators. Based on the data available for these categories and from industry sources, it is estimated that exports of these chemicals during 1978-82 amounted to \* \* \* percent of domestic production. Exports of these chemicals were mainly to Canada, Western Europe, Brazil, and

certain Far Eastern countries. Industry sources expect exports of these chemicals to increase slightly in 1983 compared with 1982 as the economies of the major export markets begin to recover. Competition from other foreign producers will probably be greater than in previous years, as the increasing value of the U.S. dollar has increased the price of these chemicals compared with the cost of the foreign products.

#### U.S. imports

During 1978-82, U.S. imports of the chemicals included in this digest increased significantly from 803,000 pounds in 1978 to 4.2 million pounds in 1982 (table A). One of the primary reasons for this increase was the increasing value of the U.S. dollar relative to other currencies, resulting in less costly imports compared with the domestic products. In 1982, imports of these chemicals were mainly from the United Kingdom, West Germany, and Belgium. Smaller amounts also came from France, Canada, Italy, and Poland.

The Commission did not find any imports of these chemicals from GSP-designated countries during 1978-82. Data are not available for the first 6 months of 1983, but industry sources believe imports of these chemicals were slightly higher than in the corresponding period of 1982 because of the improving economy and the higher value of the U.S. dollar.

Industry sources believe there are no differences in quality between the domestic and imported chemicals discussed here, especially for imports from West European countries. These sources are not sure of the quality of the

products from Mexico and other GSP-beneficiary countries which may export to the United States if these chemicals are given GSP status.

Position of interested parties

Three chemical firms from Mexico, Quimica Organica de Mexico, S.A., Quimica Ameyal, S.A., and Novaquim,, S.A., which are subsidiaries of CYDSA, Monterey, Mexico, are the petitioners requesting GSP status for the four chemicals included in this digest. The granting of GSP status will give the U.S. domestic industry a supplemental source of these chemicals at competitive prices and also aid in the economic development of Mexico. The petitioners contend GSP treatment of these chemicals will not adversely affect the U.S. producers because the amounts intended for export will be quite small (not more than 1,000 tons per year).

Mr. G. Pazianos and Mr. E. Martinez, on behalf of the three firms within the CYDSA group, testified before the Commission in favor of granting GSP treatment to the chemicals listed in this digest. They stated that granting GSP status to these chemicals would aid the economic development of Mexico at a critical time and provide U.S. customers with an additional source of these chemicals at competitive prices. In addition, GSP treatment for these chemicals would not adversely affect the domestic producers because the amounts intended for export would be small.

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Table A.--Rubber processing chemicals: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in thousands of pounds, value in thousands of dollars:  
unit value in cents per pound)

Year	Production	Exports <sup>1/</sup>	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1978-----	***	11,000	803	***	***
1979-----	***	12,000	3,397	***	***
1980-----	***	9,000	2,489	***	***
1981-----	***	3,800	3,800	***	***
1982-----	***	7,000	4,154	***	***
Jan.-June--					
1982-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	-	-
1983-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	-	-
Value					
1978-----	***	<u>2/</u>	<u>2/</u>	-	-
1979-----	***	<u>2/</u>	<u>2/</u>	-	-
1980-----	***	<u>2/</u>	<u>2/</u>	-	-
1981-----	***	<u>2/</u>	<u>2/</u>	-	-
1982-----	***	<u>2/</u>	<u>2/</u>	-	-
Jan.-June--					
1982-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	-	-
1983-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	-	-
Unit value					
1978-----	***	-	-	-	-
1979-----	***	-	-	-	-
1980-----	***	-	-	-	-
1981-----	***	-	-	-	-
1982-----	***	-	-	-	-
Jan.-June--					
1982-----	-	-	-	-	-
1983-----	-	-	-	-	-

<sup>1/</sup> Estimated by the staff of the U.S. International Trade Commission.  
<sup>2/</sup> Not available.

Source: U.S. production, U.S. International Trade Commission, Synthetic Organic Chemicals, United States Production and Sales, annual reports, 1978-82; U.S. imports, U.S. International Trade Commission, Imports of Benzenoid Chemicals and Products, annual reports, 1978-82.

TITLE: Other cyclic intermediate chemicals

I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No.	Description	Pre-MTN col. 1 rate of duty 1/	(Cents per pound; percent ad valorem)					Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)	Product produced in U.S. on 1/3/75			
			1980 2/	1981	1982	1983	1984				1985	1986	1987
403.16(pt.)	2,6-Di-tert-butyl-p-cresol	1.7¢ + 12.5%	0.8¢	12.5%	11.6%	10.7%	9.8%	8.9%	8%	7.1%	7¢ + 40.5%	*** 3/	Yes.
405.09(pt.)	Potassium D-(-)-N-(1-methylcarbonylpropen-2-yl)-alpha-amino-p-hydroxyphenyl acetate.	1.7¢ + 12.5%	12.6%								7¢ + 50%	*** 3/	No.
406.48(pt.)	4-Amino-6-chloro-m-benzenedi sulfonamide.	1.7¢ + 12.5%	12.4%	11.6%	10.8%	10%	9.2%	8.4%	7.6%	6.8%	7¢ + 41%	*** 3/	Yes.

1/ Rates effective prior to July 1, 1980.

2/ Rates effective after July 1, 1980.

3/ \* \* \*

4/ The converted rate of duty is the final rate of duty.



## II. Comments

Description and uses

The products included in this digest are synthetic organic chemicals derived principally from petroleum-derived products such as cresols and benzene. These chemicals can be used as intermediates in the production of more advanced synthetic organic chemicals and finished products (e.g., drugs) or in their present form as end-use products (e.g., antioxidants):

The major use for 2,6-di-tert-butyl-p-cresol is as an antioxidant for petroleum products, jet fuels, synthetic and natural rubber, plastics, and food products. In addition, it can also be used in food packaging and animal feeds (i.e., preservative) and as an intermediate chemical.

Potassium D-(-)-N-(1-methylcarbonylpropen-2-yl)-alpha-amino-p-hydroxyphenyl acetate is used as an intermediate in the production of amoxicillin, a semisynthetic penicillin.

The last chemical in this digest, 4-amino-6-chloro-m-benzenesulfonamide, is also used primarily as an intermediate in the production of drugs. This chemical is specifically used to produce chlorothiazide and hydrochlorothiazide, which are used as diuretics and antihypertensive agents.

U.S. producers, consumption, and production

During 1978-82, there were no domestic producers of potassium D-(-)-N-(1-methylcarbonylpropen-2-yl)-alpha-amino-p-hydroxyphenyl acetate or 4-amino-6-chloro-m-benzenedisulfonamide. According to industry sources, there may have been domestic production of one or both chemicals during this period but it was only as part of their production of the finished products (i.e., drugs)

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and not for the domestic market. The remaining chemical in this digest, 2,6-di-tert-butyl-p-cresol, had between five and six domestic producers per year during this period, depending upon consumer demand.

U.S. consumption of the two chemicals used as intermediates in the production of drugs during 1978-82 was essentially the same as the volume of imports owing to the lack of any significant domestic production.

During 1978-82, U.S. consumption of a 2,6-di-tert-butyl-p-cresol (technical and food grades)

\* \* \* \* \*

During 1978-82, the two chemicals in the digest used as intermediates in the production of drugs did not have any significant domestic production. The other chemical, 2,6-di-tert-butyl-p-cresol, had domestic production of both the technical and food grades which were reported to the Commission. During this period, total domestic production of this chemical decreased from 23.7 million pounds in 1978 to 11 million pounds in 1982, or by 54 percent (table A), for the reason stated earlier for the changes in the domestic consumption.

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U.S. production quantities of this chemical for both grades during 1978-82 are shown in the following tabulation: 1/

<u>Year</u>	<u>Quantity (1,000 pounds)</u>	
	<u>Technical grade</u>	<u>Food grade</u>
1978-----	13,034	10,665
1979-----	13,051	9,269
1980-----	9,679	11,488
1981-----	9,217	7,714
1982-----	6,752	4,246

#### U.S. exports

Exact export data for the chemicals included in this digest are not available as they are classified in residual "basket" Schedule B numbers. Industry sources estimate, however, that exports of the two chemicals used as intermediates in the production of drugs were nil during this period as they are usually consumed domestically in the production of drugs which are more likely to be exported. Exports of 2,6-di-tert-butyl-p-cresol during this period averaged between \* \* \* percent of domestic production based on data for total exports of antioxidants obtained from Government sources and industry estimates.

#### U.S. imports

\* \* \* \* \*

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1/ Source: U.S. International Trade Commission, Synthetic Organic Chemicals, United States Production and Sales, annual reports, 1978-82.

\* \* \* \* \*

Position of interested parties

Kaneka America Corp., an importer for their affiliate, Kaneka Singapore Co., Ltd., is the petitioner requesting GSP status for potassium D-(-)-N-(1-methylcarbonyl-propen-2-yl)-alpha-amino-p-hydroxy-phenyl acetate. The company contends the addition of this chemical to the GSP list will have a beneficial effect on domestic consumers--namely, from lower prices. Also, the addition of this chemical to the GSP list will not harm any domestic firm as it is not currently produced in the United States. Price comparisons between the imported and domestic products could not be provided.

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Pliva of Zagreb, Yugoslavia is the petitioner requesting GSP status for 4-amino-6-chloro-m-benzenedisulfonamide. Pliva states that GSP status for this chemical would not injure the domestic industry because it is not produced for open market sales in the United States. This status, Pliva further contends, would also reduce the manufacturing cost of the finished drugs for the domestic producers, while allowing Pliva to compete with non-GSP countries in selling this intermediate to U.S. firms.

Three Mexican companies which are subsidiaries of CYSDA, Monterey, Mexico are the petitioners requesting GSP status for 2,6-di-tert-butyl-p-cresol. They feel duty-free entry of this chemical would provide U.S. customers with supplemental sources of this chemical at competitive prices and would not adversely affect the domestic producers because the amounts intended for export will be quite small in volume (i.e., not to exceed 1,000 tons per year).

Mr. G. Pazianos and Mr. E. Martinez, on behalf of the three firms in the CYSDA group from Mexico, testified before the Commission in favor of granting GSP status to 2,6-di-tert-butyl-p-cresol. They restated the reasons given in the petition by the three Mexican companies requesting GSP status for this chemical.

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Table A.--Other cyclic intermediate chemicals: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in thousands of pounds, value in thousands of dollars:  
unit value in cents per pound)

Year	Production <sup>1/</sup>	Exports <sup>2/</sup>	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1978-----	23,699	***	***	***	***
1979-----	22,320	***	***	***	***
1980-----	21,167	***	***	***	***
1981-----	16,931	***	***	***	***
1982-----	10,998	***	***	***	***
Jan.-June--					
1982-----	3/	***	***	-	-
1983-----	3/	***	***	-	-
Value					
1978-----	21,092	***	***	-	-
1979-----	37,720	***	***	-	-
1980-----	29,634	***	***	-	-
1981-----	24,042	***	***	-	-
1982-----	17,597	***	***	-	-
Jan.-June--					
1982-----	3/	***	***	-	-
1983-----	3/	***	***	-	-
Unit value					
1978-----	\$0.89	-	-	-	-
1979-----	1.69	-	-	-	-
1980-----	1.40	-	-	-	-
1981-----	1.42	-	-	-	-
1982-----	1.60	-	-	-	-
Jan.-June--					
1982-----	-	-	-	-	-
1983-----	-	-	-	-	-

<sup>1/</sup> Production data are only for 2,6-di-tert-butyl-p-cresol.

<sup>2/</sup> Estimated by the staff of the United States International Trade Commission.

<sup>3/</sup> Not available.

Source: U.S. production, compiled from U.S. International Trade Commission, Synthetic Organic Chemicals, United States Production and Sales, annual reports, 1978-82; U.S. imports, compiled from U.S. International Trade Commission, Imports of Benzenoid Chemicals and Products, annual reports, 1978-82.





**TITLE: Meclizine hydrochloride**

**I. TSUS item number; description; tariff rate information; U.S. imports in 1982; competitive status**

TSUS item No.	Description	Pre-MTN col. 1 rate of duty 1/	(Cents per pound; percent ad valorem)					Col. 2 rate of duty	U.S. imports in 1982 : (\$1,000)	Product produced in U.S. on 1/3/75		
			1980 2/	1981	1982	1983	1984				1985	1986
411.56(pt.)	Meclizine hydrochloride-----	1.7¢ + 12.5%	21.3%	19.6%	17.8%	16.1%	14.4%	12.7%	10.9%	9.2%	7¢ + 82%	***: Yes.
		***									***	

1/ Rate effective prior to July 1, 1980. Pre-MTN duty was based on the American Selling Price Method of Customs Valuation.

2/ Rate effective on July 1, 1980.

## II. Comments

Description and uses

Meclizine hydrochloride occurs as a white or slightly yellowish crystalline powder. It has a slight odor and is practically insoluble in water and slightly soluble in alcohol. Meclizine hydrochloride is a piperazine-derivative antihistamine which is used as an antinauseant. The drug is mostly used in the prevention and treatment of motion sickness.

U.S. producers and employment

During 1978-81 meclizine hydrochloride was domestically produced by one firm

\* \* \* \* \*

Employment data are not available.

U.S. consumption and production

Estimated apparent consumption of meclizine hydrochloride varied during 1978-82, ranging from

\* \* \* \* \*

\* \* \* \* \*

U.S. exports

Export data are not available; \* \* \*

U.S. imports

Imports of meclizine hydrochloride during 1978-82 ranged from a low of about 5,000 pounds in 1978 to a high of almost 10,000 pounds in 1981 (table B).

\* \* \* \* \*

Position of interested parties

Pliva, a Yugoslavian firm, filed the petition with the U.S Trade Representative for GSP treatment of meclizine hydrochloride. Pliva requested GSP treatment for this drug allegedly to help foster economic development in Yugoslavia. No submissions were received from other interested parties.

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## IV. Statistical Data

Table A.--Meclizine hydrochloride: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in pounds, value in dollars, unit value per pound)									
Period	Production	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption				
Quantity									
1978-----	<u>1/</u>	***	<u>2/</u>	4,926	<u>1/</u>	***		<u>1/</u>	***
1979-----	<u>1/</u>	***	<u>2/</u>	7,996	<u>1/</u>	***		<u>1/</u>	***
1980-----	<u>1/</u>	***	<u>2/</u>	6,778	<u>1/</u>	***		<u>1/</u>	***
1981-----	<u>1/</u>	***	<u>2/</u>	9,736	<u>1/</u>	***		<u>1/</u>	***
1982-----	<u>1/</u>	***	<u>2/</u>	5,935		***		<u>1/</u>	***
Jan.-June:									
1982-----	<u>1/</u>	***	<u>2/</u>	<u>2/</u>		***			***
1983-----		***	<u>2/</u>	<u>2/</u>		***			***
Value									
1978-----		***	<u>2/</u>		***	***			***
1979-----		***	<u>2/</u>		***	***			***
1980-----		***	<u>2/</u>		***	***			***
1981-----		***	<u>2/</u>	<u>1/</u>	***	***			***
1982-----		***	<u>2/</u>	<u>1/</u>	***	***			***
Jan.-June:									
1982-----		***	<u>2/</u>		***	***			***
1983-----		***	<u>2/</u>		***	***			***
Unit value									
1978-----		***	-		***	***			***
1979-----		***	-		***	***			***
1980-----		***	-		***	***			***
1981-----		***	-	<u>1/</u>	***	***			***
1982-----		***	-	<u>1/</u>	***	***			***
Jan.-June:									
1982-----		***	-		***	***			***
1983-----		***	-		***	***			***

1/ \* \* \*2/ Not available.

Source: U.S. International Trade Commission, except as noted.

Table B.--Meclizine hydrochloride: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	(Quantity in pounds, value in dollars, unit value per pound)					
	1978	1979	1980	1981	1982	January-June-- 1983
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
Total	4,926	7,996	6,778	9,736	5,935	1/
	Value					
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
Total	***	***	***	***	***	***
	Unit Value					
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
Average	***	***	***	***	***	***

1/ Not available.

Source: U.S. International Trade Commission, except as noted.



Table C.--Meclizine hydrochloride: U.S. imports by certain world areas, including designated GSP countries, 1978-82, and January-June 1983.

Source	(Quantity in pounds, value in dollars)					January-June 1983
	1978	1979	1980	1981	1982	
All countries	4,926	7,996	6,778	9,736	5,935	1/
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
Quantity						
Value						
All countries	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***

1/ Not available.

Source: U.S. International Trade Commission, except as noted.

**TITLE: Acetyl sulfisoxazole; sulfamerazine, sodium**

**I. TSUS item number; description; tariff rate information; U.S. imports in 1982; competitive status**

TSUS item No.	Description	Pre-MTN col. 1 rate of duty 1/	(Cents per pound; percent ad valorem)							Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)	Product produced in U.S. on 1/3/75	
			1980 2/	1981	1982	1983	1984	1985	1986				1987
411.83(pt.)	Acetyl sulfisoxazole-----	1.7¢ + 12.5% ***	25%	23%	20.9%	18.9%	16.9%	14.9%	12.8%	10.8%	7¢ + 96%	***	Yes.
411.83(pt.)	Sulfamerazine, sodium-----	1.7¢ + 12.5% ***	25%	23%	20.9%	18.9%	16.9%	14.9%	12.8%	10.8%	7¢ + 96%	***	Yes.

1/ Rate effective prior to July 1, 1980. Pre-MTN duty was based on the American Selling Price Method of Customs Valuation.  
2/ Rate effective on July 1, 1980.

## II. Comments

Description and uses

Acetyl sulfisoxazole (sulfisoxazole, acetyl) and sulfamerazine, sodium are members of a group of chemicals referred to as anti-infective sulfonamides because of their related chemical structures and antibacterial activity. Although at one time anti-infective sulfonamides were widely used in the treatment of bacterial infections, the development of resistant strains of micro-organisms has limited the usefulness of these drugs. Anti-infective sulfonamides are now used mostly to treat urinary tract infections in humans, in veterinary medicine, and as growth promoters added to animal feeds.

Acetyl sulfisoxazole lacks the usual disagreeable taste of most of the anti-infective sulfonamides and is used, therefore, mostly in pediatric syrups or suspensions. Sulfamerazine, sodium is reportedly used primarily in veterinary medicine or as an additive to animal feeds.

U.S. producers and employment

There is one domestic producer of acetyl sulfisoxazole. Employment data are not available, but the number of employees associated with this product is believed to be \* \* \*

There was one domestic producer of sulfamerazine, sodium during 1978 and 1979; however, no production has been reported by this firm during 1980-82.

U.S. consumption and production

Precise statistics on U.S. consumption and production of acetyl sulfisoxazole and sulfamerazine, sodium are not available. Domestic production

of acetyl sulfisoxazole is estimated

\* \* \* \* \*

There is believed to have been no U.S. production of sulfamerazine, sodium during 1980-82 and data for prior years are not available. Apparent consumption during 1980-82 is believed, therefore, to equal imports which were erratic, ranging from about 5,000 to 34,000 pounds (table A-2). Actual consumption of sulfamerazine, sodium was probably more even because it is possible to sell drugs from inventory for several years--especially drugs, such as this one, for which there is little demand.

#### U.S. exports

Export data for acetyl sulfisoxazole and sulfamerazine, sodium are not available.

#### U.S. imports

Acetyl sulfisoxazole is not believed to have been imported into the United States prior to 1981. In 1981, imports were 2,457 pounds, valued at an estimated \* \* \* (table B-1). In 1982, imports were 2,701 pounds, valued at an estimated \* \* \*

The estimated ratio of imports to consumption was about \*\*\* percent, based on quantity, during 1981 and 1982. Imported acetyl

sulfisoxazole is like and directly competitive with domestically produced acetyl sulfisoxazole.

Imports of sulfamerazine, sodium increased from about 1,000 pounds in 1978 to 34,000 pounds in 1981 before declining to 5,000 pounds in 1982 (table B-2). Since 1980, imports are believed to have served all of the domestic market for this drug. There is little domestic interest in this product because equally effective anti-infective sulfonamides are available at a lower cost. \* \* \*

Position of interested parties

Pliva, a Yugoslavian firm, filed the petition with the U.S. Trade Representative (USTR) for GSP treatment of acetyl sulfisoxazole and sulfamerazine, sodium. Pliva requested GSP treatment for these drugs allegedly to help foster economic development in Yugoslavia.

According to Pliva, the domestic producer of acetyl sulfisoxazole testified before USTR in opposition to Pliva's request for GSP treatment for this drug.

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## IV. Statistical Data

Table A-1.--Acetyl sulfisoxazole: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in pounds, value in dollars, unit value per pound)									
Period	Production		Exports		Imports	Apparent consumption		Ratio (percent) of imports to consumption	
Quantity									
1978-----	1/	***	2/		0	1/	***	1/	***
1979-----	1/	***	2/		0	1/	***	1/	***
1980-----	1/	***	2/		0	1/	***	1/	***
1981-----	1/	***	2/		2,457	1/	***	1/	***
1982-----	1/	***	2/		2,701	1/	***	1/	***
Jan.-June:									
1982-----	1/	***	2/		2/	2/		2/	
1983-----	1/	***	2/		2/	2/		2/	
Value									
1978-----	1/	***	2/		***	1/	***	1/	***
1979-----	1/	***	2/		***	1/	***	1/	***
1980-----	1/	***	2/		***	1/	***	1/	***
1981-----	1/	***	2/		***	1/	***	1/	***
1982-----	1/	***	2/		***	1/	***	1/	***
Jan.-June:									
1982-----	1/	***	2/		2/	2/		2/	
1983-----	1/	***	2/		2/	2/		2/	
Unit value									
1978-----	1/	***	-		***	-		-	
1979-----	1/	***	-		***	-		-	
1980-----	1/	***	-		***	-		-	
1981-----	1/	***	-		1/	***		-	
1982-----	1/	***	-		1/	***		-	
Jan.-June:									
1982-----	1/	***	-		-	-		-	
1983-----	1/	***	-		-	-		-	

1/ \* \* \*

2/ Not available.

Source: U.S. International Trade Commission, except as noted.



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Table A-2.--Sulfamerazine, sodium: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in pounds, value in dollars, unit value per pound)						
Period	Production	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption	
Quantity						
1978-----	<u>1/</u>	<u>1/</u>	1,102	<u>1/</u>	<u>1/</u>	
1979-----	<u>1/</u>	<u>1/</u>	9,921	<u>1/</u>	<u>1/</u>	
1980-----	0	0	15,103	15,103		100
1981-----	0	0	34,065	34,065		100
1982-----	0	0	4,960	4,960		100
Jan.-June:						
1982-----	0	0	<u>1/</u>	<u>1/</u>	<u>1/</u>	
1983-----	0	0	<u>1/</u>	<u>1/</u>	<u>1/</u>	
Value						
1978-----	<u>1/</u>	<u>1/</u>	***	***	<u>1/</u>	
1979-----	<u>1/</u>	<u>1/</u>	***	***	<u>1/</u>	
1980-----	-	-	***	***		100
1981-----	-	-	***	***		100
1982-----	-	-	***	***		100
Jan.-June:						
1982-----	-	-	-	-	<u>1/</u>	
1983-----	-	-	-	-	<u>1/</u>	
Unit value						
1978-----	-	-	***	-		-
1979-----	-	-	***	-		-
1980-----	-	-	***	-		-
1981-----	-	-	***	-		-
1982-----	-	-	***	-		-
Jan.-June:						
1982-----	-	-	-	-		-
1983-----	-	-	-	-		-

1/ Not available.

Source: U.S. International Trade Commission, except as noted.



Table B-2.--Sulfamerazine, sodium: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	(Quantity in pounds, value in dollars, unit value per pound)					January-June--	
	1978	1979	1980	1981	1982	1982	1983
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	0	1/
Total	1,102	9,921	15,103	34,065	4,960	1/	1/
	Value						
* * *	-	-	-	1/	1/	1/	1/
* * *	-	-	-	1/	1/	1/	1/
* * *	-	-	-	1/	1/	1/	1/
* * *	-	-	-	1/	1/	1/	1/
Total	-	-	-	***	***	1/	1/
	Unit Value						
* * *	-	-	-	-	-	-	-
* * *	-	-	-	-	-	-	-
* * *	-	-	-	-	-	-	-
* * *	-	-	-	-	-	-	-
Average	-	-	-	***	***	-	-

1/ Not available.

Source: U.S. International Trade Commission, except as noted.

Table C-1.--Acetyl sulfisoxazole: U.S. imports by certain world areas, including designated GSP countries, 1978-82, and January-June 1983

Source	(Quantity in pounds, value in dollars)					January-June 1983 Imports 1/ : Percent dis- tribution 1/
	1978	1979	1980	1981	1982	
All countries	0	0	0	2,457	2,701	1/
* * *	0	0	0	***	***	1/
* * *	0	0	0	***	***	1/
* * *	0	0	0	***	***	1/
* * *	0	0	0	***	***	1/
* * *	0	0	0	***	***	1/
Value						
All countries	-	-	-	***	***	1/
* * *	-	-	-	***	***	1/
* * *	-	-	-	***	***	1/
* * *	-	-	-	***	***	1/
* * *	-	-	-	-	-	1/
* * *	-	-	-	-	-	1/

1/ Not available.

Source: U.S. International Trade Commission, except as noted.



TITLE: Chlorpropamide and Chlorothiazide

I. TSUS item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No.	Description	Pre-WTM col. 1 rate of duty 1/	(Cents per pound; percent ad valorem)					Col. 2 rate of duty	U.S. imports in 1982 in U.S. (\$1,000)	Product produced in U.S. on 1/3/75			
			1980 2/	1981	1982	1983	1984				1985	1986	1987
412.69(pt.)	Chlorpropamide	1.7¢ + 12.5% ***	12.9%	12%	11.2%	10.3%	9.5%	8.6%	7.8%	6.9%	7¢ + 45% ***	***	Yes.
412.69(pt.)	Chlorothiazide	1.7¢ + 12.5% ***	12.9%	12%	11.2%	10.3%	9.5%	8.6%	7.8%	6.9%	7¢ + 45% ***	***	Yes.

1/ Rate effective prior to July 1, 1980. Pre-WTM duty was based on the American Selling Price Method of Customs Valuation.

2/ Rate effective on July 1, 1980.

## II. Comments

Description and uses

Chlorpropamide occurs as a white crystalline powder and is practically insoluble in water but soluble in alcohol. Chlorpropamide is an orally active hypoglycemic agent which is sometimes useful in the treatment of diabetes mellitus. Chlorpropamide is a sulfonylurea compound which is structurally and pharmacologically related to tolbutamide and other synthetic hypoglycemic agents. Although chemically related to the anti-infective sulfonamides, chlorpropamide has no antibacterial activity.

Chlorothiazide occurs as a white or practically white crystalline powder and has a slightly bitter taste. The drug is slightly soluble in water or in alcohol. Chlorothiazide is a thiazide diuretic. Chlorothiazide and related diuretics, such as hydrochlorothiazide, are used mostly in the treatment of congestive heart failure and hypertension. In the past, thiazide diuretics were often used routinely during pregnancy to relieve edema. More recently, enthusiasm for diuretic therapy in pregnant women has lessened, because edema is now recognized as normal during most pregnancies.

U.S. producers and employment

There is one domestic producer of chlorpropamide and one domestic producer of chlorothiazide. \* \* \*

Employment data are not available; but the number of employees associated with each product is believed \* \* \*

U.S consumption and production

Precise statistics on U.S. consumption and production of chlorpropamide and chlorothiazide are not available. Domestic production of chlorpropamide is estimated to have been

\* \* \* \* \*

U.S. exports

Exports of chlorpropamide and chlorothiazide are believed to be negligible.

U.S. imports

U.S. imports of chlorpropamide were very erratic during 1978-82, ranging from a low of 154 pounds 1981 to a high of 59,710 pounds in 1980 (table B-1). In 1982, imports totaled 1,674 pounds with \* \* \*



\* \* \*

U.S. imports of chlorothiazide varied somewhat during 1978-82, declining from 79,560 pounds in 1978 to 57,460 pounds in 1979, then increasing to 75,508 pounds in 1982 (table B-2).

\* \* \* \* \*

Position of interested parties

Pliva, a Yugoslavian firm, filed the petition with the U.S. Trade Representative for GSP treatment of chlorpropamide and chlorothiazide. Pliva requested GSP treatment for these drugs allegedly to help foster economic development in Yugoslavia. No submissions were received from other interested parties.

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## IV. Statistical Data

Table A-1.--Chlorpropamide: U.S. production, exports by domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in pounds, value in dollars, unit value per pound)									
Period	Production	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption				
Quantity									
1978-----	<u>1/</u> ***	<u>2/</u>	3,748	<u>1/</u> ***	<u>1/</u> ***				
1979-----	<u>1/</u> ***	<u>2/</u>	17,030	<u>1/</u> ***	<u>1/</u> ***				
1980-----	<u>1/</u> ***	<u>2/</u>	59,710	<u>1/</u> ***	<u>1/</u> ***				
1981-----	<u>1/</u> ***	<u>2/</u>	154	<u>1/</u> ***	***				
1982-----	<u>1/</u> ***	<u>2/</u>	1,674	<u>1/</u> ***	<u>1/</u> ***				
Jan.-June:									
1982-----	<u>1/</u> ***	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>				
1983-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>				
Value									
1978-----	***	<u>2/</u>	***	***	***				***
1979-----	***	<u>2/</u>	***	***	***				***
1980-----	***	<u>2/</u>	***	***	***				***
1981-----	***	<u>2/</u>	<u>1/</u> ***	***	***				***
1982-----	***	<u>2/</u>	<u>1/</u> ***	***	***				***
Jan.-June:									
1982-----	***	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>				<u>2/</u>
1983-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>				<u>2/</u>
Unit value									
1978-----	***	-	***	-	-				-
1979-----	***	-	***	-	-				-
1980-----	***	-	***	-	-				-
1981-----	***	-	<u>1/</u> ***	-	-				-
1982-----	***	-	<u>1/</u> ***	-	-				-
Jan.-June:									
1982-----	***	-	-	-	-				-
1983-----	-	-	-	-	-				-

1/ \* \* \*2/ Not available.

Source: U.S. International Trade Commission, except as noted.

## IV. Statistical Data

Table A-2.--Chlorothiazide: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in pounds, value in dollars, unit value per pound)									
Period	Production		Exports	Imports	Apparent consumption		Ratio (percent) of imports to consumption		
Quantity									
1978-----	<u>1/</u>	***	<u>2/</u>	79,560	<u>1/</u>	***	<u>1/</u>	***	***
1979-----	<u>1/</u>	***	<u>2/</u>	57,460	<u>1/</u>	***	<u>1/</u>	***	***
1980-----	<u>1/</u>	***	<u>2/</u>	57,650	<u>1/</u>	***	<u>1/</u>	***	***
1981-----	<u>1/</u>	***	<u>2/</u>	60,868	<u>1/</u>	***	<u>1/</u>	***	***
1982-----	<u>1/</u>	***	<u>2/</u>	75,508	<u>1/</u>	***	<u>1/</u>	***	***
Jan.-June:									
1982-----	<u>1/</u>	***	<u>2/</u>	<u>2/</u>		***			***
1983-----	<u>2/</u>		<u>2/</u>	<u>2/</u>	<u>2/</u>		<u>2/</u>		<u>2/</u>
Value									
1978-----	<u>1/</u>	***	<u>2/</u>	***		***			***
1979-----	<u>1/</u>	***	<u>2/</u>	***		***			***
1980-----	<u>1/</u>	***	<u>2/</u>	***		***			***
1981-----	<u>1/</u>	***	<u>2/</u>	<u>1/</u>	***	<u>1/</u>	***	<u>1/</u>	***
1982-----	<u>1/</u>	***	<u>2/</u>	<u>1/</u>	***	<u>1/</u>	***	<u>1/</u>	***
Jan.-June:									
1982-----	<u>1/</u>	***	<u>2/</u>	<u>2/</u>		<u>2/</u>		<u>2/</u>	
1983-----	<u>2/</u>		<u>2/</u>	<u>2/</u>		<u>2/</u>		<u>2/</u>	
Unit value									
1978-----	<u>1/</u>	***	-	***		-			-
1979-----	<u>1/</u>	***	-	***		-			-
1980-----	<u>1/</u>	***	-	***		-			-
1981-----	<u>1/</u>	***	-	<u>1/</u>	***	-			-
1982-----	<u>1/</u>	***	-	<u>1/</u>	***	-			-
Jan.-June:									
1982-----	<u>1/</u>	***	-	-		-			-
1983-----	-		-	-		-			-

1/ \* \* \*2/ Not available.

Source: U.S. International Trade Commission, except as noted.

Table B-1.--Chlorpropamide: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity in pounds, value in dollars, unit value per pound)					January-June--	
	1978	1979	1980	1981	1982	1982	1983
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
Total	3,748	17,030	59,710	154	1,674	1/	1/
	Value						
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
Total	1/	1/	1/	***	***	1/	1/
	Unit Value						
* * *	-	-	-	***	***	-	-
* * *	-	-	-	***	***	-	-
* * *	-	-	-	***	***	-	-
Average	-	-	-	***	***	-	-

1/ Not available.

Source: U.S. International Trade Commission, except as noted.







Table C-2.--Chlorothiazide: U.S. imports by certain world areas, including designated GSP countries, 1978-82, and January-June 1983

Source	(Quantity in pounds, value in dollars)					January-June 1983	
	1978	1979	1980	1981	1982	Imports	Percent distribution
All countries	79,560	57,460	57,650	60,868	75,508	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
Quantity							
All countries	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
Value							
All countries	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
* * *	1/	1/	1/	***	***	1/	1/
1/ Not available.							

Source: U.S. International Trade Commission, except as noted.

TITLE: Certain colored sheet glass

I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No.	Description	Pre-MTN col. 1 rate of duty 1/	(Cents per pound; percent ad valorem)							Col. 2 rate of duty	U.S. imports in 1982 : (\$1,000) on 1/3/75	Product in U.S.
			1980	1981	1982	1983	1984	1985	1986			
542.57	Glass (whether or not containing wire netting), in rectangles, not ground, not polished and not otherwise processed, weighing over 4 oz. per sq. ft.:	1.7¢	1.6¢	1.6¢	1.5¢	1.4¢	1.4¢	1.4¢	1.4¢	4¢	8	Yes.
	Other, including blown or drawn glass, but excluding pressed or molded glass:	(AVE 5.5%)										
542.67	Colored or special glass: Weighing over 4 oz. but not over 12 oz. per sq. ft.	6¢	5.4¢	5¢	4.7¢	4.4¢	4.1¢	3.8¢	3.5¢	13¢	2	Yes.
	Weighing over 12 oz. but not over 16 oz. per sq. ft.	(AVE 9.3%)										
	Weighing over 16 oz. but not over 28 oz. per sq. ft.:											
542.71	Measuring not over 40 united inches.	0.7¢ + 2.5% (AVE 3.2%)	0.6¢ + 2.4%	0.6¢ + 2.3%	0.6¢ + 2.3%	0.6¢ + 2.2%	0.6¢ + 2.1%	0.6¢ + 2.1%	0.6¢ + 2%	1.5¢ + 5%	392	Yes.
542.73	Measuring over 40 united inches but not over 60 united inches.	0.9¢ + 2.5% (AVE 3.0%)	0.8¢ + 2.4%	0.8¢ + 2.3%	0.7¢ + 2.3%	0.7¢ + 2.2%	0.6¢ + 2.1%	0.6¢ + 2.1%	0.6¢ + 2%	1.9¢ + 5%	869	Yes.
542.75	Measuring over 60 but not over 100 united inches.	1.1¢ + 2.5% (AVE 3.3%)	0.9¢ + 2.4%	0.9¢ + 2.3%	0.8¢ + 2.3%	0.7¢ + 2.2%	0.7¢ + 2.1%	0.6¢ + 2.1%	0.6¢ + 2%	2.4¢ + 5%	1,414	Yes.
542.77	Measuring over 100 united inches.	1.4¢ + 2.5% (AVE 5.4%)	1.3¢ + 2.4%	1.1¢ + 2.3%	1¢ + 2.3%	0.9¢ + 2.2%	0.8¢ + 2.1%	0.7¢ + 2.1%	0.6¢ + 2%	2.8¢ + 5%	810	Yes.
542.92	Not over 2-2/3 sq. ft. in area.	0.7¢ + 2.5% (AVE 2.9%)	0.6¢ + 2.4%	0.6¢ + 2.3%	0.6¢ + 2.3%	0.6¢ + 2.2%	0.6¢ + 2.1%	0.6¢ + 2.1%	0.6¢ + 2%	1.5¢ + 5%	19	Yes.
542.94	Over 2-2/3 but not over 7 sq. ft. in area.	0.9¢ + 2.5% (AVE 5.0%)	0.8¢ + 2.4%	0.8¢ + 2.3%	0.7¢ + 2.3%	0.7¢ + 2.2%	0.6¢ + 2.1%	0.6¢ + 2.1%	0.6¢ + 2%	1.9¢ + 5%	16	Yes.

See footnote at end of table.

TSUS item No.	Description	Pre-MTN col. 1 rate of duty 1/	(Cents per pound; percent ad valorem)							Col. 2 rate of duty	U.S. imports in 1982 : (\$1,000)	Product produced in U.S. on 1/3/75	
			1980	1981	1982	1983	1984	1985	1986				1987
	Glass (whether or not containing wire netting), etc.--(con.):												
	Other, including blown or drawn glass, etc.--(con.):												
	Colored or special glass (con.):												
	Weighing over 28 oz., etc.--(con.):												
542.96	Over 7 but not over 15 sq. ft. in area.	1.14 + 2.5% (AVE 9.2%)	14 + 2.4%	0.94 + 2.3%	0.84 + 2.3%	0.74 + 2.2%	0.64 + 2.1%	0.64 + 2.1%	0.64 + 2.1%	0.64 + 2.1%	2.44 + 5%	15	Yes.
542.98	Over 15 sq. ft. in area.	1.44 + 2.5% (AVE 7.3%)	1.34 + 2.4%	1.14 + 2.4%	14 + 2.3%	0.94 + 2.2%	0.84 + 2.1%	0.74 + 2.1%	0.64 + 2.1%	0.64 + 2.1%	2.84 + 5%	160	Yes.

1/ Rate effective prior to January 1, 1980.

## II. Comments

Description and uses

The articles under consideration for GSP treatment are certain colored sheet glass classified in TSUS items 542.57 through 542.98 and defined as colored 1/ blown or drawn glass 2/ (whether or not containing wire netting), in rectangles, not ground, not polished, not pressed or molded, and not otherwise processed, weighing over four ounces per square foot.

Sheet glass is a type of transparent flat glass with a smooth, fire-polished 3/ surface produced by various glass-drawing processes. The drawing method leaves faint ripples on the surface of the glass which to varying degrees distort objects either viewed through, or reflected in, the glass. This characteristic of sheet glass tends to exclude it from use when large pieces are required and an oblique angle of view is likely. Sheet glass dimensions vary in width from 60 to 120 inches and in thickness from approximately 0.026 inch to 7/16th inch. Less than 5 percent of all flat glass produced in the United States is sheet glass. 4/

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1/ Colored glass is unprocessed glass whose light transmittance is retarded to varying degrees by coloring agents or opacifiers within the glass, and not by treatments or irregularities of the surface of the glass. Such glass may vary from opaque glass to glass with a transmittance of about 80 percent of normally incident light of certain wavelengths. The colors most commonly manufactured in the United States are bronze, gray, and green. Any desired color may be produced by altering the coloring agents in the batch of raw materials.

2/ Sheet glass is identified in the TSUS as "drawn or blown flat glass." All sheet glass today is drawn; blown sheet glass is now obsolete.

3/ A fire polish or finish is the brilliant surface achieved by allowing the molten glass to cool to rigidity without coming in contact with anything solid.

4/ Other types of flat glass include float glass and plate glass. Float glass is produced by floating molten glass over a bed of molten tin. Plate glass is manufactured principally by using the rolled glass process and grinding the surfaces of the glass to a very smooth, flat finish. Certain float and plate glass are covered under a separate digest.

In recent years, sheet glass has been displaced by float glass in the principal markets, including the automobile and construction (both residential and commercial) industries. Sheet glass continues to be used in certain specialized markets, particularly those where the use of float glass would be impractical due to factors such as physical constraints on the manufacture of certain glass thicknesses and increased production costs associated with low-volume orders. Colored glass is consumed principally by the construction and automotive markets; the narrower thicknesses are used in such products as lenses for protective helmets and goggles.

#### U.S. producers and employment

At the present time sheet glass is produced in the United States by one firm, operating one plant in Pennsylvania. The average level of employment at the firm declined during 1980-82 (the most recent data available) and was estimated at \* \* \* in 1982. One other U.S. firm was engaged in the production of sheet glass at various times during the period under consideration: early in 1978, and from June 1980 to October 1981. No glass is being produced by this firm at the present time. It is believed that these two firms produced little, if any, colored sheet glass during the time period under consideration; their output consisted of clear sheet glass.

By 1978, almost all domestic sheet glass-producing facilities had been converted (or were in the process of being converted) to float glass lines, with the exception of those operated by the aforementioned two firms. Consequently, it appears that there have not been any U.S. producers of colored sheet glass for commercial use during the subject time period.

U.S. consumption and production

Estimated apparent U.S. consumption of certain colored sheet glass, which is believed to approximate U.S. imports of this glass, rose 20 percent in value during 1978-79, then fell 40 percent to \$3.7 million in 1982 (table A). The decline in apparent consumption is believed to have resulted from a combination of factors, including the greater substitution of float glass for sheet glass in the principal markets and the reduced demand from the construction and automotive markets, which are heavily affected by fluctuations in the economy.

U.S. production data for certain colored sheet glass are unavailable, but production is believed to be negligible.

U.S. exports

Estimated U.S. exports of certain colored sheet glass are believed to be negligible.

U.S. imports

U.S. imports of certain colored sheet glass fell 40 percent from their peak value of \$6.1 million in 1979 to \$3.7 million in 1982 (table B), due principally to declines in imports from the Federal Republic of Germany and France. U.S. imports rose to \$3.0 million in January-June 1983, an increase of 33 percent compared to the corresponding 1982 level. This growth was largely accounted for by increased imports from Singapore and Mexico (the petitioner for GSP treatment). Major foreign suppliers to the United States

in 1982 were the Federal Republic of Germany and France which together accounted for 84 percent of U.S. imports by value, although this share was lower than that recorded in the previous year.

U.S. imports from GSP countries fell from \$412,000 in 1979 to \$1,000 in 1981, then rose to \$414,000 in 1982 (table C). In that year, imports from GSP countries accounted for 11 percent of total U.S. imports by value. Imports from GSP countries continued to rise in January-June 1983, reaching \$1.2 million. During this period, imports from these countries accounted for 39 percent of the value imported. The principal GSP sources of U.S. imports are Singapore, Mexico, and Colombia.

The nature of the sheet glass production process (and the associated glass drawing operations) may result in significant quality differences in pieces of glass with regard to the degree of distortion of objects viewed through the glass. Although there is virtually no U.S. production of colored sheet glass, U.S. glass manufacturers do produce colored float glass that competes with high-quality, distortion-free imported colored sheet glass. 1/ In this instance, both foreign and domestic glass generally compete on an equal basis in terms of quality, whereas a favorable price differential and satisfactory customer service can be determining factors in the decision to purchase the product. Because there is no domestic production of colored

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1/ This competition is limited to glass thicknesses greater than 1/8-inch. Although there have been a few small-volume production runs of thin glass manufactured by the float process (primarily on an experimental basis), certain technical adjustments to this process must be accomplished in order for it to become a viable method of thin glass production.

sheet glass, the majority of imports under the TSUS items being considered do not compete with any U.S. products.

Position of interested parties

The petitioner, the Government of Mexico, requests that certain colored sheet glass be designated as articles eligible for duty-free entry under the Generalized System of Preferences. Vitro Flotado, a Mexican flat glass producer, claimed that the designation of the subject flat glass as GSP-eligible will have no effect on the U.S. flat glass industry. It was alleged that imports of flat glass into the United States from all sources, in comparison to U.S. manufacturers' shipments of flat glass, are negligible.

PPG Industries, Inc., and AFG Industries, Inc., both of whom are U.S. float glass producers appeared in opposition to the Mexican government's request that the subject flat glass articles be designated as eligible for GSP treatment; they assert that the domestic industry will experience price suppression and depression, as well as lost sales.



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## III. Statistical Data

Table A.--Certain colored sheet glass: U.S. production, exports of domestic merchandise, imports for consumption and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Value in thousands of dollars)						
Period	Production <u>1/</u>	Exports <u>1/</u>	Imports	Apparent consumption <u>1/</u>	Ratio (percent) of imports to consumption <u>1/</u>	
1978-----	<u>2/</u>	<u>2/</u>	5,104	5,104	100.0	
1979-----	<u>2/</u>	<u>2/</u>	6,129	6,129	100.0	
1980-----	<u>2/</u>	<u>2/</u>	4,109	4,109	100.0	
1981-----	<u>2/</u>	<u>2/</u>	4,195	4,195	100.0	
1982-----	<u>2/</u>	<u>2/</u>	3,706	3,706	100.0	
Jan.-June:						
1982-----	<u>2/</u>	<u>2/</u>	2,256	2,256	100.0	
1983-----	<u>2/</u>	<u>2/</u>	3,011	3,011	100.0	

1/ Estimated by the staff of the U.S. International Trade Commission.

2/ Negligible.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as indicated.

Table B.--Certain colored sheet glass: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	(In thousands of dollars)					
	1978	1979	1980	1981	1982	January-June-- 1982 : : 1983
Fr Germ	3,795	4,462	3,648	3,418	2,652	1,649
France	687	903	217	618	465	359
Singapr	-	-	-	-	194	86
Italy	12	52	-	7	152	40
Mexico	-	-	1	1	136	83
Colomb	-	-	-	-	68	-
Japan	94	137	112	58	18	18
Hg Kong	1/	1	-	-	16	16
All other	514	574	131	93	5	5
Total	5,104	6,129	4,109	4,195	3,706	2,256
						115
						3,011

1/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Certain colored sheet glass: U.S. imports by certain world areas including designated GSP countries, 1979-82 and Jan - June 1983

Item	1979	1980	1981	1982	January - June 1983	
					Imports	Percentage distribution
Value (1,000 dollars)						
Gross imports	6,129	4,109	4,195	3,706	3,011	100
26 developed cttries, total	5,716	4,077	4,194	3,291	1,815	60
GSP countries, total	412	32	1	414	1,183	39
Singapr	-	-	-	194	588	20
Mexico	-	1	1	136	397	13
Colomb	-	-	-	68	111	4
Hg Kong	1	-	-	16	-	-
China t	405	30	-	2/	35	1
Sri Lka	-	2/	-	-	-	-
Indnsia	7	-	-	-	-	-
Phil R	-	-	-	-	53	2
Other	-	-	-	-	13	1/

1/ Less than 0.5 percent.

2/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

TITLE: Certain float and plate glass

I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No.	Description	(Cents per square foot; percent ad valorem)										Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)	Product produced in U.S. on 1/3/75		
		Pre-MIN col. 1 rate of duty 1/	1980	1981	1982	1983	1984	1985	1986	1987	1988					
	Glass (including plate glass and float glass), whether or not containing wire netting, in rectangles, ground or polished on one or both surfaces in whole or in part, but not further processed:															
	Ordinary glass:															
	Not containing wire netting:															
	Measuring not over 15/32 inch in thickness:															
543.21	Not over 2-2/3 sq. ft. in area.	1.7¢ (AVE 0.3%)	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	12.5¢	657 Yes.
543.23	Over 2-2/3 but not over 7 sq. ft. in area.	2.5¢ (AVE 1.1%)	2.4¢	2.4¢	2.3¢	2.2¢	2.2¢	2.2¢	2.2¢	2.2¢	2.1¢	2.1¢	2.1¢	2¢	17.25¢	497 Yes.
543.27	Over 7 sq. ft. in area.	2.8¢ (AVE 6.7%)	2.6¢	2.4¢	2.3¢	2.1¢	2¢	2¢	2¢	1.8¢	1.6¢	1.6¢	1.6¢	1.5¢	19.75¢	5,276 Yes.
543.31	Measuring over 15/32 inch in thickness.	10.5%	9.9%	9.4%	8.8%	8.3%	7.7%	7.1%	6.6%	6.6%	6.6%	6.6%	6.6%	6%	50%	337 Yes.
	Colored or special glass:															
	Measuring not over 15/32 inch in thickness:															
543.61	Not over 2-2/3 sq. ft. in area.	1.7¢ + 1% (AVE 2.2%)	1.4¢	1.3¢	1¢	0.8¢	0.6¢	0.6¢	0.6¢	0.4¢	0.2¢	0.2¢	0.2¢	Free	12.5¢ + 5%	85 Yes.
543.63	Over 2-2/3 but not over 7 sq. ft. in area.	2.5¢ + 1% (AVE 6.2%)	2.3¢	2.1¢	1.9¢	1.7¢	1.5¢	1.3¢	1.1¢	1.1¢	1.1¢	1.1¢	1.1¢	1¢	17.25¢ + 5%	220 Yes.
543.67	Over 7 sq. ft. in area.	2.8¢ + 1% (AVE 10.0%)	2.6¢	2.4¢	2.3¢	2.1¢	2¢	1.8¢	1.6¢	1.6¢	1.6¢	1.6¢	1.6¢	1.5¢	19.75¢ + 5%	4,124 Yes.
543.69	Measuring over 15/32 inch in thickness.	11.5%	10.9%	10.2%	9.6%	8.9%	8.3%	7.6%	7%	6.3%	6.3%	6.3%	6.3%	6.3%	55%	81 Yes.

1/ Rate effective prior to Jan. 1, 1980.  
 2/ Rate not modified in the Tokyo round of the Multilateral Trade Negotiations.

## II. Comments

Description and uses

The items under consideration for GSP treatment are certain float glass and plate glass classified in TSUS items 543.21-543.69 and defined as unprocessed 1/ glass in rectangles, whether or not colored 2/, not containing wire netting in the uncolored glass, ground or polished on one or both surfaces in whole or in part.

Float glass and plate glass are types of flat glass which have plane and parallel surfaces and do not distort objects viewed through them. Float glass is produced by floating molten glass over a bed of molten tin. Plate glass is manufactured principally by using the rolled glass process and grinding the surfaces of the glass to a very smooth, flat finish. Float glass production is technologically superior to that of plate glass, which requires expensive grinding operations to ensure a flat, distortion-free finish. Plate glass has not been domestically produced for commercial use at any time during the period under consideration.

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1/ Unprocessed glass is that which has not been laminated, tempered, bent, frosted, sanded, enameled, beveled, etched, embossed, engraved, flashed, stained, painted, coated, ornamented, or decorated.

2/ Colored glass is unprocessed glass whose light transmittance is retarded to varying degrees by coloring agents or opacifiers within the glass, and not by treatments or irregularities of the surface of the glass. Such glass may vary from opaque glass to glass with a transmittance of about 80 percent of normally incident light of certain wavelengths. The colors most commonly manufactured in the United States are bronze, gray, and green. Any desired color may be produced by altering the coloring agents in the batch of raw materials; however, U.S. manufacturers produce only those colors for which there is sufficient demand to make production economically viable. Colored glass, which represents approximately 7 percent of total commercial sales of unprocessed float glass in the United States, is consumed primarily by the construction and automotive markets. All float glass lines have the capability of producing colored glass, which requires only the addition of coloring agents to the existing batch of raw materials.

The majority of float glass is consumed by the residential and commercial construction, and the automotive original equipment and replacement markets. Because the major users of float glass are heavily affected by fluctuations in the economy, demand for float glass is highly cyclical.

#### U.S. producers and employment

Float glass is produced in the United States by 6 firms operating approximately 22 plants. Plate glass has not been domestically manufactured for commercial use at any time during the period under consideration. The majority of the float glass producing establishments are located in the Eastern and Midwestern States, with Pennsylvania, Ohio, Tennessee, and Illinois accounting for the largest share of industry shipments. All of the U.S. manufacturers are integrated operations and produce float glass, processed glass, and fabricated glass products.

U.S. employment in the domestic industry producing float glass has declined fairly steadily since 1978, reaching an annual average level of an estimated 14,500 - 15,000 workers in 1982.

#### U.S. consumption and shipments

Estimated apparent U.S. consumption of certain float and plate glass declined irregularly from 3.3 billion square feet (\$935.0 million) in 1978 to 2.7 billion square feet, valued at \$978.3 million, in 1982 (table A). Because the major users are heavily affected by fluctuations in the economy, demand for this glass is highly cyclical. The decline in apparent consumption during



1978-82 reflects the soft demand accompanying the economic downturn. However, renewed growth in construction activity and automobile production resulted in an increase of 17 percent in consumption during the first six months of 1983 as compared to the corresponding 1982 period.

Paralleling the movement of consumption, producers' shipments of certain float and plate glass fell 14 percent in 1982 from an estimated 3.4 billion square feet (\$983.7 million) in 1978 to an estimated 2.9 billion square feet (\$1.1 billion) (table A). In 1982, the average capacity utilization rate for U.S. producers, on the basis of square feet of glass produced, was estimated at 55-60 percent.

#### U.S. exports

Estimated U.S. exports of certain float and plate glass rose 51 percent from 178.9 million square feet (\$75.1 million) in 1978 to 269.7 million square feet (\$138.4 million) in 1980 (table B). Exports declined 29 percent to an estimated 190.9 million square feet (\$106.0 million) in 1982, partly as the result of reduced exports to Canada which also experienced soft demand from its construction and automotive markets. Of the estimated level of exports in 1982, 50 percent, or 96.2 million square feet (\$39.5 million), were shipped to Canada. Shipments to Mexico represented 12 percent, or 22.6 million square feet (\$10.6 million).

U.S. imports

U.S. imports of certain float and plate glass <sup>1/</sup> fell from a peak level of 85.6 million square feet (\$26.4 million) in 1978 to 13.7 million square feet (\$9.6 million) in 1981 (table C). Imports rose in 1982 to 25.3 million square feet (\$11.3 million) due to increases in imports from Canada, the Federal Republic of Germany, Mexico (the petitioner for GSP treatment), and the Korean Republic. Imports accounted for only 0.9 percent of apparent U.S. consumption in that year. In January-June 1983, U.S. imports were almost triple their level (in quantity) in the corresponding 1982 period, totaling 21.2 million square feet (\$8.0 million). The increase was due to continued growth in imports from the Federal Republic of Germany, Mexico, and the Korean Republic. Major foreign suppliers to the United States in 1982 were Canada and the Federal Republic of Germany, together accounting for almost 62 percent of U.S. imports by quantity.

U.S. imports from GSP countries rose from 234,000 square feet (\$440,000) in 1979 to 4.7 million square feet (\$1.4 million) in 1982 (table D), and accounted for 19 percent of total U.S. imports by quantity. Imports from GSP countries continued to increase in January-June 1983, reaching 9.6 million square feet (\$1.9 million). During the first half of 1983, imports from these countries accounted for 46 percent of the quantity imported. The principal GSP sources of U.S. imports are Mexico and the Republic of Korea. Combined

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<sup>1/</sup> Float glass is classified for customs purposes with plate glass in the Tariff Schedules of the United States. Plate glass is now a relatively unimportant article of commerce and in recent years accounted for only about two percent of total imports.

imports from these two countries in 1982 reached 4.6 million square feet and were more than 17 times their level in 1981; this upward trend continued in the first six months of 1983, reaching a level approximately twice as great as the entire year of 1982. According to industry sources, Mexican flat glass capacity was expanded when a new float glass plant became operational in 1982. The Republic of Korea's first float glass plant reportedly became operational in June 1981, explaining the negligible level of float glass imports from Korea prior to 1982.

Float glass is a physically homogeneous product and quality differences are minimal. Consequently, both foreign and domestic float glass generally compete on an equal basis in terms of quality. Favorable price differential, adequate product availability, and timely delivery can be determining factors in the decision to purchase glass of like quality. In 1982, the average unit values (in cents per square foot) of imports from Mexico and Korea were lower by an estimated 8 percent and 27 percent, respectively, than the average unit value of U.S. producers' shipments. Transportation cost can be a significant factor affecting price; for example, the cost of ocean freight is believed to account for 20-25 percent of the selling price.

#### Position of interested parties

The petitioner, the Government of Mexico, requests that certain float and plate glass be designated as articles eligible for the Generalized System of Preferences. Vitro Flotado, a Mexican flat glass producer, claimed that the designation of the subject flat glass as GSP-eligible will have no effect on

the U.S. flat glass industry. It was alleged that imports of flat glass into the United States from all sources, in comparison to U.S. manufacturers' shipments of flat glass, are negligible.

PPG Industries, Inc., and AFG Industries, Inc., the two manufacturers, are opposed to the Mexican government's request that certain float and plate glass articles be designated as eligible for GSP treatment, asserting that the domestic industry will experience price suppression and depression, and lost sales. On September 16, 1983, PPG Industries filed a countervailing duty petition with the U.S. Department of Commerce against float glass from Mexico.

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Table A.--Certain float and plate glass: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982 and January-June 1983

(Quantity in million square feet; value in millions of dollars)

Year	Producers' shipments <u>1/</u> <u>2/</u>	Exports <u>1/</u>	Imports	Apparent consumption <u>1/</u>	Ratio (per- cent) of imports to consumption
Quantity					
1978-----	3,391.9	178.9	85.6	3,298.6	2.6
1979-----	3,296.3	229.5	29.3	3,096.1	0.9
1980-----	2,926.1	269.7	26.2	2,682.6	1.0
1981-----	3,068.7	226.7	13.7	2,855.7	0.5
1982-----	2,901.3	190.9	25.3	2,735.7	0.9
January-June:					
1982-----	1,450.7	101.1	7.7	1,357.3	0.6
1983-----	1,668.3	94.8	21.2	1,594.7	1.3
Value					
1978-----	983.7	75.1	26.4	935.0	2.8
1979-----	1,017.7	107.5	11.0	921.2	1.2
1980-----	969.4	138.4	11.0	842.0	1.3
1981-----	1,131.5	134.3	9.6	1,006.8	1.0
1982-----	1,073.0	106.0	11.3	978.3	1.2
January-June:					
1982-----	536.5	54.7	4.0	485.8	0.8
1983-----	567.2	54.9	8.0	520.3	1.5

1/ Estimated by staff of the U.S. International Trade Commission.

2/ U.S. producers' shipments of plate glass were negligible or nil during the time period under consideration. Estimated data on producers' shipments reflect only shipments of float glass.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as indicated.

Table B.---Certain float and plate glass: U.S. exports of domestic merchandise, by principal markets, 1978-82,  
January-June 1982, and January-June 1983 1/

Market	Quantity (1,000 square feet)					
	1978	1979	1980	1981	1982	January-June-- 1983
Canada	118,964	118,411	120,167	107,920	96,169	50,641
Venez	13,377	12,993	13,283	21,182	13,188	5,741
Mexico	2,810	10,532	9,679	19,459	22,584	13,185
U King	131	388	1,392	3,826	14,905	7,763
Austral	8,223	14,456	16,490	15,689	12,084	7,994
S Arab	767	1,205	2,210	3,458	3,121	940
Hg Kong	194	583	800	1,528	1,329	607
Colomb	381	457	4,251	2,026	1,657	810
All other	34,039	70,522	101,460	51,615	25,882	13,434
Total	178,886	229,548	269,733	226,703	190,920	101,114
	Value (1,000 dollars)					
Canada	44,143	50,641	53,103	52,704	39,481	20,897
Venez	7,466	7,630	8,703	14,556	11,593	4,951
Mexico	809	3,966	6,774	10,961	10,586	5,838
U King	228	509	1,068	2,054	7,858	4,082
Austral	4,207	7,785	9,268	10,222	7,851	5,154
S Arab	980	2,044	2,342	3,819	3,732	1,063
Hg Kong	185	985	2,458	2,828	3,380	1,422
Colomb	186	201	2,445	1,424	1,953	816
All other	16,901	33,718	52,216	35,764	19,520	10,429
Total	75,105	107,479	138,376	134,331	105,955	54,652
	Value (1,000 dollars)					
Canada	44,143	50,641	53,103	52,704	39,481	20,897
Venez	7,466	7,630	8,703	14,556	11,593	4,951
Mexico	809	3,966	6,774	10,961	10,586	5,838
U King	228	509	1,068	2,054	7,858	4,082
Austral	4,207	7,785	9,268	10,222	7,851	5,154
S Arab	980	2,044	2,342	3,819	3,732	1,063
Hg Kong	185	985	2,458	2,828	3,380	1,422
Colomb	186	201	2,445	1,424	1,953	816
All other	16,901	33,718	52,216	35,764	19,520	10,429
Total	75,105	107,479	138,376	134,331	105,955	54,652

1/ Estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce.



Table C.--Certain float and plate glass: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	1978		1979		1980		1981		1982		January-June-- 1982		1983	
	Quantity (1,000 square feet)													
Canada	40,664	17,746	21,691	6,792	11,770	2,433	2,062	6,951	3,469	1,956	1,021	1,021	1,956	1,021
Japan	6,951	4,152	2,744	3,469	1,956	1,510	5,945	633	558	3,870	1,510	5,945	3,870	1,510
Fr Germ	102	80	127	1,630	1,715	1,990	1,306	2,983	158	2,143	54	5,231	2,143	5,231
Spain	20	7	0	111	644	1,116	4,385	11,088	238	644	622	4,385	2,463	622
Mexico	11,088	3,462	836	238	644	1,116	4,385	11,088	238	644	622	4,385	2,463	622
Kor Rep	10,099	2,301	256	131	42	10	41	10,099	2,301	42	10	41	644	10
Belgium	13,080	939	355	649	654	139	551	13,080	939	654	139	551	644	139
U King	85,621	29,306	26,247	13,736	25,258	7,654	21,162	85,621	29,306	25,258	7,654	21,162	25,258	7,654
All other														
Total														
	Value (1,000 dollars)													
Canada	10,174	4,287	7,410	2,981	3,742	723	754	3,368	3,220	2,482	1,156	1,707	3,742	1,156
Japan	441	414	182	456	1,341	480	1,707	441	456	1,341	480	1,707	1,341	480
Fr Germ	106	51	121	1,101	1,106	664	828	106	1,101	1,106	664	828	1,106	664
Spain	868	410	279	233	718	85	1,016	868	233	718	85	1,016	2,143	85
Mexico	10	7	-	18	671	323	911	10	18	671	323	911	2,143	323
Kor Rep	4,307	1,251	308	117	375	222	332	4,307	1,251	375	222	332	2,463	222
Belgium	4,131	1,580	278	821	362	200	189	4,131	1,580	362	200	189	2,463	200
U King	2,952	638	240	607	481	165	421	2,952	638	481	165	421	2,463	165
All other	26,356	11,039	10,995	9,555	11,278	4,018	7,970	26,356	11,039	11,278	4,018	7,970	11,278	4,018
Total														

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table D.--Certain float and plate glass: U.S. imports by certain world areas including designated GSP countries, 1979-82 and Jan - June 1983

Item	Quantity (1,000 square feet)				January - June 1983	
	1979	1980	1981	1982	Imports	Percentage distribution
Gross imports	29,306	26,247	13,736	25,258	21,162	100
26 developed cttries, total:	28,992	25,832	11,831	18,808	10,217	48
GSP countries, total	234	287	271	4,735	9,640	46
Mexico	148	70	158	2,143	5,231	25
Kor Rep	7	0	111	2,463	4,385	21
China t	2/	1	1	96	25	1/
Romania	78	179	0	20	0	
Oman	0	24	0	11	0	
Venez	0	0	0	2	0	
Singapr	0	0	0	2/	0	
C Rica	0	13	0	0	0	
Other GSP	0	0	0	0	0	
Other	80	127	1,634	1,715	1,306	6
Value (1,000 dollars)						
Gross imports	11,039	10,995	9,555	11,278	7,970	100
26 developed cttries, total:	10,548	10,541	8,183	8,747	5,207	65
GSP countries, total	440	334	253	1,424	1,935	24
Mexico	410	279	233	718	1,016	13
Kor Rep	7	0	18	671	911	11
China t	2/	2	1	18	9	1/
Romania	23	36	0	6	0	
Oman	0	11	0	6	0	
Venez	0	0	0	5	0	
Singapr	0	0	0	2/	0	
C Rica	0	6	0	0	0	
Other GSP	0	0	0	0	0	
Other	51	121	1,120	1,106	828	10

1/ Less than 0.5 percent.  
2/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.



TITLE: Antennas

I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No.	Description	Pre-NTM col. 1 rate of duty 1/	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--					Col. 2 rate of duty	U.S. imports in 1982	Product produced in U.S. on 1/3/75			
			1980	1981	1982	1983	1984				1985	1986	1987
685.1915	Antennas-----	5%	4.8%	4.7%	4.5%	4.4%	4.2%	4%	3.9%	3.7%	35.0%	\$5,017	Yes.

1/ Rate effective prior to January 1, 1980

Note: % denotes percent ad valorem.

## II. Comment

Description and uses

The products covered in this digest are certain television receiving antennas of a type not designed to be an integral part of a television set. These antennas are "rabbit-ears"; roof-mounted, omnidirectional antennas and "dish-type" antennas used to receive television transmission via satellite (sometimes referred to as satellite earth stations). Not covered by this digest are television antennas which are designed to be incorporated into a television receiver, dish-type antennas used for satellite communication reception, transmission antennas, and other types of communication antennas.

The subject antennas are constructed of various types of base metal and used primarily in residential and commercial markets.

U.S. producers and employment

There are approximately 25 producers of television receiving antennas in the United States employing close to 1500 persons. U.S. producers each tend to specialize in the production of one type of antenna. About half of the producers manufacture roof-top type and several of those produce dish-type. Two producers manufacture rabbit-ear type antennas, exclusively; and the others manufacture a variety of different types. In terms of sales, the largest six producers account for about 90 percent of the domestic industry.

U.S. consumption and production

The level of consumption of television receiving antennas to some degree depends on the level of consumption of television receivers, which has increased irregularly but fairly steadily over the past several years,

reaching 16 million units in 1982. This indicates that over 95 percent of the households in the United States have at least one television set. The current demand for television sets is primarily in the replacement and second-set markets. As the latter market grows, demand for rabbit-ear-type antennas will also grow. This is not the case with roof-top types, which generally can provide transmission reception for more than one television receiver. Another factor affecting the demand of television receiving antennas is the rapid growth of cable television networks, which tends to moderate the demand for television antennas. The most dynamic segment of the television receiving antenna industry is the dish-type antenna for satellite transmission reception. With most of the technical problems resolved, reduced production costs, and increased broadcasting via satellite, dish-type antennas are becoming a practical means of television reception particularly in rural areas.

Apparent consumption of the subject antennas decreased from \$69.7 million in 1978 to \$59.4 million in 1980 before increasing thereafter to \$67.0 million in 1982 (table A). U.S. shipments followed the same trend as consumption, decreasing from \$72.6 million in 1978 to \$61.7 million in 1980 before increasing to \$65.4 million in 1982.

#### U.S. exports

U.S. exports of certain television receiving antennas has followed no discernible trend during 1978-82. Exports to the United Arab Emirates and Canada accounted for 18 percent and 17 percent, respectively, of total exports in 1982 (table B).

U.S. imports

Annual U.S. imports of the subject television receiving antennas increased irregularly from about \$713,000 in 1980 to \$5.0 million in 1982 or by 604 percent. Such imports were \$1.6 million in January-June 1982 compared to \$3.6 million in January-June 1983, an increase of 127 percent. As a share of apparent consumption, imports increased irregularly from 1 percent in 1978 to 6.9 percent in 1982. Canada and Japan, together, accounted for 77 percent of total imports in 1982. Imports from designated GSP countries accounted for 1 percent of apparent consumption in 1982.

While domestic and imported antennas of the rabbit-ear and roof-top types are somewhat interchangeable, there are currently no known significant imports of dish-type antennas. Two reasons account for the apparent lack of imports of dish-type antennas. These antennas are technically advanced and only a few countries possess the technology to make them. In addition, these antennas are bulky and not easily packaged, making the shipping very expensive. Until the U.S. market becomes significant, it is unlikely that there will be a large increase in imports of these antennas; and even then imports will probably come from Japan or European countries.

Position of interested parties

The Government of Malaysia requests that certain television receiving antennas be added to the list of articles eligible for the GSP. The Electronics Industry Association (EIA) in the United States has taken a neutral position with this issue. This is partly because EIA represents not only

domestic manufacturers but also importers of the subject articles. Six domestic manufacturers, accounting for over 90 percent of the industry, were contacted. The general consensus was that imports of television receiving antennas, particularly from developing countries, are not a major threat, and so the domestic producers do not oppose the petition.

No submissions were received from other interested parties.



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Table A.--Antennas: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption 1978-82, January-June 1982, and January-June 1983

Period	Producers' shipments <u>1/</u>	Exports <u>1/</u>	Imports	Apparent consumption	Ratio of imports to consumption
	-----1,000 dollars-----				Percent
1978-----	72,603	3,594	<u>1/</u> 713	69,722	1.0
1979-----	70,298	3,939	<u>1/</u> 1,390	67,749	2.1
1980-----	61,674	3,559	<u>1/</u> 1,268	59,383	2.1
1981-----	64,338	4,185	1,163	61,316	1.9
1982-----	65,415	3,447	5,017	66,986	7.4
Jan.-June:					
1982-----	<u>2/</u>	2,074	1,570	<u>2/</u>	<u>2/</u>
1983-----	<u>2/</u>	1,970	3569	<u>2/</u>	<u>2/</u>

1/ Estimated by the staff of the U.S. International Trade Commission based on official statistics of the U.S. Department of Commerce.

2/ Not available.

Source: Official statistics of the U.S. Department of Commerce except as noted.

Table B.--Antennas: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, January-June 1983

Market	(In thousands of dollars)					
	1978	1979	1980	1981	1982	January-June-- 1983
Arab Em-----	262	291	410	377	605	476
Canada-----	649	612	439	432	583	277
Lebanon-----	63	110	131	428	210	72
China t-----	131	133	183	177	182	103
S Arab-----	150	249	95	109	129	105
Peru-----	10	-	7	12	119	106
Israel-----	22	34	6	98	108	54
Venez-----	117	93	223	102	104	62
All other-----	2,190	2,417	2,067	2,450	1,407	818
Total-----	3,594	3,939	3,559	4,185	3,447	2,074

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Antennas: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	(In thousands of dollars)					
	1978	1979	1980	1981	1982	January-June-- 1983
Canada-----	87	132	106	196	2,776	804
Japan-----	139	366	350	611	1,092	314
Mexico-----	325	593	452	58	650	352
China t-----	67	60	190	173	294	75
U King-----	48	112	83	16	79	1
Singapr-----	1	1	6	25	34	-
Kor Rep-----	-	4	2	57	24	3
Austral-----	45	123	80	27	18	-
All other-----	713	1,390	1,268	1,163	5,017	21
Total-----	1,390	1,390	1,268	1,163	5,017	1,570

1/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table D. Antennas: U.S. imports by certain world areas including designated GSP countries, 1979-82 and Jan.-June 1983

Item	1979	1980	1981	1982	January-June 1983	
					Imports	Percentage distribution
Value (1,000 dollars)						
Gross imports-----	1,390	1,268	1,163	5,017	3,569	100
26 developed countries, total-----	732	618	847	4,010	3,010	84
GSP countries, total-----	658	650	316	1,007	560	16
Mexico-----	593	452	58	650	348	10
Taiwan-----	60	190	173	294	199	6
Singapore-----	<u>1/</u>	6	25	34	12	<u>2/</u>
Republic of Korea-----	1	2	57	24	1	<u>2/</u>
Hong Kong-----	3	1	2	4	-	
Panama-----	-	-	1	-	-	
Costa Rica-----	-	-	-	-	-	
Bahamas-----	-	<u>1/</u>	-	-	-	
Other GSP-----	1	<u>1/</u>	-	-	-	
Other-----	-	<u>1/</u>	-	-	-	

1/ Less than 500.

2/ Less than 0.5 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.



TITLE: Handmade wood or clay dolls

TSUS item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No.	Description	Pre-MTN col. 1 rate of duty <u>1</u> /	(Percent ad valorem)					Col. 2 rate of duty	U.S. imports in 1982 : (\$1,000)	Product in U.S. on 1/1/75			
			1980	1981	1982	1983	1984				1985	1986	1987
737.24(pt.)	Dolls (with or without clothing): Other (handmade wood or clay dolls).	17.5%	16.8%	16.1%	15.4%	14.8%	14.1%	13.4%	12.7%	12%	70%	165,385	Yes.

1/ Rate effective prior to Jan. 1, 1980.

2/ Imports of all nonstuffed dolls.

## II. Comments

Description and uses

The products classified under TSUS item 737.24 include all dolls except stuffed dolls, regardless of use. Dolls as a product group can be subdivided into two basic categories--toy or play dolls for children's use and collectibles for collection or decoration. The dolls for which duty-free treatment under the GSP has been requested, handmade dolls of wood or clay, would fall primarily in the second category as decorative handicraft dolls. However, also included are some wood or clay Christmas ornaments, wood toy dolls, and wood puppets and marionettes, all of which may be used by children for play. It should be noted that the term "handmade" is somewhat imprecise; all doll production is highly labor intensive and a handmade doll can easily compete with dolls that are not totally handmade.

U.S. producers and employment

There were approximately 200 producers of dolls and stuffed toys in commercial quantities in the United States in 1982. Total employment was approximately 7,000, with an estimated 6,000 production and related workers. Data on producers and employment with regard to wood or clay dolls are not available; however, the bulk of domestic production of these dolls is reported to be on a cottage industry basis (often by skilled craftsmen and artisans), with little commercial production.

U.S. consumption and production

Apparent U.S. consumption of all nonstuffed dolls decreased from an estimated \$134.8 million in 1978 to an estimated \$133.2 million in 1979, and

then increased annually to an estimated \$202.9 million in 1982. Estimated producers' shipments of all nonstuffed dolls declined annually from \$69.2 million in 1978 to \$32.9 million in 1981, and then recovered slightly to \$39.7 million in 1982, representing an overall decline of 43 percent. The ratio of imports to consumption increased annually from 50 percent in 1978 to 82 percent in 1982. Data on producers' shipments, exports, imports, and consequently, apparent consumption for wood and clay dolls are not available. <sup>1/</sup> However, wood and clay dolls are believed to account for less than 5 percent of nonstuffed doll production and consumption. Imports provide the major portion of U.S. wood and clay doll consumption.

#### U.S. exports

U.S. exports of all dolls ranged between \$1.7 million and \$2.3 million, annually, during the period 1978-82 (table B). Exports during the first six months of 1983 were \$500,000, down 35 percent from exports during the comparable period of 1982. Mexico was the largest export market during the period and accounted for 17 percent of the total in 1982. Exports of wood and clay dolls are estimated by industry sources to be negligible.

#### U.S. imports

U.S. imports of all nonstuffed dolls increased annually from 128.3 million units valued at \$67.4 million in 1978 to 187.4 million units valued at

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<sup>1/</sup> For this reason, no consumption table (table A) is shown.



\$165.4 million in 1982 (table C). Hong Kong and Taiwan were the largest sources during the period, accounting for 55 percent and 23 percent, respectively, of the value imported in 1982. Although official data on imports of handmade wood and clay dolls are not available, imports of these dolls are estimated to account for less than 5 percent of the annual import value.

As shown in table D, imports from GSP countries accounted for the bulk of imports of all nonstuffed dolls during the period, amounting to 182.3 million units valued at \$154.1 million in 1982--97 percent of the total quantity and 93 percent of the total value imported. Most imports of handmade wood and clay dolls are believed to come from GSP countries, although some handcarved collectible dolls and marionettes are sourced from Europe, particularly West Germany. With the exception of the most inexpensive wood dolls used as Christmas decorations, imports of handmade wood and clay dolls compete with domestic products in two ways. In general, imported native handicraft dolls of a particular country compete as collectible dolls on the basis of design with both other imported dolls and U.S. handicraft dolls. In addition, it is not uncommon for an importer or foreign manufacturer to take a marketable U.S. doll produced by a craftsman, replicate it, and, by virtue of the lower labor rates available overseas, market it in competition with the original at significantly lower cost.

#### Position of interested parties

The government of Thailand was the petitioner in this case. There were no other representations from interested parties.

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Table B.--Dolls: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	Quantity (1,000 units)					Value (1,000 dollars)	
	1978	1979	1980	1981	1982	1982	1983
Mexico	82	49	98	148	53	367	198
Italy	0	5	5	1	37	235	78
Venez	8	11	14	5	36	233	13
U King	72	31	12	58	62	193	73
France	1/	7	2	3	71	171	17
Colomb	9	28	64	15	29	167	20
Canada	8	27	13	19	19	161	60
Japan	12	12	8	8	9	120	38
All other	229	120	105	104	77	572	272
Total	421	220	322	362	394	2,218	770
Unit value							
Mexico	65.36	66.47	66.09	65.73	66.89	67.40	62.00
Italy	-	7.72	4.51	7.51	6.33	6.59	2.40
Venez	5.60	7.04	11.20	5.87	6.55	23.76	16.55
U King	0.94	2.16	6.19	4.28	3.09	2.38	3.25
France	29.44	12.79	13.76	8.84	2.41	2.08	14.98
Colomb	6.99	5.60	7.76	7.64	5.78	6.19	6.88
Canada	10.77	3.65	8.89	8.77	8.25	5.18	9.99
Japan	6.95	10.78	12.28	12.72	12.87	8.58	9.76
All other	4.25	5.71	6.75	6.97	7.41	7.73	8.38
Average	4.20	5.72	7.16	6.28	5.63	5.82	7.11

1/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.



Table D.--Dolls, except stuffed dolls: U.S. imports by certain world areas including designated GSP countries, 1979-82 and January-June 1983

Item	Quantity (1,000 units)				January - June 1983 Imports	Percentage distribution
	1979	1980	1981	1982		
Gross imports	140,849	136,504	153,207	187,429	62,793	100
26 developed cttries, total:	8,088	2,855	9,095	2,132	1,984	3
GSP countries, total	132,117	133,024	142,691	182,323	59,595	95
Hg Kong	92,320	89,792	98,148	125,608	39,020	62
China t	28,567	32,530	32,419	40,629	14,165	23
Mexico	371	1,743	1,812	2,451	1,070	2
Phil R	4,836	4,720	5,534	6,969	2,923	5
Kor Rep	5,610	3,311	3,445	5,759	1,581	3
Macao	1	14	191	293	565	1
Thailand	19	23	57	427	131	1/
Haiti	194	69	10	87	28	1/
Other GSP	198	821	1,075	101	111	1/
Other	643	625	1,421	2,974	1,215	2
	Value (1,000 dollars)					
Gross imports	83,166	101,148	116,051	165,385	48,903	100
26 developed cttries, total:	4,775	5,708	6,178	7,590	2,787	6
GSP countries, total	77,296	94,274	108,038	154,063	44,666	91
Hg Kong	50,484	55,654	63,970	91,433	22,738	46
China t	16,068	21,984	27,903	37,562	12,115	25
Mexico	1,580	7,735	7,067	11,282	3,740	8
Phil R	3,814	5,615	5,496	8,688	4,201	9
Kor Rep	4,586	2,729	2,970	4,513	1,320	3
Macao	2	10	260	264	374	1
Thailand	60	81	113	185	23	1/
Haiti	480	141	6	51	14	1/
Other GSP	222	326	252	85	142	1/
Other	1,096	1,166	1,835	3,733	1,450	3

1/ Less than 0.5 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.



## II. Comments

Description and uses

This digest covers buttons of acrylic resin, of polyester resin, or of both such resins (TSUS item 745.32) and certain button blanks, molds, and parts of buttons, other than casein blanks (TSUS item 745.42). <sup>1/</sup> Acrylic and/or polyester resin buttons, which account for the greater part of total domestic output of all types of buttons, are used for men's shirts and ladies' blouses, dresses, and sportswear. They are the most important type of button in terms of commercial significance and are sold under highly competitive conditions in the U.S. market. Button blanks are limited to raw or crude blanks suitable for manufacture into buttons. Button molds are forms (generally wood) which are used in making covered buttons. Button parts consist of such items as shanks, rims and backs.

U.S. producers and employment

There are seven domestic firms that produce buttons of acrylic and/or polyester resins, with four accounting for 50 percent or more of total U.S. production. The seven producers derive most of their income from button manufacturing; they are located principally in the New York City Metropolitan area, upstate New York, Connecticut, and New Jersey. Of the seven producers, five produce button blanks, molds, and parts.

The industry producing the products covered by this digest is capital intensive, and total employment for all products was about 3000 in 1982.

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<sup>1/</sup> Prior to Jan. 1, 1983, button blanks, molds, and parts (including casein button blanks) were entered under TSUS item 745.40.

U.S. consumption and production

Based on information from industry sources, estimated consumption of acrylic and/or polyester resin buttons amounted to \$83 million annually in recent years, with imports supplying approximately 5 percent of the domestic market (table A-1). U.S. producers' shipments of these buttons amounted to an estimated \$80 million annually in recent years.

Data on U.S. producers' shipments and exports of certain button blanks, molds, and parts, other than casein blanks, are not available; however, industry sources indicate that virtually all U.S. consumption is supplied by domestic production (table A-2).

U.S. exports

Although separate data on U.S. exports of the items considered by this digest are not available, industry sources indicate that exports of acrylic and/or polyester resin buttons accounted for about one to two percent of the value of annual U.S. producers' shipments during 1978-82. Exports of button blanks, molds, and parts accounted for less than one percent of such shipments.

U.S. imports

Imports of buttons of acrylic and/or polyester resins increased irregularly during 1978-82, rising from 3.3 million gross to 4.1 million gross, or by 23 percent. The value of imports decreased by 17 percent over the period, dropping from \$4.9 million to \$4.0 million. The average unit value declined from \$1.46 per gross in 1978 to \$0.99 in 1982 (table B-1).



The major supplying countries, Japan and Italy, together accounted for 80 percent of the total value in 1982. Imports of button blanks, molds, and parts decreased by 49 percent during 1978-82, dropping from \$457,000 to \$232,000 (table B-2). West Germany, Hong Kong, the Netherlands, and France were the leading sources, accounting for 95 percent of the total value in 1982.

Raw material costs, which are lower in the United States than in most other nations, give domestic producers a competitive advantage over most foreign manufacturers. The labor component of production costs is minimal. Domestic producers also enjoy proximity to the New York City garment district, a large purchaser of buttons.

Countries designated as beneficiaries of the Generalized System of Preferences (GSP) supplied 20 percent of the quantity (816,000 gross) and 10 percent of the value (\$408,000) of total imports of acrylic and/or polyester resin buttons in 1982 (table C-1). Thailand and Taiwan furnished virtually all of the imports of resin buttons from beneficiary developing countries in 1982.

Imports from beneficiary developing countries supplied 17 percent of the total value of button blanks, molds, and parts in 1982 (\$39,000) (table C-2). Hong Kong supplied virtually all of these imports in 1982.

#### Position of interested parties

The Government of Colombia, through the Export Promotion Agency of the National Bank (Fondo de Promocion de Exportaciones, Banco de la Republica), and Modern Buttons Ltd. of Malta both petitioned for the addition of TSUS item 745.32 to the list of articles eligible for the GSP. Colombia also petitioned

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for the inclusion of TSUS item 745.42 on the list. Colombia contends that the granting of its petition would not have an adverse impact on the U.S. industry producing like articles. Allegedly, the increase in imports from developing countries would supplant imports from developed nations such as Japan, Italy, and West Germany. In doing so, imports under the GSP would provide U.S. apparel producers and notions consumers with lower-priced buttons. GSP eligibility would also benefit the economies of developing countries which produce buttons.

The Maltese firm, Modern Buttons Ltd., asserts that it needs duty-free treatment under the GSP for its high-quality polyester resin buttons to compete with buttons from the United Kingdom, the Netherlands, West Germany, Italy, Thailand, and Japan in the U.S. market. Modern Buttons Ltd. claims that not only would GSP eligibility for item 745.32 increase employment in Malta and improve Malta's balance of trade, but it would also lead to increased exports of the raw material for polyester resin buttons from the United States.

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Table A-1.--Resin buttons: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982 and January-June 1983

(Quantity in thousands of gross; value in thousands of dollars;  
unit value per gross)

Year	Producers' shipments <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption <u>3/</u>	Ratio (per- cent) of imports to consumption <u>4/</u>
Quantity					
1978-----			3,334		
1979-----			4,103		
1980-----			2,574		
1981-----			4,165		
1982-----			4,098		
January-June:					
1982-----			1,609		
1983-----			2,284		
Value					
1978-----			4,858		
1979-----			5,064		
1980-----			4,079		
1981-----			4,511		
1982-----			4,043		
January-June:					
1982-----			1,939		
1983-----			2,213		
Unit value					
1978-----			1.46		
1979-----			1.23		
1980-----			1.58		
1981-----			1.08		
1982-----			.99		
January-June:					
1982-----			1.20		
1983-----			.97		

1/ Not available; however, trade sources estimate that producers' shipments amounted to approximately \$80 million annually in recent years.

2/ Not available; however, trade sources indicate that exports are negligible.

3/ Not available; however, the consumption of resin buttons is supplied largely from domestic production.

4/ Not available; however, in terms of value, imports of resin buttons supplied an estimated 5 percent of consumption in 1982.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table A-2.--Certain button blanks, molds, and parts: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982 and January-June 1983

Year	Producers' shipments <u>1/</u>	Exports <u>2/</u>	Imports <u>3/</u>	Apparent consumption <u>4/</u>	Ratio (percent) of imports to consumption <u>1/</u>
-----Thousands of dollars-----					Percent
1978-----	:	:	457	:	:
1979-----	:	:	377	:	:
1980-----	:	:	254	:	:
1981-----	:	:	281	:	:
1982-----	:	:	232	:	:
January-June:	:	:	:	:	:
1982-----	:	:	102	:	:
1983-----	:	:	108	:	:

1/ Not available.

2/ Not available; however, exports are believed to be smaller than imports.

3/ Since button blanks of casein are included, import figures for 1978-82 are slightly overstated.

4/ Not available; however, virtually all of U.S. consumption of certain button blanks, molds, and parts are supplied by domestic production.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table B-1.--Resin buttons: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity (1,000 gross)					Value (1,000 dollars)					Unit value (per gross)								
	1978	1979	1980	1981	1982	1982	1983	1978	1979	1980	1981	1982	1983	1978	1979	1980	1981	1982	1983
Japan	1,309	1,827	1,039	1,357	1,372	1,681	750	1,309	1,827	1,039	1,357	1,372	1,681	1,309	1,827	1,039	1,357	1,372	1,681
Italy	1,626	1,855	1,153	1,785	1,610	1,560	840	1,626	1,855	1,153	1,785	1,610	1,560	1,626	1,855	1,153	1,785	1,610	1,560
Thailand	0	0	103	752	748	353	127	0	0	103	752	748	353	0	0	103	752	748	353
Nethlds	95	52	50	69	38	104	42	95	52	50	69	38	104	95	52	50	69	38	104
Fr Germ	8	50	23	25	28	96	53	8	50	23	25	28	96	8	50	23	25	28	96
U King	56	8	10	22	10	67	45	56	8	10	22	10	67	56	8	10	22	10	67
Taiwan	17	98	87	24	50	37	18	17	98	87	24	50	37	17	98	87	24	50	37
Canada	31	36	18	16	24	32	17	31	36	18	16	24	32	31	36	18	16	24	32
All other	191	177	91	116	218	113	49	191	177	91	116	218	113	191	177	91	116	218	113
Total	3,334	4,103	2,574	4,165	4,098	4,043	1,939	3,334	4,103	2,574	4,165	4,098	4,043	3,334	4,103	2,574	4,165	4,098	4,043
Japan	1,924	2,054	1,696	1,719	1,681	1,719	750	1,924	2,054	1,696	1,719	1,681	1,719	1,924	2,054	1,696	1,719	1,681	1,719
Italy	2,163	2,264	1,671	1,950	1,560	1,560	840	2,163	2,264	1,671	1,950	1,560	1,560	2,163	2,264	1,671	1,950	1,560	1,560
Thailand	-	-	161	258	353	353	127	-	-	161	258	353	353	-	-	161	258	353	353
Nethlds	337	187	165	183	104	104	42	337	187	165	183	104	104	337	187	165	183	104	104
Fr Germ	27	103	66	64	96	96	53	27	103	66	64	96	96	27	103	66	64	96	96
U King	106	37	54	101	67	67	45	106	37	54	101	67	67	106	37	54	101	67	67
Taiwan	17	94	59	28	37	37	18	17	94	59	28	37	37	17	94	59	28	37	37
Canada	67	91	46	50	32	32	16	67	91	46	50	32	32	67	91	46	50	32	32
All other	217	234	163	158	113	113	49	217	234	163	158	113	113	217	234	163	158	113	113
Total	4,858	5,064	4,079	4,511	4,043	4,043	1,939	4,858	5,064	4,079	4,511	4,043	4,043	4,858	5,064	4,079	4,511	4,043	4,043
Japan	\$1.47	\$1.12	\$1.63	\$1.27	\$1.23	\$1.23	\$1.43	\$1.47	\$1.12	\$1.63	\$1.27	\$1.23	\$1.23	\$1.47	\$1.12	\$1.63	\$1.27	\$1.23	\$1.23
Italy	1.33	1.22	1.45	1.09	.97	.97	1.14	1.33	1.22	1.45	1.09	.97	.97	1.33	1.22	1.45	1.09	.97	.97
Thailand	-	-	1.56	.34	.47	.47	.56	-	-	1.56	.34	.47	.47	-	-	1.56	.34	.47	.47
Nethlds	3.55	3.60	3.30	2.66	2.74	2.74	2.99	3.55	3.60	3.30	2.66	2.74	2.74	3.55	3.60	3.30	2.66	2.74	2.74
Fr Germ	3.41	2.05	2.87	2.58	3.43	3.43	4.04	3.41	2.05	2.87	2.58	3.43	3.43	3.41	2.05	2.87	2.58	3.43	3.43
U King	1.89	4.61	5.36	4.57	6.74	6.74	7.44	1.89	4.61	5.36	4.57	6.74	6.74	1.89	4.61	5.36	4.57	6.74	6.74
Taiwan	1.01	.96	.68	1.18	.73	.73	.55	1.01	.96	.68	1.18	.73	.73	1.01	.96	.68	1.18	.73	.73
Canada	2.16	2.53	2.55	3.13	1.32	1.32	2.52	2.16	2.53	2.55	3.13	1.32	1.32	2.16	2.53	2.55	3.13	1.32	1.32
All other	1.13	1.32	1.79	1.36	.52	.52	1.24	1.13	1.32	1.79	1.36	.52	.52	1.13	1.32	1.79	1.36	.52	.52
Average	1.46	1.23	1.58	1.08	.99	.99	1.20	1.46	1.23	1.58	1.08	.99	.99	1.46	1.23	1.58	1.08	.99	.99

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Table B-2.--Certain button blanks, molds, and parts: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983 1/

(In thousands of dollars)

Source	1978	1979	1980	1981	1982	January-June--	
						1982	1983
F.R. Germany-----	137	95	87	138	134	47	34
Hong Kong-----	71	67	52	75	38	14	30
Netherlands-----	-	-	77	27	28	21	-
France-----	4	8	5	12	21	18	5
Italy-----	77	74	6	3	7	-	31
United Kingdom-----	29	76	8	6	2	1	-
Switzerland-----	-	-	2	-	1	-	2
Taiwan-----	138	45	2	-	1	1	-
All other-----	1	12	15	20	-	-	6
<b>Total-----</b>	<b>457</b>	<b>377</b>	<b>254</b>	<b>281</b>	<b>232</b>	<b>102</b>	<b>108</b>

1/ Since button blanks of casein are included, import figures for 1978-82 are slightly overstated.

Source: Compiled from official statistics of Department of Commerce.

Table C-1.--Resin buttons: U.S. imports by certain world areas including designated GSP countries, 1979-82 and Jan - June 1983

Item	Quantity (1,000 gross)				Percentage distribution
	1979	1980	1981	1982	
Gross imports	4,103	2,574	4,165	4,098	100
26 developed cttries, total	3,862	2,321	3,332	3,239	74
GSP countries, total	154	229	795	816	23
Thailand	0	103	752	748	11
Taiwan	98	87	24	50	5
Hk Kong	29	31	11	10	1/
Phil R	0	2	9	5	1/
Portugl	19	3	2/	1	0
Mexico	0	0	0	1	40
Singapr	0	0	0	1	102
Malta	9	0	0	0	0
Other GSP	0	2	0	0	2/
Other	86	24	37	43	62
Value (1,000 dollars)					
Gross imports	5,064	4,079	4,511	4,043	100
26 developed cttries, total	4,841	3,778	4,166	3,592	86
GSP countries, total	159	278	307	408	12
Thailand	-	161	258	353	169
Taiwan	94	59	28	37	40
Hk Kong	49	42	12	12	8
Phil R	-	2	9	4	6
Portugl	4	6	2/	2	-
Mexico	-	-	-	1	12
Singapr	-	-	-	2/	35
Malta	11	-	-	-	-
Other GSP	-	8	-	-	1
Other	64	24	37	42	42

1/ Less than 0.5 percent.  
2/ Less than 500.



Table C-2.--Certain button blanks, molds, and parts: U.S. imports by certain world areas including designated GSP countries, 1979-82 and Jan.-June 1983

Item	1979	1980	1981	1982	January-June 1983	
					Imports	Percentage distribution
Quantity (number)						
Gross imports	0	0	0	0	0	0
26 developed countries, total	0	0	0	0	0	0
GSP countries, total	0	0	0	0	0	0
Hong Kong	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0
Jamaica	0	0	0	0	0	0
Colombia	0	0	0	0	0	0
Portugal	0	0	0	0	0	0
Cameroon	0	0	0	0	0	0
Other	0	0	0	0	0	0
Value (1,000 dollars)						
Gross imports	377	254	281	232	148	100
26 developed countries, total	261	200	206	193	117	79
GSP countries, total	117	54	75	39	30	21
Hong Kong	67	52	75	37	30	21
Taiwan	45	2	-	1	-	-
Jamaica	-	2/	-	-	-	-
Colombia	4	-	-	-	-	-
Portugal	2/	-	-	-	-	-
Cameroon	-	-	-	-	-	-
Other	-	-	-	-	-	-

1/ Less than 0.5 percent.

2/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

**TITLE: 2,4-Dinitro-6-sec-butylphenol (Dinoseb)**

**I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status**

TSUS item No. 1/	Description	Pre-MTN col. 1 rate of duty 2/	(Cents per pound; percent ad valorem)					Col. 2 rate of duty :(\$1,000)	U.S. imports in 1982 :(\$1,000)			
			Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1---									
			1980 3/	1981	1982	1983	1984	1985	1986	1987		
408.22A (pt.)	2,4-Dinitro-6-sec-butylphenol.	1.7¢ + 12.5%	1.3¢ + 15.1%	0.9¢ + 15.1%	0.5¢ + 15.1%	0.1¢ + 15.1%	14.8%	14.4%	13.9%	13.5%	7¢ + 48.5%	***

1/ The designation "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences (GSP) and that all beneficiary developing countries are eligible for the GSP.  
 2/ Rate effective prior to July 1, 1980.  
 3/ Rate effective after July 1, 1980.

## II. Comments

Description and uses

The chemical included in this digest, 2,4-dinitro-6-sec-butylphenol, is produced from 2-sec-butylphenol, nitric acid, and sulfuric acid. The principal use for this chemical is as a herbicide and plant desiccant. It is used mainly in orchards and vineyards and on forage legumes as a general contact herbicide and for killing potato vines and desiccating seed crops to facilitate harvest.

U.S. producers and employment

Three domestic producers have manufactured this herbicide at various times during 1978-82. In 1981, one manufacturer stopped production of this herbicide and sold its trademark and customer lists to one of the remaining domestic producers.

Employment data for this herbicide are not readily available as these workers usually produce more than one product at a specific plant and as a result these data are usually aggregated in larger groups (e.g., pesticides). According to industry sources, however, there are a total of approximately \* \* \* workers engaged in the production of this herbicide by the remaining two domestic producers.

U.S. consumption and production

Domestic consumption of this herbicide during 1978-82 increased from

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#### U.S. exports

During 1978-82, industry sources estimate exports of this herbicide and its formulations were less than\*\*\*percent of domestic production. Exact export data are not available as this product is classified in a residual (basket) Schedule B number.

#### U.S. imports

In 1982, U.S. imports of this herbicide amounted to 2.5 million pounds. 1/ Over \*\*\*percent of these imports were from \* \* \*

The Commission did not identify any imports of this herbicide for its 1978 annual report, Imports of Benzenoid Chemicals and Products; however, during 1979-82 import quantities increased from 275,000 pounds to 2.5 million pounds (table A).

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1/ Value of imports not available.

Digest No. .  
B401--Con.

During 1979-82, the imports-to-consumption ratio for this herbicide

\* \* \*

There is no difference in quality between the domestic and imported chemicals. As a result, the cost of the product to the consumer is a significant factor in determining the supplier. According to industry sources, the imported product is already very price competitive with the domestic product, which accounts for its increasing share of the domestic market.

Position of interested parties

Vertac Chemical Corp. is the petitioner requesting the withdrawal of duty-free treatment for this herbicide from Romania under the GSP. Vertac and the other domestic producer of this product contend they are being significantly injured by duty-free imports of this product from Romania as shown by their declining production and profits. They also stated that Romania should no longer be eligible for GSP because it is a highly industrialized country with a sophisticated chemical industry.

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Table A.--2,6-Dinitro-6-sec-butylphenol (Dinoseb): U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in thousands of pounds, value in thousands of dollars:  
unit value in cents per pound)

Year	Production	Exports <u>1/</u>	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1978-----	***	***	-	***	***
1979-----	***	***	275	***	***
1980-----	***	***	1,142	***	***
1981-----	***	***	222	***	***
1982-----	***	***	2,516	***	***
Jan.-June--					
1982-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	-	-
1983-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	-	-
Value					
1978-----	***	<u>2/</u>	<u>2/</u>	-	-
1979-----	***	<u>2/</u>	<u>2/</u>	-	-
1980-----	***	<u>2/</u>	<u>2/</u>	-	-
1981-----	***	<u>2/</u>	<u>2/</u>	-	-
1982-----	***	<u>2/</u>	<u>2/</u>	-	-
Jan.-June--					
1982-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	-	-
1983-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	-	-
Unit value					
1978-----	***	-	-	-	-
1979-----	***	-	-	-	-
1980-----	***	-	-	-	-
1981-----	***	-	-	-	-
1982-----	***	-	-	-	-
Jan.-June--					
1982-----	-	-	-	-	-
1983-----	-	-	-	-	-

1/ Estimated.

2/ Not available.

Source: U.S. production, compiled from U.S. International Trade Commission, Synthetic Organic Chemicals, United States Production and Sales, 1978-82; imports, compiled from U.S. International Trade Commission, Imports of Benzenoid Chemicals and Products, 1978-82.





**TITLE: Melamine**

**I. TSUS item number; description; tariff rate information; U.S. imports in 1982; competitive status**

TSUS item No. 1/	Description	Pre-MTN col. 1 rate of duty 2/	(Percent ad valorem)					Col. 2 rate of duty in 1982 (\$1,000)	U.S. imports in 1982			
			Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--	1980	1981	1982	1983			1984	1985	1986
425.1020A	Nitrogenous compounds: Cyanuric chloride, melamine, and other compounds containing a triazine ring: Melamine	5%	4.8%	4.6%	4.4%	4.3%	4.1%	3.9%	3.7%	3.5%	2.5%	12,115

1/ The designation "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences (GSP) and that all beneficiary developing countries are eligible for the GSP.

2/ Rate effective prior to Jan. 1, 1980.

## II. Comments

Description and uses

Melamine is a finely divided white material, usually formed by heating urea and ammonia under pressure. Virtually all melamine produced in the United States and abroad is consumed in the manufacture of melamine formaldehyde resins, although the chemical may also be used in the manufacture of fire retardants, stabilizers, and ion-exchange materials.

U.S. producers

There are two domestic producers of melamine, one of which is a large horizontally diversified and vertically integrated chemical company. The other firm is a joint venture which produces melamine as its sole product. The producing plants are located in Fortier, La., and Donaldsonville, La.

U.S. consumption and production

U.S. production of melamine in 1978 was 112 million pounds, valued at an estimated \$40.3 million.

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U.S. exports

U.S. exports are classified under a provision covering polyamines and their salts, they are estimated to have been 10.4 million pounds, valued at \$14.7 million, in 1982 (table B).

U.S. imports

In 1978, imports of melamine were 27 million pounds, valued at \$8.3 million. In 1982, imports declined to 22 million pounds, valued at \$8.6 million (table C). The Netherlands, Brazil, and Austria together accounted for over 87 percent by quantity of total imports of this chemical. The ratio of imports to consumption fluctuated from 21 percent by quantity in 1978 to 18 percent in 1982. This ratio rose to 21 percent during the first six months of 1983, an increase of over 10 percent from the corresponding period in 1982.

GSP imports of melamine have grown dramatically in recent years. Brazil has become the major GSP source of melamine, and imports from this country rose from 121,000 pounds, valued at \$39,000 in 1979, to 4.2 million pounds, valued at \$1.4 million in 1982. Brazil accounted for over 91 percent by quantity of total GSP imports of melamine in 1982. In the period January-June 1983, Brazil accounted for over 65 percent of GSP imports of melamine, and nearly 22 percent by quantity of total imports of melamine.

Prices of imported melamine averaged

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Position of interested parties

The petitioner, Melamine Chemicals, Inc., has stated that imports of melamine from Brazil have caused substantial injury to the U.S. melamine industry. Although only one domestic producer regularly sells melamine in the merchant market, the petitioner contends that continued imports of low-priced melamine would result in plant closure. Additionally, because of the large Brazilian plant capacity, a Brazilian ban on imports of melamine, and a lack of favorable market conditions, the petitioner feels that either GSP treatment for melamine should be removed or that Brazil should be deleted from the list of eligible GSP countries.

No submissions were received from other interested parties.

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## IV. Statistical Data

Table A.--Melamine: U.S. production, foreign trade, apparent consumption, and ratio of imports to consumption

(Quantity in thousands of pounds; value in thousands of dollars;  
unit value per pound)

Period	Production <u>1/</u>	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1978-----	112,158	11,194	26,932	127,896	21
1979-----	***	5,382	20,742	***	***
1980-----	***	8,622	13,724	***	***
1981-----	***	11,947	29,410	***	***
1982-----	***	10,402	21,623	***	***
Jan.-June:					
1982-----	***	6,088	11,005	***	***
1983-----	***	3,874	9,662	***	***
Value					
1978-----	40,377	17,004	8,330	31,703	26
1979-----	***	4,931	7,855	***	***
1980-----	***	9,016	5,640	***	***
1981-----	***	12,216	12,115	***	***
1982-----	***	14,663	8,650	***	***
Jan.-June:					
1982-----	***	7,429	4,423	***	***
1983-----	***	5,631	3,780	***	***
Unit value					
1978-----	0.36	1.52	0.31	-	-
1979-----	***	0.92	0.38	-	-
1980-----	***	1.05	0.41	-	-
1981-----	***	1.02	0.41	-	-
1982-----	***	1.41	0.40	-	-
Jan.-June:					
1982-----	***	1.22	0.40	-	-
1983-----	***	1.45	0.39	-	-

1/ \* \* \*

Source: Production, Synthetic Organic Chemicals, United States Production and Sales, U.S. International Trade Commission, except as noted; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table B.--Melamine: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	1978		1979		1980		1981		1982		January-June-- 1982		January-June-- 1983	
	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)
Belgium	161	1,626	2,002	1,415	1,200	3,322	4,828	3,558	4,828	3,558	1,228	3,558	1,228	3,558
Japan	2,279	1,248	580	175	87	1,013	441	80	441	80	65	441	80	441
U King	174	4,399	138	270	56	137	161	151	161	151	80	161	151	161
Canada	3,499	2,430	772	531	1,129	2,627	912	465	912	465	491	912	465	912
Switzld	5	86	20	350	27	32	36	24	36	24	24	36	24	36
Spain	58	15	15	24	4	2	33	10	33	10	24	33	10	33
Austral	628	2,512	123	430	198	609	655	252	655	252	33	655	252	655
Brazil	625	1,040	121	136	690	167	95	45	95	45	40	95	45	95
All other	3,764	3,647	1,612	1,383	5,232	4,039	3,242	1,504	3,242	1,504	1,888	3,242	1,504	3,242
Total	11,194	17,004	5,382	4,931	8,622	11,947	10,402	6,088	10,402	6,088	3,874	10,402	6,088	10,402
Value (1,000 dollars)														
Belgium	1,626	1,306	1,415	3,530	1,415	3,530	3,906	2,567	3,906	2,567	1,411	3,906	2,567	3,906
Japan	1,248	502	175	789	87	1,013	441	80	441	80	65	441	80	441
U King	4,399	270	542	1,216	137	1,653	161	151	161	151	80	161	151	161
Canada	2,430	531	921	1,079	1,129	2,627	912	465	912	465	491	912	465	912
Switzld	86	350	445	536	27	32	36	24	36	24	24	36	24	36
Spain	15	24	19	38	4	2	33	10	33	10	24	33	10	33
Austral	2,512	430	771	1,111	198	609	655	252	655	252	33	655	252	655
Brazil	1,040	136	491	410	690	167	95	45	95	45	40	95	45	95
All other	3,647	1,383	4,237	3,506	5,232	4,039	3,242	1,504	3,242	1,504	1,888	3,242	1,504	3,242
Total	17,004	4,931	9,016	12,216	8,622	11,947	10,402	6,088	10,402	6,088	3,874	10,402	6,088	10,402
Unit value (per pound)														
Belgium	\$10.09	\$0.65	\$1.18	\$1.06	\$0.81	\$0.81	\$0.81	\$0.72	\$0.81	\$0.72	\$1.15	\$0.81	\$0.72	\$0.81
Japan	0.55	0.87	2.01	0.78	0.78	0.78	5.53	9.31	5.53	9.31	4.67	5.53	9.31	5.53
U King	25.28	1.95	9.75	8.89	10.25	10.25	6.91	6.91	10.25	6.91	2.79	10.25	6.91	10.25
Canada	0.69	0.69	0.82	0.41	1.15	1.15	1.19	1.19	1.15	1.19	1.03	1.15	1.19	1.15
Switzld	16.99	17.30	16.62	16.68	26.37	26.37	23.62	23.62	26.37	23.62	25.61	26.37	23.62	26.37
Spain	0.26	1.65	5.50	22.12	22.12	22.12	1.41	1.41	23.62	1.41	27.19	23.62	1.41	23.62
Austral	4.00	3.50	3.90	1.83	1.08	1.08	1.60	1.60	1.08	1.60	2.30	1.08	1.60	1.08
Brazil	1.66	1.13	0.71	2.46	6.18	6.18	5.69	5.69	6.18	5.69	5.25	6.18	5.69	6.18
All other	0.97	0.86	0.81	0.87	0.80	0.80	0.86	0.86	0.80	0.86	0.87	0.80	0.86	0.80
Average	1.52	0.92	1.05	1.02	1.41	1.41	1.22	1.22	1.41	1.22	1.45	1.41	1.22	1.45

Source: Compiled from official statistics of the U.S. Department of Commerce.



Table C.--Melamine: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity (1,000 pounds)					Value (1,000 dollars)						
	1978	1979	1980	1981	1982	1978	1979	1980	1981	1982	January-June-- 1982	January-June-- 1983
Nethlds	14,042	12,940	10,034	17,470	11,159	4,406	4,978	4,170	7,360	4,764	2,303	1,312
Brazil	0	121	0	990	4,252	-	39	-	358	1,425	1,027	493
Austria	2,987	2,039	470	5,000	3,490	919	654	177	1,876	1,321	653	788
Kuwait	0	0	873	1,845	1,196	-	-	289	673	413	131	295
Fr Germ	584	3,106	1,386	1,704	659	283	1,318	618	870	386	205	372
Romania	0	0	0	0	396	-	-	-	-	151	41	128
Poland	278	41	174	331	246	85	14	61	120	90	30	27
Canada	437	279	400	506	98	139	110	171	214	46	12	96
All other	8,604	2,215	387	1,564	127	2,500	741	154	646	54	21	268
Total	26,932	20,742	13,724	29,410	21,623	8,330	7,855	5,640	12,115	8,650	4,423	3,780
Unit value (per pound)												
Nethlds	\$0.31	\$0.38	\$0.42	\$0.42	\$0.43	\$0.31	\$0.38	\$0.42	\$0.42	\$0.43	\$0.43	\$0.41
Brazil	-	0.32	-	0.36	0.34	-	0.32	-	0.36	0.34	0.34	0.32
Austria	0.31	0.32	0.38	0.38	0.39	0.31	0.32	0.38	0.38	0.38	0.39	0.36
Kuwait	-	-	0.33	0.36	0.35	-	-	0.33	0.36	0.35	0.36	0.34
Fr Germ	0.48	0.42	0.45	0.51	0.59	0.48	0.42	0.45	0.51	0.59	0.67	0.62
Romania	-	-	-	-	0.38	-	-	-	-	0.38	0.39	0.38
Poland	0.31	0.35	0.35	0.36	0.37	0.31	0.35	0.35	0.36	0.37	0.36	0.33
Canada	0.32	0.39	0.43	0.42	0.47	0.32	0.39	0.43	0.42	0.47	0.66	0.40
All other	0.29	0.33	0.40	0.41	0.43	0.29	0.33	0.40	0.41	0.43	0.52	0.44
Average	0.31	0.38	0.41	0.41	0.40	0.31	0.38	0.41	0.41	0.40	0.40	0.39

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table D.-- Melamine: U.S. imports by designated GSP countries, 1978-82, January-June 1982, and January-June 1983

Source	1978		1979		1980		1981		1982		January-June-- 1982		1983	
	Quantity (1,000 pounds)													
Brazil	-	-	121	-	-	990	-	4,252	-	3,052	-	-	-	1,548
Romania	-	-	-	-	-	-	-	396	-	105	-	-	-	333
Taiwan	-	-	-	-	-	-	-	-	-	-	-	-	-	470
Total	-	-	121	-	-	990	-	4,648	-	3,157	-	-	-	2,351
Value (1,000 dollars)														
Brazil	-	-	39	-	-	358	-	1,425	-	1,027	-	-	-	493
Romania	-	-	-	-	-	-	-	151	-	41	-	-	-	128
Taiwan	-	-	-	-	-	-	-	-	-	-	-	-	-	166
Total	-	-	39	-	-	358	-	1,576	-	1,068	-	-	-	787
Unit value (per pound)														
Brazil	-	-	\$ 0.32	-	-	\$ 0.36	-	\$ 0.33	-	\$ 0.33	-	-	-	\$ 0.31
Romania	-	-	-	-	-	-	-	.38	-	.38	-	-	-	.38
Taiwan	-	-	-	-	-	-	-	-	-	-	-	-	-	.35
Average	-	-	0.32	-	-	0.36	-	0.34	-	0.34	-	-	-	0.33

Source: Compiled from official statistics of the U.S. Department of Commerce.





## II. Comments

Description and uses

Citric acid is a colorless, translucent, crystalline, organic chemical that is also available in powdered form. It is odorless with a strong acid taste. Its hydrated form releases water vapor spontaneously in dry air. It is very soluble in water or alcohol. It is generally recognized as safe for ingestion.

Citric acid is produced by the fermentation of carbohydrates from molasses, corn starch, or lemon, lime, or pineapple juices. It is recovered from the reaction medium by using milk of lime (calcium hydroxide) or a patented liquid extraction process. Some plants have the flexibility of using normal paraffins as feedstocks instead of or in addition to carbohydrates. Other methods of producing citric acid have not been commercially adopted.

Because of the ease with which citric acid can be produced from a wide variety of basic agricultural materials, the fermentation process has become very attractive to those countries building new chemical industries with little chemical expertise. This has proven to be especially true in some less developed countries, where agricultural feedstocks and low cost labor are available.

Citric acid is used as an acidulant in beverages, confections, effervescent salts, pharmaceutical syrups, elixirs, effervescent powders and tablets, and foods; as an antioxidant synergist in foods; as a sequestering agent; as a water-conditioning agent; as a detergent builder; and as a mordant; in the manufacture of alkyd resins and cheeses; in cleaning stainless steel; and in removing sulfur dioxide from waste gases.

U.S. producers and employment

The U.S. producers of citric acid are two large, diversified pharmaceutical companies. Miles Laboratories, Inc., owns citric acid plants in Dayton, Ohio, and Elkhart, Indiana. Pfizer, Inc., owns citric acid plants in Brooklyn, New York, Groton, Connecticut, and Southport, North Carolina. U.S. capacity is estimated to be more than 400 million pounds per year. Employment is estimated at slightly less than \*\*\* workers and declining.

U.S. consumption and production

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U.S. exports

U.S. exports of citric acid were 20 million pounds, valued at \$11 million, in 1978. They peaked in 1979 in terms of quantity at 44 million

pounds, valued at \$27 million (table B). They decreased 43 percent in terms of quantity to 23 million pounds, valued at \$20 million, in 1982.

. Australia was the principal market during 1979-83, replacing Canada, which fell to third largest in 1979 and 1982. Other markets where large quantities of U.S. citric acid have previously been sold are the Philippines, Argentina, and Belgium.

#### U.S. imports

U.S. imports of citric acid have been rising steadily during the last 5 years. Imports were 5.6 million pounds, valued at \$2.6 million, in 1978. In 1982, they increased to 23 million pounds, valued at \$14 million. For January-June 1983, they increased 74 percent to 18 million pounds, valued at \$11 million, compared with 10 million pounds valued at \$6 million, during the corresponding period of 1982. The principal sources of imports of citric acid in 1982 were Belgium, the Federal Republic of Germany, and Austria.

GSP imports of citric acid have also risen, from 198,000 pounds, valued at \$107,000 in 1978, to 903,000 pounds, valued at \$534,000 in 1982. However, during 1978-82 these imports have represented less than 4 percent of consumption. This increase in imports from GSP countries is primarily the result of new foreign plants beginning production. In the first 6 months of 1983 Israel and Mexico together accounted for over 84 percent, by quantity, of GSP imports. Most imports come from non-GSP countries, with 11 percent of the total originating from GSP beneficiaries in the first 6 months of 1983.

The unit value of sales by U.S. producers

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Although domestic consumption during the period 1978-1982

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Pricing has been a factor in the increasing domestic market share for imported material, and domestic producers have expressed concern over the rate at which such imports are rising, especially duty-free GSP imports.

Position of interested parties

The petitioner, Pfizer, Inc., one of the two U.S. producers of citric acid, argues that citric acid is an import-sensitive, homogeneous, fungible product. The quantity of duty-free imports has increased in addition to increases in dutiable imports, and this competition has suppressed prices and sales. Market share is allegedly being lost due to the quantity and pricing of GSP imports in particular; for this reason, the petitioner contends that citric acid should be removed from the list of articles eligible for GSP

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1/ Commissioner Stern notes \* \* \*

GSP imports are priced higher than citric acid imports from the developed countries which are the principal sources.



treatment. The other domestic producer, Miles Laboratories, Inc., supports the petition. The Israeli producer of citric acid argues that GSP imports represent less than 1 percent of consumption, are higher priced than non-GSP imports and therefore, eliminating GSP status for citric acid will only result in increased market share for the developed economies, rather than an improvement in the domestic industry's economic condition. Also, in the case of Israel, GSP status has not been eliminated in the EC.

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Table A.--Citric acid: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in thousands of pounds; value in thousands of dollars;  
unit value in cents per pound)

Year	Production <u>1/</u> <u>2/</u>	Exports	Imports	Apparent consumption <u>1/</u>	Ratio <u>1/</u> (percent) of imports to consumption
Quantity					
1978-----	***	20,050	5,612	***	***
1979-----	***	43,760	9,263	***	***
1980-----	***	40,676	10,227	***	***
1981-----	***	23,508	17,138	***	***
1982-----	***	23,265	23,098	***	***
Jan.-June--					
1982-----	<u>3/</u> ***	14,068	10,343	***	***
1983-----	<u>3/</u> ***	5,426	17,952	***	***
Value					
1978-----	***	11,491	2,625	***	***
1979-----	***	26,962	4,255	***	***
1980-----	***	30,745	5,700	***	***
1981-----	***	19,146	10,206	***	***
1982-----	***	19,827	13,623	***	***
Jan.-June--					
1982-----	<u>3/</u> ***	11,257	5,999	***	***
1983-----	<u>3/</u> ***	5,471	10,764	***	***
Unit value					
1978-----	***	57	47	-	-
1979-----	***	62	46	-	-
1980-----	***	76	56	-	-
1981-----	***	81	60	-	-
1982-----	***	85	59	-	-
Jan.-June--					
1982-----	***	80	58	-	-
1983-----	***	101	60	-	-

1/ Business Confidential

2/ Production values estimated by applying the unit value of sales to production quantities.

3/ Estimated by the staff of the U.S. International Trade Commission.

Source: Production, Synthetic Organic Chemicals, United States Production and Sales, U.S. International Trade Commission, except as noted; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table B.--Citric acid: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	Quantity (1,000 pounds)					1982	January-June--	
	1978	1979	1980	1981	1982		1982	1983
Austral	5,757	10,710	9,997	7,319	6,805	3,898	1,890	
Japan	1,404	5,282	4,006	3,512	3,883	2,428	4,92	
Canada	7,032	4,089	4,019	3,813	2,655	1,651	654	
Phil R	507	658	1,920	1,256	1,809	1,056	196	
Nigeria	155	151	461	290	294	176	82	
Argent	4	2,272	2,492	1,295	1,088	597	303	
Belgium	155	2,030	1,564	132	728	505	5	
N Zeal	238	1,074	537	515	720	417	38	
All other	4,797	17,494	15,630	5,376	5,283	3,341	1,766	
Total	20,050	43,760	40,676	23,508	23,265	14,068	5,426	
Value (1,000 dollars)								
Austral	3,076	6,104	6,732	4,710	4,976	2,672	1,378	
Japan	764	3,062	2,678	2,578	2,383	1,506	485	
Canada	2,354	2,202	3,010	2,887	2,006	1,198	501	
Phil R	326	370	1,378	857	1,156	712	178	
Nigeria	102	104	443	536	1,033	525	299	
Argent	10	1,477	1,803	1,180	800	411	197	
Belgium	132	1,196	1,082	76	582	390	3	
N Zeal	126	608	386	329	518	272	23	
All other	4,601	11,839	13,232	5,993	6,374	3,571	2,406	
Total	11,491	26,962	30,765	19,146	19,827	11,257	5,471	
Unit value (per pound)								
Austral	\$0.53	\$0.57	\$0.67	\$0.64	\$0.73	\$0.69	\$0.73	
Japan	0.54	0.58	0.67	0.73	0.61	0.62	0.99	
Canada	0.33	0.54	0.75	0.76	0.76	0.73	0.77	
Phil R	0.64	0.56	0.72	0.68	0.64	0.67	0.91	
Nigeria	0.66	0.69	0.96	1.85	3.51	2.99	3.65	
Argent	2.54	0.65	0.72	0.91	0.73	0.69	0.65	
Belgium	0.85	0.59	0.69	0.57	0.80	0.77	0.63	
N Zeal	0.53	0.57	0.66	0.64	0.72	0.65	0.60	
All other	0.96	0.68	0.85	1.11	1.21	1.07	1.36	
Average	0.57	0.62	0.76	0.81	0.85	0.80	1.01	

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Citric acid: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity (1,000 pounds)					1982	January-June--	
	1978	1979	1980	1981	1982		1982	1983
Belgium	1,744	5,024	7,499	7,915	9,938	4,845	4,845	7,218
Fr Germ	2,973	2,444	2,644	5,381	5,736	2,552	2,552	4,149
Austria	78	780	0	2,529	3,846	1,561	1,561	2,191
Italy	603	564	0	818	1,904	876	876	1,322
Israel	0	0	0	0	419	0	0	1,326
Mexico	198	88	0	0	290	72	72	385
Japan	1/	1/	0	0	156	156	156	0
Turkey	0	0	0	0	162	162	162	84
China M	15	0	0	11	192	0	0	148
U King	0	280	38	119	120	1/	1/	226
All other	0	83	46	365	336	120	120	904
Total	5,612	9,263	10,227	17,138	23,098	10,343	10,343	17,952
	Value (1,000 dollars)							
Belgium	754	2,257	4,238	4,864	5,985	2,824	2,824	4,380
Fr Germ	1,416	1,126	1,414	3,225	3,438	1,534	1,534	2,507
Austria	35	361	-	1,340	2,138	841	841	1,232
Italy	304	297	-	483	1,095	509	509	805
Israel	-	-	-	-	255	-	-	828
Mexico	107	47	-	-	175	35	35	229
Japan	1	1	-	-	88	88	88	-
Turkey	-	-	-	-	86	86	86	46
China M	8	-	-	5	77	-	-	55
U King	-	125	18	75	76	1	1	144
All other	-	41	30	214	210	81	81	539
Total	2,625	4,255	5,700	10,206	13,623	5,999	5,999	10,764
	Unit value (per pound)							
Belgium	\$0.43	\$0.45	\$0.57	\$0.61	\$0.60	\$0.58	\$0.58	\$0.61
Fr Germ	0.48	0.46	0.53	0.60	0.60	0.60	0.60	0.60
Austria	0.45	0.46	-	0.53	0.56	0.54	0.54	0.56
Italy	0.50	0.53	-	0.59	0.58	0.58	0.58	0.61
Israel	-	-	-	-	0.61	-	-	0.62
Mexico	0.54	0.54	-	-	0.60	0.48	0.48	0.59
Japan	1.60	1.43	-	-	0.56	0.56	0.56	-
Turkey	-	-	-	-	0.53	0.53	0.53	0.54
China M	0.53	-	-	0.45	0.40	-	-	0.37
U King	-	0.45	0.48	0.63	0.63	2.09	2.09	0.64
All other	-	0.49	0.64	0.59	0.62	0.68	0.68	0.60
Average	0.47	0.46	0.56	0.60	0.59	0.58	0.58	0.60

1/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table D.--Citric acid: U.S. imports for consumption from GSP countries, 1978-82  
January-June 1982, and January-June 1983

Source	1978	1979	1980	1981	1982	January-June--	
						1982	1983
Quantity (1,000 pounds)							
Israel-----	0	0	0	0	419	0	1,3
Mexico-----	198	88	0	0	290	72	3
Turkey-----	0	0	0	0	162	162	
Thailand-----	0	0	0	0	32	0	1
Taiwan-----	0	0	0	0	0	0	
Brazil-----	0	0	44	0	0	0	
<b>Total-----</b>	<b>198</b>	<b>88</b>	<b>44</b>	<b>0</b>	<b>903</b>	<b>234</b>	<b>2,0</b>
Value (1,000 dollars)							
Israel-----	-	-	-	-	255	-	8
Mexico-----	107	47	-	-	175	35	2
Turkey-----	-	-	-	-	86	86	
Thailand-----	-	-	-	-	18	-	
Taiwan-----	-	-	-	-	-	-	
Brazil-----	-	-	29	-	-	-	
<b>Total-----</b>	<b>107</b>	<b>47</b>	<b>29</b>	<b>-</b>	<b>534</b>	<b>121</b>	<b>1,2</b>
Unit value (per pound)							
Israel-----	-	-	-	-	\$0.61	-	\$0.6
Mexico-----	\$0.54	\$0.53	-	-	.60	\$0.49	
Turkey-----	-	-	-	-	.53	.53	
Thailand-----	-	-	-	-	.56	-	
Taiwan-----	-	-	-	-	-	-	
Brazil-----	-	-	\$0.66	-	-	-	
<b>Average-----</b>	<b>.54</b>	<b>.53</b>	<b>.66</b>	<b>-</b>	<b>.59</b>	<b>.52</b>	<b></b>

Source: Compiled from official statistics of the U.S. Department of Commerce.



TITLE: Pipe and tube fittings of iron or steel

I. TSUS(A) item number; description; tariff rate information 1/; U.S. imports in 1982

TSUS item No. 2/	Description	Pre-MTN col. 1 rate of duty 3/	(Percent ad valorem) Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--							Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)	
			1980	1981	1982	1983	1984	1985	1986			1987
610.62A	Pipe and tube fittings of iron or steel: Cast-iron fittings, not malleable: For cast-iron pipe: Cast iron, other than alloy cast iron.	10%	10%	10%	9.3%	8.6%	7.9%	7.2%	6.5%	5.8%	25%	4,139
610.63A	Alloy cast iron	12% + add. duties (AVE-4/)	12% + add. duties	12% + add. duties	11.1% + add. duties	10.2% + add. duties	9.3% + add. duties	8.3% + add. duties	7.4% + add. duties	6.5% + add. duties	33% + add. duties	4
610.65A	Not for cast-iron pipe: Cast iron, other than alloy cast iron.	3%	3%	2.9%	2.8%	2.8%	2.8%	2.7%	2.6%	2.5%	20%	2,514
610.66A	Alloy cast iron	5% + add. duties (AVE-4/)	5% + add. duties	5% + add. duties	4.8% + add. duties	4.6% + add. duties	4.4% + add. duties	4.1% + add. duties	3.9% + add. duties	3.7% + add. duties	28% + add. duties	2
610.70A	Cast-iron fittings, malleable: Not advanced in condition by operations or processes subsequent to the casting process: Cast iron, other than alloy cast iron.	8%	8%	7.5%	7%	6.6%	6.1%	6.1%	5.6%	5.1%	20%	1,116
610.71A	Alloy cast iron	10% + add. duties (AVE-4/)	10% + add. duties	10% + add. duties	9.3% + add. duties	8.6% + add. duties	7.9% + add. duties	7.2% + add. duties	6.5% + add. duties	5.8% + add. duties	28% + add. duties	73
610.74A	Advanced in condition by operations or processes subsequent to the casting process.	11%	11%	10.2%	9.4%	8.6%	7.8%	7.8%	7%	6.2%	45%	21,654

See footnotes at end of table.



**TITLE: Pipe and tube fittings of iron or steel--Continued**

I. TSUS(A) item number; description; tariff rate information 1/; U.S. imports in 1982

TSUS item No. <u>2/</u>	Description	Pre-MTN col. 1 rate of duty <u>3/</u>	(Percent ad valorem)				Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)				
			1980	1981	1982	1983			1984	1985	1986	1987
610.80A	Other fittings-----	11%	11%	11%	10.2%	9.4%	8.6%	7.8%	7%	6.2%	45%	193,694

1/ The Tariff Schedules of the United States should be consulted for a complete description of the additional duties.

2/ The designation "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences and that all beneficiary developing countries are eligible for the GSP.

3/ Rate effective prior to Jan. 1, 1980.

4/ Depending on the content of certain metals, the duty may include a maximum of 1% ad valorem equivalent additional duty.

## II. Comments

Description and uses

The products covered by this digest are nonmalleable cast iron pipe and tube fittings (TSUS items 610.62-610.66), malleable cast-iron pipe and tube fittings (TSUS item 610.70-610.74), and other types of steel pipe and tube fittings (TSUS item 610.80).

Pipe and tube fittings of iron or steel serve to join lengths of pipe in linear or nonlinear directions. They also provide access for cleaning pipe systems and a means for branching systems, as well as joining pipes of varying diameters. Fittings are available in a wide variety of shapes and sizes including couplings, L's, and T's. Pipe and tube fittings are used in the water, gas, oil, chemical, and power-transmission industries as well as in missiles, airplanes, submarines, ships, and in homes.

Malleable cast-iron fittings are made from malleable grades of pig iron which are annealed following cooling and cleaning. The annealing process improves the ductility and durability of the metal by reducing its brittleness. Malleable fittings can be machined and subjected to stress with less possibility of fracture than nonmalleable fittings. Almost all malleable cast-iron fittings are advanced (machined) after the casting stage. This advancement usually involves threading. Nonmalleable cast-iron fittings are usually not advanced beyond the casting stage. The principal applications for all cast-iron pipe fittings are in piping systems where pressure does not exceed 300 pounds per inch. The principal markets served by cast-iron fittings are the residential market and certain industrial markets where high-pressure pipes is not required. Diameters of fittings range from 1 to 6 inches.

Other types of steel pipe and tube fittings are generally used with steel pipes in systems subject to high pressures and temperatures. These include major industrial oil- and gas-related markets. Diameters range from 2 to 24 inches. Three major categories of steel fittings are produced. Threaded fittings are designed to be fitted with lengths of pipe possessing corresponding threads. Welding fittings are produced with specially prepared edges designed to be welded to other, similarly prepared pipe ends. Flanged fittings are generally shaped like a ring or collar and are provided with holes for bolts at the end of the pipe or tube to allow another pipe or tube to be attached. The use of flanges facilitates the removal or replacement of lengths of pipe in a piping system with a minimum disruption of the system.

#### U.S. customs treatment

Pipe and tube fittings covered in this digest have been eligible for GSP treatment since January 1, 1976. Since that time there have been two exclusions. Between April 1, 1981 and April 9, 1982 the Republic of Korea was not eligible for GSP treatment for exports of products under TSUS item 610.62. In addition, Israel was not eligible for GSP treatment for exports of products under TSUS items 610.66 and 610.71 between March 13, 1978 and March 13, 1979. There are currently no GSP exclusions for these products.

#### U.S. producers and employment

U.S. producers are part of the valve and pipe fittings industry (Standard Industrial Classification 3494) which totals approximately 900 establishments. There are 114 firms producing metal fittings, flanges, and unions for piping systems (SIC 34945). Firms range from medium size to large multi-plant foundries or forging operations. Establishments tend to specialize in one

type of product, such as cast or malleable iron fittings and unions; forged steel fittings, unions or flanges; or stainless and alloy fittings or flanges. In 1982 there were five known major producers of cast iron fittings. The four largest companies producing steel fittings account for about 25 percent of all shipments, while the 50 largest companies account for almost 90 percent of such shipments. Producers tend to be concentrated in major metropolitan areas where demand is largely centered. Employment in the valve and pipe fittings industry decreased from approximately 100,000 in 1978 to 94,600 in 1982, which is believed to reflect the employment trend experienced by firms producing pipe and tube fittings.

#### U.S. consumption and shipments

The value of apparent U.S. consumption of pipe and tube fittings increased 50 percent from \$0.8 billion in 1978 to \$1.2 billion in 1981, before declining 33 percent to \$0.8 billion in 1982 (table A). Demand for pipe and tube fittings is largely dependent on consumption of oilfield pipes and tubes, which increased 60 percent during 1978-81 with the rise in oil prices and oil drilling activity; demand by the oil- and gas-related industries weakened in 1982. Demand for cast-iron fittings is believed to have declined in recent years due to the substitution of cast-iron pipe by copper and plastic pipe in residential markets. The ratio of imports to consumption increased from 13 percent in 1978 to 29 percent in 1982.

The value of U.S. shipments of pipe and tube fittings paralleled consumption trends during 1978-82, increasing 44 percent from an estimated \$0.9 billion in 1978 to an estimated \$1.3 billion in 1981, due principally to strength in the oil and gas end-user markets and declining to an estimated \$1.0 billion in 1982 as these markets weakened.

U.S. exports

The quantity of U.S. exports of pipe and tube fittings declined unevenly during the 1978-82 period, from 70,300 short tons in 1978 to 58,300 short tons in 1982, while the value increased from \$217 million in 1978 to \$351 million in 1982 (table A). Saudi Arabia, with 26 percent of the total, and Canada, with 22 percent of the total, were the principal destinations for exports of these products in 1982 (table B).

U.S. imports

U.S. imports of pipe and tube fittings increased 57 percent from 98,600 short tons (\$103.7 million) in 1978 to 154,600 short tons (\$247.6 million) in 1981 as increased demand for fittings for use in the oil and gas industries created spot shortages of these items, record order backlogs, and lengthened delivery times (table A). Imports declined 10 percent to 139,000 short tons (\$223.2 million) in 1982 following reduced oilfield activity. Japan, with 39 percent of total imports, was the principal supplying country to the United States in 1982 (table C).

GSP imports increased from 12,000 short tons (\$11 million), representing 12 percent of total imports in 1978, to 33,000 short tons (\$43 million), representing 24 percent of total imports in 1982. South Korea and Taiwan were the principal suppliers of GSP imports to the United States in 1982 (table C-1). Imported pipe and tube fittings are comparable in quality to domestic products and used in similar applications, but are priced considerably lower.

Position of interested parties

U.S. producers, represented by the American Pipe Fittings Association, support withdrawal of GSP treatment for imports of pipe and tube fittings.

These producers allege that GSP countries have demonstrated international competitiveness in these products, as reflected by rising levels of GSP imports, and that failure to withdraw GSP treatment will adversely affect employment and sales in the pipe and tube fittings industry.

The Board of Foreign Trade, Republic of China on Taiwan, Korea Flange Company Ltd, The Mundo Corporation, Tupy American Foundry Corporation, and the Taiwan Association of Machinery, and Sequoia International oppose withdrawal of GSP treatment, alleging that the U.S. economic recession and product substitution, rather than GSP imports, are responsible for the declining position of the domestic industry. They believe that removal of GSP treatment will do little to help U.S. producers but will benefit non-GSP developed countries, such as Japan, which currently undersell U.S. producers in many product categories. The opponents conclude by stating that GSP countries cannot compete in the U.S. market without GSP treatment.

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Digest No.  
B601--Con.

Table A.--Pipe and tube fittings: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982 and January-June 1983

(Quantity in short tons; value in thousands of dollars)						
Year	Producers' shipments	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption	
Quantity						
1978-----	1/	70,329	98,636	1/	1/	
1979-----	1/	60,711	104,452	1/	1/	
1980-----	1/	75,971	109,744	1/	1/	
1981-----	1/	68,803	154,591	1/	1/	
1982-----	1/	58,346	139,039	1/	1/	
January-June:						
1982-----	1/	31,689	88,946	1/	1/	
1983-----	1/	29,234	47,879	1/	1/	
Value						
1978-----	900,000	217,111	103,743	786,632	13.2	
1979-----	1,100,000	257,205	131,346	974,141	13.5	
1980-----	1,200,000	324,267	154,753	1,030,486	15.0	
1981-----	1,300,000	365,970	247,590	1,181,620	21.0	
1982-----	2/ 900,000	350,643	223,196	772,553	28.9	
January-June:						
1982-----	1/	189,371	148,240	1/	1/	
1983-----	1/	146,299	59,311	1/	1/	

1/ Not available.

2/ Estimated by staff of the U.S. International Trade Commission.

Source: Producers' shipments are estimated from data found in Annual Survey of Manufactures, 1981, U.S. Department of Commerce. Import and export statistics are compiled from the official statistics of the U.S. Department of Commerce.



Table B.--Pipe and tube fittings of iron or steel: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	1978		1979		1980		1981		1982		January-June-- 1983	
	Quantity (short tons)	Value (1,000 dollars)	Quantity (short tons)	Value (1,000 dollars)	Quantity (short tons)	Value (1,000 dollars)	Quantity (short tons)	Value (1,000 dollars)	Quantity (short tons)	Value (1,000 dollars)	Quantity (short tons)	Value (1,000 dollars)
Canada	28,313	63,724	16,872	73,967	17,296	89,240	17,981	67,506	12,584	39,897	7,743	27,338
S Arab	10,575	37,312	13,349	47,012	15,830	44,182	13,598	66,942	15,163	35,263	7,336	28,228
Mexico	5,448	31,412	8,656	36,836	7,835	59,857	10,600	23,702	3,970	16,083	2,751	8,429
Japan	476	9,882	470	11,078	508	12,909	659	17,753	643	9,355	303	9,968
Switzld	200	8,542	174	12,683	214	14,323	314	16,756	314	7,584	150	8,596
Venez	2,773	9,214	4,729	14,702	4,729	14,994	3,138	10,040	2,700	10,040	1,757	8,234
Egypt	284	1,577	543	3,762	6,032	2,260	870	12,869	3,906	6,213	2,176	2,693
Kor Rep	206	1,459	180	3,010	363	6,339	967	10,858	1,997	4,801	1,916	6,709
All other	22,054	94,083	18,158	121,217	23,164	121,865	20,595	117,503	17,069	60,136	8,557	46,104
Total	70,329	257,205	60,711	324,267	75,971	365,970	68,803	350,643	58,346	189,371	31,689	146,299
Canada	57,392	63,724	37,312	73,967	47,012	89,240	44,182	67,506	12,584	39,897	7,743	27,338
S Arab	29,518	37,312	13,349	47,012	15,830	44,182	13,598	66,942	15,163	35,263	7,336	28,228
Mexico	16,262	31,412	8,656	36,836	7,835	59,857	10,600	23,702	3,970	16,083	2,751	8,429
Japan	6,741	9,882	470	11,078	508	12,909	659	17,753	643	9,355	303	9,968
Switzld	9,129	8,542	4,729	12,683	4,729	14,323	3,138	16,756	2,700	7,584	1,757	8,596
Venez	9,570	9,214	4,729	14,702	4,729	14,994	3,138	10,040	2,700	10,040	1,757	8,234
Egypt	924	1,577	543	3,762	6,032	2,260	870	12,869	3,906	6,213	2,176	2,693
Kor Rep	915	1,459	180	3,010	363	6,339	967	10,858	1,997	4,801	1,916	6,709
All other	86,660	94,083	18,158	121,217	23,164	121,865	20,595	117,503	17,069	60,136	8,557	46,104
Total	217,111	257,205	60,711	324,267	75,971	365,970	68,803	350,643	58,346	189,371	31,689	146,299
Canada	\$2,027.05	\$3,776.91	\$4,276.54	\$4,963.00	\$4,963.00	\$4,963.00	\$4,963.00	\$5,364.47	\$5,364.47	\$5,152.64	\$5,099.41	\$5,099.41
S Arab	2,791.29	2,795.08	2,969.81	3,249.16	3,249.16	3,249.16	3,249.16	4,414.79	4,414.79	4,806.90	4,806.90	2,706.40
Mexico	2,984.92	3,628.89	4,701.43	5,646.92	5,646.92	5,646.92	5,646.92	5,970.17	5,970.17	5,846.20	5,846.20	3,959.36
Japan	14,162.09	21,024.86	21,807.64	19,589.47	19,589.47	19,589.47	19,589.47	27,609.70	27,609.70	30,874.92	30,874.92	42,963.63
Switzld	45,645.23	49,094.26	59,265.71	36,260.70	36,260.70	36,260.70	36,260.70	53,363.61	53,363.61	50,559.79	50,559.79	45,481.70
Venez	3,451.30	3,990.62	3,108.80	4,778.10	4,778.10	4,778.10	4,778.10	6,205.34	6,205.34	5,714.01	5,714.01	4,869.31
Egypt	3,254.64	2,904.43	623.71	2,598.10	2,598.10	2,598.10	2,598.10	3,294.69	3,294.69	2,855.01	2,855.01	4,227.59
Kor Rep	4,440.28	8,106.06	8,292.83	6,555.69	6,555.69	6,555.69	6,555.69	5,437.14	5,437.14	5,241.77	5,241.77	6,293.76
All other	3,929.42	5,181.34	5,233.01	5,917.21	5,917.21	5,917.21	5,917.21	6,883.99	6,883.99	7,027.66	7,027.66	6,148.01
Average	3,087.07	4,236.54	4,268.30	5,319.10	5,319.10	5,319.10	5,319.10	6,009.72	6,009.72	5,975.94	5,975.94	5,004.41

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Pipe and tube fittings of iron or steel: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity (short tons)					Value (1,000 dollars)				
	1978	1979	1980	1981	1982	1982	1982	1982	1982	1983
Japan	50,926	41,673	45,283	67,282	54,370	37,618	16,539			
Canada	3,972	4,561	5,619	10,101	6,755	4,465	1,631			
Italy	7,377	10,739	8,087	10,241	10,818	7,189	4,416			
China t	3,388	5,680	5,884	8,071	10,153	5,065	5,312			
U King	3,075	3,663	7,679	6,741	9,676	6,764	3,578			
Fr Germ	10,516	11,159	5,443	7,720	6,699	4,555	1,557			
France	5,952	4,789	3,645	7,209	7,277	4,015	3,094			
Kor Rep	2,280	5,200	6,617	9,246	8,227	4,707	4,385			
All other	11,150	16,988	21,487	27,980	25,064	14,568	7,367			
Total	98,636	104,452	109,744	154,591	139,039	88,946	47,879			
Japan	55,083	59,097	70,379	119,682	98,540	69,696	22,552			
Canada	6,293	8,191	12,095	25,746	18,325	12,696	3,705			
Italy	6,440	10,853	9,440	12,507	15,358	9,743	3,918			
China t	4,060	7,636	8,732	12,560	15,332	7,943	7,231			
U King	5,792	5,550	9,890	10,368	13,103	8,871	3,154			
Fr Germ	8,519	11,145	9,407	11,236	11,277	7,455	3,430			
France	4,448	4,787	4,651	8,199	8,655	4,805	2,496			
Kor Rep	1,648	5,474	6,393	10,404	8,568	5,129	5,101			
All other	11,459	18,614	23,766	36,889	34,039	21,903	7,723			
Total	103,743	131,346	154,753	247,590	223,196	148,240	59,311			
Japan	\$1,081.64	\$1,418.11	\$1,554.20	\$1,778.81	\$1,812.40	\$1,852.72	\$1,363.58			
Canada	1,584.26	1,795.85	2,152.51	2,548.85	2,712.81	2,843.36	2,271.87			
Italy	872.92	1,010.58	1,167.36	1,221.25	1,419.69	1,355.27	887.30			
China t	1,198.46	1,344.30	1,483.97	1,556.22	1,510.10	1,568.22	1,361.28			
U King	1,883.66	1,515.07	1,287.98	1,538.02	1,354.20	1,311.44	881.54			
Fr Germ	810.12	998.79	1,728.23	1,455.41	1,683.32	1,636.60	2,202.75			
France	747.39	999.54	1,275.90	1,137.28	1,189.30	1,196.73	806.65			
Kor Rep	722.91	1,052.69	966.14	1,125.24	1,041.39	1,089.61	1,163.38			
All other	1,027.68	1,095.74	1,106.08	1,318.39	1,358.07	1,503.52	1,048.33			
Average	1,051.77	1,257.48	1,410.13	1,601.58	1,605.28	1,666.62	1,238.77			

Source: Compiled from official statistics of the U.S. Department of Commerce.

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B601--Con.

Table C-1.--Pipe and tube fittings of iron or steel: U.S. imports for consumption, under the Generalized System of Preferences by principal sources, 1978-82, January-June 1982, and January-June 1983

(Quantity in short tons; value in thousands of dollars)								
Source	1978	1979	1980	1981	1982	January-June--		
						1982	1983	
Quantity								
South Korea-----	2,240	5,129	6,402	8,126	8,043	4,546	4,306	
Taiwan-----	3,378	5,627	5,823	7,912	9,996	5,014	5,181	
Brazil-----	294	2,310	4,449	6,791	5,271	3,322	986	
Israel-----	365	507	1,063	614	579	276	246	
Malaysia-----	569	1,030	817	1,006	1,076	528	253	
Romania-----	0	76	468	1,384	492	415	19	
India-----	4,409	5,765	7,727	9,533	5,724	2,886	3,361	
Singapore-----	128	3	0	308	630	580	33	
All other-----	686	699	466	582	1,191	811	524	
Total-----	12,069	21,146	27,215	36,256	33,002	18,378	14,909	
Value								
South Korea-----	1,626	5,407	6,298	9,136	8,381	4,965	5,044	
Taiwan-----	4,041	7,576	8,640	12,291	15,029	7,820	7,024	
Brazil-----	235	1,839	4,055	7,526	6,268	4,071	759	
Israel-----	1,227	2,078	3,189	4,412	3,532	2,009	2,062	
Malaysia-----	643	903	924	923	1,383	648	378	
Romania-----	0	60	434	1,376	477	410	12	
India-----	2,295	3,833	6,356	8,297	4,145	2,341	1,690	
Singapore-----	50	8	0	2,498	1,946	1,636	86	
All other-----	919	696	481	711	1,849	1,212	673	
Total-----	11,036	22,400	30,377	47,170	43,010	25,112	17,720	

Source: Compiled from official statistics of Department of Commerce.

**TITLE: Furniture of rubber or plastics, n.s.p.f., and mattresses**

**I. TSUS item number; description; tariff rate information; U.S. imports in 1982; competitive status**

TSUS(A) item No. 1/	Description	(Percent ad valorem)										Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)	
		Pre-MTN col. 1 rate of duty 2/	1980	1981	1982	1983	1984	1985	1986	1987	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--			
727.50A	Furniture of rubber or plastics, n.s.p.f., and parts: thereof.	6% ad val.	3%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	25%	37,118
727.8630A	Mattresses other than of cotton.	15% ad val.	13.9%	12.8%	11.6%	10.5%	9.4%	8.3%	7.1%	6%	6%	40%	240	

1/ The designation "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences (GSP) and that all beneficiary developing countries are eligible for the GSP.  
2/ Rate effective prior to Jan. 1, 1980.

## II. Comments

Description and uses

This digest covers furniture of rubber or nonreinforced or nonlaminated plastics, n.s.p.f., and parts thereof (TSUS item 727.50) and includes all furniture made of polyvinyl chloride (PVC) such as plastic pipe furniture, 1/ outdoor chairs, T.V. or stereo stands, and baby walkers. Also included is injection molded plastic furniture, which may range from plastic cubes to bedroom suites. Vinyl waterbed mattresses and liners are also covered by this digest. 2/ These articles are two primary components of waterbeds; all waterbeds require mattresses that can be filled with water or some liquid substance (they generally hold about 200 gallons), as well as plastic liners which serve as a protective layer between the waterbed frame and waterbed mattress.

Also included in this digest are mattresses other than those wholly or in chief value of cotton (TSUSA item 727.8630), which are generally rectangular pads of heavy cloth filled with some substance or material as a stuffing. This stuffing may be made of expanded, foamed, or sponge rubber or plastics, and may also include springs or steel coils sandwiched between the layers of insulation or cushioning. Mattresses are used primarily as, or on, a bed for the purpose of sleep.

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1/ General Foam Plastics Corporation has submitted a petition to the GSP subcommittee for the removal PVC furniture from GSP eligibility.

2/ The Waterbed Manufacturers Association (WMA) has submitted a petition to the GSP subcommittee for the removal of waterbeds and liners from GSP eligibility.

U.S. customs treatment

Waterbed mattresses are officially classified under the provisions of TSUS item 725.50 pursuant to the unpublished U.S. Customs Headquarters Letter numbered CLA-2 CO:R:CV:b 069729 JLV, dated July 26, 1982. Prior to that time, waterbed mattresses were classified in either TSUS item 727.50 or TSUSA item 727.8630, mattresses of non-cotton materials. The petition submitted by the WMA also asked that TSUSA item 727.8630 be included for withdrawal of GSP status.

Prior to Jan. 1, 1980, furniture of rubber or plastics, n.s.p.f., was classified with furniture for civil aircraft of the same material under TSUS item 727.48. TSUS item 727.48, later divided into items 727.50 and 727.51 (furniture of rubber and plastics for civil aircraft), became eligible for GSP treatment on Jan. 1, 1976, pursuant to section 502 (a)(3) of the Tariff Act of 1974. Since that time no beneficiary countries have been excluded from GSP benefits.

U.S. producers and employment

The number of U.S. producers of all types of furniture of rubber and or plastics is believed to be approximately 500. There are about 25 U.S. manufacturers of vinyl waterbed mattresses and/or liners. There are also about 100 companies that manufacture supplies for the waterbed industry. The majority of these manufacturers are located in California, particularly in the Los Angeles area. Others are located in Maryland, Nebraska, Nevada and Ohio. Most of the manufacturers are small, and total employment in the waterbed mattress and liner industry is estimated at 1500 persons. Employment data for the entire rubber and plastics furniture industry are not available. The process for waterbed mattress production is very labor intensive, as the

mattresses are fashioned from large strips of PVC plastic; waterbed liners are basically specially cut sheets of the same plastic material.

Mattresses are manufactured by several hundred firms located throughout the United States with extremely localized production due to freight and packaging expenses. The national market is dominated by several brand name products sold through franchises; employment for the mattress and bedspring industry was estimated at 30,000 in 1982.

#### U.S. consumption and production

U.S. consumption of all furniture of rubber or plastics is not known (table A-1), but consumption of waterbed mattresses and liners is estimated at between \$80 million and \$85 million in 1982, up from \$25 million in 1978. The U.S. industry estimates that approximately 15 to 20 percent of U.S. consumption of waterbed mattresses and 60 percent of the consumption of liners were supplied by imports in 1982. The ratio of imports to consumption for all furniture of rubber or plastics is believed to be small.

U.S. production of all furniture of rubber or plastics is not available (table A); however, production of waterbed mattresses is estimated to have been approximately \$70 million in 1982, up from an estimated \$21 million in 1978, while production of liners is estimated at \$3.5 million, up from \$650 thousand in 1978. \* \* \*

U.S. apparent consumption of mattresses declined from 1978 to 1981, falling from an estimated \$647 million to an estimated \$419 million, then increased sharply in 1982 to an estimated \$720 million (table A-2). U.S.

producers' shipments of mattresses followed the same trend, falling from an estimated \$652 million in 1978 to an estimated \$427 million in 1981, then increasing to an estimated \$730 million in 1982. The import to consumption ratio for mattresses is negligible, less than 1 percent for the whole period. Generally, mattress consumption is closely related to conditions in the housing and general furniture industries; these industries suffered serious problems in 1980 and 1981, but conditions began to improve in 1982.

#### U.S. exports

U.S. exports of all furniture of rubber or plastics, n.s.p.f., more than doubled between 1978 and 1982, rising from \$2.4 million to \$5.8 million (table B-1), with the principal markets being France, Japan, and Canada. For the first six months of 1983 as compared with the same period in 1982, exports declined from \$2.4 million to \$1.0 million, or by more than 58 percent. The decline in U.S. exports can be attributed to the continued strength of the U.S. dollar and to competition in world markets from certain Far Eastern countries. Exports of waterbed mattresses and liners are believed to be negligible.

U.S. exports of mattresses increased in the period 1978-82, from \$4.9 million to \$9.9 million; however, exports declined in the first half of 1983 compared to the first half of 1982, falling from \$4.9 million to \$2.8 million, or by 43 percent (table B-2). This steep decline reflects the continued high value of the U.S. dollar in the world economy, which makes these relatively high priced items even more expensive. The principal markets for U.S. exports were Saudi Arabia and the Bahamas with these two countries receiving 50 percent of U.S. exports.



U.S. imports

U.S. imports of all furniture of rubber or plastics have been irregular, decreasing from \$40.0 million in 1978 to \$37.1 million in 1982 (table C-1). <sup>1/</sup> The primary sources of these imports were Taiwan and Canada, who together accounted for 67 percent of total imports in 1982. Imports for the first six months of 1983 increased by \$4 million over the same period in 1982, rising from \$21.2 million to \$25.2 million.

Total GSP imports for the period 1978 to 1982 declined from \$23.1 million to \$17.2 million, with Taiwan and Mexico the leading GSP suppliers in 1982 (table C-2). GSP imports accounted for 46 percent of total imports in 1982. Such imports for the first six months of 1983 increased more than \$4.5 million over the same period of 1982, rising from \$10.3 million to \$14.9 million. Virtually all of this increase can be attributed to imports from Taiwan, which increased from \$8.8 million to \$12.7 million in this period. Much of this increase is believed to be waterbed mattresses and liners.

Imports of waterbed mattresses and liners are estimated at between \$10 million and \$15 million in 1982, up from virtually nothing in 1978, with practically all these imports entering duty free from Taiwan and Mexico. Waterbed mattress production is a labor intensive process, and the quality of U.S.-produced and imported mattresses is essentially equal. However, the low costs of labor in most countries with GSP eligibility enables them to produce mattresses and liners and sell them in the United States at prices approximately 25 to 30 percent lower than those of the domestic products. To

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<sup>1/</sup> Prior to Jan. 1, 1980, imports of furniture of rubber and plastics for civil aircraft were combined with imports of other furniture of the same material.

combat import competition, some U.S. manufacturers have transferred their operations to less developed countries where low cost labor is more plentiful; others are reportedly considering such a move.

U.S. imports of mattresses for the period 1978-82 have fluctuated with an overall decrease of 25 percent, falling from \$321,000 in 1978 to \$240,000 in 1982. Canada, Taiwan, and Sweden were the principal sources (table C-3). The high costs associated with transportation of these articles, as well as the state of the U.S. economy, have affected the level of imports. Imports have increased sharply in the first six months of 1983 over the same period in 1982, rising from \$92,000 to \$236,000, which reflected the improved U.S. market for home furnishings. GSP imports of mattresses increased from \$17,000 in 1978 to \$64,000 in 1982 (table C-4) and accounted for 27 percent of total imports in 1982. Taiwan and Guatemala were the principal sources of such imports. GSP imports for the first half of 1983 increased to \$67,000 from \$24,000 for the corresponding period of a year earlier, with the bulk of this increase from Taiwan.

#### Position of interested parties

The Waterbed Manufacturers Association, located in Los Angeles, California, has submitted a petition to the GSP subcommittee asking that furniture of rubber and plastics, n.s.p.f., TSUS item 727.50, be removed from eligibility for GSP. The Association also included TSUS item 727.8630 in its petition since waterbed mattresses and liners had previously been classified under this provision. Because of the aforementioned Customs letter, waterbed mattresses and liners are no longer classified under item 727.8630. The Association is concerned about increasing imports and fears that in order to

compete with countries with lower wage rates, such as Taiwan and Mexico, most U.S. manufacturers will either move offshore or be forced out of business.

General Foam Plastics Corporation (GFPC), located in Richmond, VA., also submitted a petition to the subcommittee which was received from USTR asking that TSUS item 727.50 be removed from GSP eligibility because imports of products they manufacture, polyvinylchloride (PVC) furniture, are classified under this number. Because item 727.50 is a basket provision and contains all furniture of rubber or plastics, it is not possible to determine separately the value of imports of this type of furniture. GFPC alleges that because of competition from imports their profit margin on this furniture is non-existent.

Manufacturers from the Republic of Taiwan argued that their imported product is in fact more expensive and of higher quality than the domestic product. Also, imports from Taiwan for these products are well below the fifty percent competitive need limit.

A domestic manufacturer in the Los Angeles area, Monterey Manufacturing Company, which had recently acquired a factory in Mexico argued in favor of graduating GSP eligibility for Taiwan, but against removal of eligibility for Mexico. The major share of recent increases in GSP imports has come from Taiwan, and Mexico's economic problems are far more severe. Also, Mexican facilities utilize U.S. materials and benefit U.S. industry by providing jobs for U.S. suppliers, while Taiwanese firms use only foreign materials and foreign capital.

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Table A-1.--Furniture of rubber or plastics, n.s.p.f.: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982 and January-June 1983

(Thousands of dollars)						
Period	Production	Exports	Imports	Apparent Consumption	Ratio (per- cent) of imports to consumption	
1978-----	<u>1/</u>	2,369	<u>2/</u> 40,010	<u>1/</u>	<u>1/</u>	
1979-----	<u>1/</u>	2,047	<u>2/</u> 38,009	<u>1/</u>	<u>1/</u>	
1980-----	<u>1/</u>	2,356	31,355	<u>1/</u>	<u>1/</u>	
1981-----	<u>1/</u>	3,883	38,932	<u>1/</u>	<u>1/</u>	
1982-----	<u>1/</u>	5,846	37,118	<u>1/</u>	<u>1/</u>	
January-June:						
1982-----	<u>1/</u>	2,434	21,215	<u>1/</u>	<u>1/</u>	
1983-----	<u>1/</u>	1,057	25,219	<u>1/</u>	<u>1/</u>	

1/ Not available.

2/ Prior to 1980, imports of furniture and parts of rubber and plastics, n.s.p.f., were combined with imports of furniture for civil aircraft of the same materials.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

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Table A-2.--Mattresses of noncotton materials: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82 and January-June 1982 and January-June 1983

(Thousands of dollars)					
Period	Production <u>1/</u>	Exports <u>2/</u>	Imports	Apparent Consumption	Ratio (per- cent) of imports to consumption
1978-----	651,549	4,891	321	646,979	<u>3/</u>
1979-----	688,375	6,330	577	682,622	<u>3/</u>
1980-----	585,815	7,051	447	593,313	<u>3/</u>
1981-----	426,877	7,945	364	419,296	<u>3/</u>
1982-----	730,000	9,910	240	720,330	<u>3/</u>
January- June--					
1982-----	370,000	4,948	92	365,144	<u>3/</u>
1983-----	400,000	2,798	236	397,438	<u>3/</u>

1/ Estimated.

2/ Includes mattresses of all materials.

3/ Less than 1 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.



Table B-1.--Furniture of rubber and plastics: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	(In thousands of dollars)						
	1978	1979	1980	1981	1982	January-June-- 1982 1983	
France	7	5	60	49	1,338	517	4
Japan	43	32	75	140	764	220	18
Canada	1,440	540	518	699	383	132	261
S Arab	133	124	515	698	380	358	66
U King	64	42	133	40	321	173	22
Austral	37	74	88	269	280	164	58
Sweden	2	28	34	3	235	124	-
Fr Germ	23	665	28	765	232	100	23
All other	622	537	904	1,221	1,913	646	605
Total	2,369	2,047	2,356	3,883	5,846	2,434	1,057

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table B-2.--Mattresses: 1/ U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	(In thousands of dollars)					
	1978	1979	1980	1981	1982	January-June-- 1982 : 1983
S Arab-----	714	1,872	1,491	1,622	3,949	1,616
Bahamas-----	645	806	843	617	1,002	409
Venez-----	42	157	63	185	797	612
Canada-----	963	798	845	1,111	692	300
Hg Kong-----	130	143	354	348	381	92
Bermuda-----	144	201	361	354	285	196
Austral-----	45	62	188	305	269	97
N Antil-----	273	159	234	434	213	91
All other-----	1,934	2,132	2,672	2,970	2,321	1,534
Total-----	4,891	6,330	7,051	7,945	9,910	4,948
						2,798

1/ Includes mattresses of all materials.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table C-1.--Furniture and parts of rubber or plastics, n.s.p.f.: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982 and January-June 1983

(Thousands of dollars)								
Country	1978 <sup>1/</sup>	1979 <sup>1/</sup>	1980	1981	1982	January-June--		
						1982	1983	
Taiwan-----	18,080	17,480	10,484	11,959	14,242	8,914	12,817	
Canada-----	6,282	8,068	9,703	15,143	10,476	6,069	3,106	
Mexico-----	1,915	2,351	2,436	3,171	2,992	1,358	1,891	
Italy-----	4,216	4,725	3,834	2,626	2,898	1,425	1,587	
F.R. Germany--	1,394	966	1,015	2,497	2,261	703	1,858	
France-----	672	964	1,021	1,249	2,136	1,556	2,412	
Switzerland---	250	242	278	317	439	172	200	
Austria-----	116	109	355	423	268	139	188	
All other-----	7,085	3,104	2,229	1,547	1,406	879	1,160	
Total-----	40,010	38,009	31,355	38,932	37,118	21,215	25,219	

<sup>1/</sup> Prior to 1980, imports of furniture and parts of rubber or plastics were combined with imports of furniture for civil aircraft of the same materials.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

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B701--Con.

Table C-2.--Furniture and parts of rubber or plastics, n.s.p.f.: U.S. imports for consumption under the GSP, 1978-82, January-June 1982 and January-June 1983

(Thousands of dollars)								
Country	1978 <u>1/</u>	1979 <u>1/</u>	1980	1981	1982	January-June--		
						1982	1983	
Taiwan-----	17,925	17,363	10,435	11,812	14,062	8,802	12,697	
Mexico-----	1,753	1,949	2,117	2,830	2,899	1,348	1,794	
Israel-----	52	75	77	34	114	108	227	
Hong Kong-----	121	37	61	79	93	60	57	
Korea-----	3,187	1,248	605	42	13	9	30	
Haiti-----	-	-	1	20	10	10	-	
Portugal-----	-	<u>2/</u>	-	-	1	-	48	
Tailand-----	8	2	-	-	1	1	-	
All other-----	32	7	13	134	2	1	7	
Total-----	23,078	20,681	13,308	14,951	17,195	10,339	14,860	

1/ Prior to 1980, imports of furniture and parts of rubber or plastics were combined with imports of furniture for civil aircraft of the same materials.

2/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Digest No.  
B701--Con.

Table C-3.--Mattresses of noncotton materials: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

(Thousands of dollars)

Country	1978	1979	1980	1981	1982	January-June--	
						1982	1983
Canada-----	130	434	239	214	81	49	90
Taiwan-----	10	1	30	44	38	21	56
Sweden-----	2	5	27	8	33	4	16
Japan-----	111	79	89	34	20	4	31
Italy-----	30	24	11	7	19	6	7
Mexico-----	1	2	5	<u>1/</u>	7	-	4
United Kingdom-----	4	7	5	2	5	1	1
Denmark-----	14	9	11	4	5	1	3
All other-----	19	16	30	51	32	6	28
Total-----	321	577	447	364	240	92	236

1/ Less than \$500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table C-4.--Mattresses of noncotton materials: U.S. imports for consumption under the GSP, 1978-82, January-June 1982, and January-June 1983

(Thousands of dollars)								
Country	1978	1979	1980	1981	1982	January-June--		
						1982	1983	
Taiwan-----	10	1	30	44	38	22	56	
Guatemala-----	-	-	-	-	14	-	-	
Mexico-----	1	1	3	<u>1/</u>	7	-	3	
Dominican Republic-----	-	-	-	.5	3	-	3	
Yugoslavia-----	4	4	2	-	2	2	-	
All other-----	2	5	3	11.5	-	-	5	
Total-----	17	11	38	56	64	24	67	

1/ Less than \$500.

Source: Compiled from official statistics of the U.S. Department of Commerce.



**TITLE: Fishing reels valued not over \$2.70 each**

**I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status**

TSUS item No. 1/	Description	Pre-MIN col. 1 rate of duty 2/	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1---					Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)			
			1980	1981	1982	1983	1984			1985	1986	1987
731.20A	Fishing reels valued not over \$2.70 each.	23%	21.3%	19.6%	17.8%	16.1%	14.4%	12.7%	10.9%	9.2%	55%	5,423

1/ The description "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences and that all beneficiary developing countries are eligible for the GSP.  
2/ Rate effective prior to Jan. 1, 1980.



## II. Comments

Description and uses

A fishing reel is attached to a fishing rod shaft near the handle. The reel serves to store the fishing line, to cast the line, and to play a hooked fish. In general, there are six kinds of reels. For the most part, a reel is matched with a corresponding fishing rod designed for a specific type of fishing.

Bait-casting reels.--Bait-casting reels use a revolving spool that is mounted on the top of a rod handle. They are available in a variety of designs and sizes, and while used in saltwater fishing, find their principal use in freshwater fishing; many incorporate a "level wind" mechanism, which guides the line onto the reel as it is rewound.

Spin-casting reels.--Though designed for spin-casting rods, spin-casting reels can be used with other kinds of rods, usually bait-casting rods. They are usually mounted on top of a rod and have a hood or front cover that houses the line and stationary spool. The line is released from the spool by depressing a lever or button.

Spinning reels.--Since the line and spool are exposed at the front of the reel, the spinning reel is frequently referred to as an open face reel. Spinning reels are mounted under the rod and, like other reels, are produced in various designs, capacities, and quality. They are used equally in both freshwater and saltwater fishing.

Fly reels.--There are two types of fly reels--single action and automatic. The user must turn the reel handle to retrieve the line with a

single action, whereas with an automatic, he merely trips a trigger which releases spring tension that revolves the reel spool and respools the line. A fly reel is mounted underneath and behind the handle.

Saltwater reels.--These are many types of saltwater reels; there are reels for surf fishing, boat and bay fishing, light trolling, reels with wide and narrow spools, and reels for 'big game' fishing. However, saltwater reels do have some common characteristics such as sturdy construction, strong drags, and capacity to hold hundreds of yards of heavy-test line.

Specialty reels.--Specialty reels include those designed for trolling with wire line, ultra-deep fishing with wire line, built in reels that are an integral part of the rod, reels designed specifically for still fishing and ice fishing, and spin-casting reels designed especially for under-the-rod use.

Of the types of reels described above, only spinning and spin-casting reels are imported with a dutiable value not over \$2.70 each. In 1977, spin-casting reels accounted for \*\*\* 1/ percent of U.S. producers' shipments of all reels to the domestic market, whereas spinning reels accounted for 62 percent of total reel imports. 2/

#### U.S. customs treatment

Imported fishing reels are classified according to their dutiable value. Those reels valued not over \$2.70 each enter under TSUS item 731.20; those valued over \$2.70 but not over \$8.45 each enter under item 731.22; and those

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1/ \* \* \*

2/ Data compiled from responses to questionnaires of the U.S. International Trade Commission.

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valued over \$8.45 each enter under item 731.24. All three categories of fishing reels were on the President's initial list of articles eligible for duty-free treatment under the Generalized System of Preferences (GSP) in 1976. Imports from the Republic of Korea under item 731.20 exceeded the competitive need criteria in 1980 and Korea was taken off the list of beneficiary countries for that item in March 1981. However, Korea was reinstated as a beneficiary country in April 1982. Item 731.22 was removed from the list of articles eligible for the GSP in March 1980.

U.S. producers and employment

There were 8 domestic producers of fishing reels in 1977. According to questionnaires of the U.S. International Trade Commission in connection with its Investigation No. TA-201-34 on Certain Fishing Tackle, \* \* \*

Since 1977, at least five of these firms have closed their U.S. fishing reel factories and now source their reels from Korea, Taiwan, and Hong Kong. The spin-casting reels manufactured by one U.S. producer are currently the only U.S.-made reels which compete directly with reels imported at a value of not more than \$2.70 each on the basis of price.

Total employment in the U.S. fishing reel industry amounted to 1,294 in 1977, with 998 being production and related workers. The number of workers engaged in the production of the spin-casting reels which compete directly with imported reels valued not over \$2.70 each was fairly stable during 1978-81, \* \* \*

U.S. consumption and production

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U.S. exports

There is believed to be only one U.S. exporter of low-valued fishing reels. Whereas total U.S. exports of reels decreased each year during 1978-82, by a total of 61 percent, from 338 thousand reels to 128 thousand reels, exports of low-valued reels averaged \* \* \*

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portion of U.S. exports include spin-casting reels that have been attached to solid-glass spin-casting rods.

U.S. imports

U.S. imports of all fishing reels rose by 45 percent during 1978-82, from 7.2 million reels to 10.4 million reels (table C-1). The increase in value was from \$44.3 million to \$71.1 million. U.S. imports of fishing reels valued not over \$2.70 each grew at a faster rate than total imports, expanding by 62 percent during 1978-82, from 1.9 million reels to 3.2 million reels (table C-2). The value increased from \$3.1 million to \$5.4 million. The growth in imports of low-valued reels by 1.3 million units during 1980-82, accounted for \* \* \*

Although Japan increased its share of the value of total U.S. fishing reel imports from 51 percent to 59 percent during 1978-82, its share of the value of imports of reels valued not over \$2.70 each fell from 46 percent to 4 percent. The three countries which utilized the GSP while exporting low-valued reels to the United States, Korea, Taiwan, and Hong Kong, increased their collective share of the value of total imports under item 731.20 from 54 percent in 1978, to 79 percent in 1982, and 93 percent in the first 6 months of 1983 (table C-2).

Imports of all fishing reels under the GSP peaked at 2.6 million reels in 1979 before middle-valued reels were removed from the list of GSP eligible articles in April 1980 and before Korea lost beneficiary country status for low-valued reels from March 1981 to April 1982 (table C-3). Imports under the GSP accounted for 31 percent of the quantity of total fishing reel imports in 1978, 20 percent in 1982, and 25 percent during January-June 1983.

GSP imports were much more influential in the low-valued reel category. There, GSP imports rose by 71 percent during 1978-82, from 1.1 million reels to 1.9 million reels (table C-4). GSP imports in the first 6 months of 1983 were 70 percent larger than in the first half of 1982. Duty-free imports under the GSP accounted for 57 percent of the quantity of imports of fishing reels valued not over \$2.70 each in 1978, 61 percent in 1982, and 89 percent in the first half of 1983.

The ratio of imports to consumption of low-valued fishing reels was

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The average wholesale price of low-valued fishing reels produced in the United States rose by \* \* \* whereas the average customs value of comparable imports increased by only 10 percent, from \$1.57 to \$1.72, adding to the price advantage of the imported product.

A principal factor which raised the volume of imports of low-valued reels under the GSP in 1982 and 1983 was the return of Korea to the status of a beneficiary developing country in April 1982. Loss of beneficiary country status after 3 months of 1981 led to a 22-percent reduction in total imports from Korea in 1981 compared with 1980. Return of status after 3 months in 1982 brought an 11-percent rise in imports from Korea in 1982 over the 1980 level. In the first half of 1983, imports from Korea were 57 percent greater than the comparable period of 1982.

Another important factor stimulating GSP imports from Korea, Taiwan, and Hong Kong during 1978-82 has been the closure of some fishing reel production operations in the United States, Japan, and Sweden by large fishing tackle companies in favor of either setting up factories in the former countries or having reels made there under the companies' brand names. Fishing reels are a relatively labor intensive product, giving Korea, Taiwan, and Hong Kong an advantage over countries with higher labor rates. According to information obtained from questionnaires in the U.S. International Trade Commission's Investigation No. TA-201-34 on Certain Fishing Tackle, 59 percent of all

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imported reels in 1977 were purchased by domestic fishing tackle manufacturers, chiefly fishing rod producers. Since one of the largest U.S. rod producers has closed its reel factories and now imports reels from Hong Kong, this percentage is certain to have increased.

During August 1981 to May 1982, 1,047,250 low-valued fishing reels (3 models of spin-casting reels) were assembled in Mexico from U.S. components and imported under the provisions of TSUS item 807.00. These imports from Mexico accounted for 17 percent of total imports under TSUS item 731.20 in 1981 and 22 percent in 1982. The closing of the foreign assembly operation was chiefly responsible for the reduction in imports under item 731.20 in the first half of 1983 compared with January-June 1982 (table C-2).

#### Position of interested parties

Zebco Division of Brunswick Corporation, as the only remaining U.S. producer of fishing reels valued not over \$2.70 each, favors removal of TSUS item 731.20 from the list of articles eligible for GSP treatment. Failing that, Zebco has petitioned for the removal of Korea, Taiwan, and Hong Kong from the list of beneficiary developing countries with regard to TSUS item 731.20. Zebco contends that the additional price advantage afforded to imports from Korea, Taiwan, and Hong Kong through the GSP has forced other domestic manufacturers of low-valued fishing reels to cease production, sourcing from the Orient instead. With the advantage of lower prices and the benefit of brand names which fishing tackle customers associate with domestic tackle producers,



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imports from Korea, Taiwan, and Hong Kong have taken substantial market share away from Zebco. Zebco alleges that imports under the GSP are the principal cause of reduced production, employment, and profitability on its low-valued reel operations. Zebco asserts that if TSUS item 731.20 is not removed from the list of articles eligible for GSP treatment or if Korea, Taiwan, and Hong Kong are not removed from the list of beneficiary developing countries for item 731.20, Zebco will no longer be able to compete in the market for low-valued reels.

Zebco further contends that the goal of the GSP program--encouraging the development of labor intensive manufacturing operations in developing nations--has been accomplished in Korea, Taiwan, and Hong Kong through the infusion of capital and technology from Japan, the United States, and Sweden. Therefore, these countries no longer need the duty advantages offered by the GSP to compete effectively in world markets. Zebco also proffers that if duty-free treatment is no longer available for item 731.20, importers and/or foreign manufacturers will probably absorb the duty increase so U.S. consumers would not be affected. Zebco would benefit because U.S. importers would have less profit available to direct towards advertising and promotion and/or foreign manufacturers would have less funding available for innovation and development expenses.

Daiwa Corporation (a Japanese fishing tackle producer which manufactures low valued fishing reels in Korea), the Korean Plastics Goods Exporters Association, and the Board of Foreign Trade for the Republic of China on

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Taiwan each submitted written briefs and gave oral testimony opposing the removal of GSP eligibility for TSUS item 731.20

Daiwa Corporation alleges that the domestic industry producing fishing reels is not sensitive because conditions have not changed since 1978 when the Commission determined that imports of fishing reels were not increasing in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing fishing reels (USITC Investigation No. TA-201-34). Daiwa asserts that Zebco's 64 percent share of the domestic spincast reel market precludes it from being injured by imports under item 731.20. It adds that U.S. firms which have ceased producing fishing reels did so prior to 1978. It contends that imports under item 731.20 are decreasing because they totaled less in the 5-year period 1978-82 than in the period 1973-77. Daiwa explains that an increase in imports from GSP eligible countries has been offset by a decrease in imports from Japan, meaning that Zebco has not lost market share to imports during 1978-82. It further claims that loss of GSP for item 731.20 will result in higher prices to the consumer for Zebco's reels as well as imported reels.

The Korean Plastics Goods Exporters Association argues that conditions have not changed substantially since the Commission determined in 1978 that imports were not the cause of injury to the domestic fishing reel industry. Further, it argues that Zebco has been able to maintain its market share of between 60 and 75 percent for spin-cast reels since that time. The increased share of the U.S. market held by GSP beneficiaries has come at the expense of Japan rather than Zebco. Also, elimination of GSP treatment for item 731.20

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would defeat the purpose of the GSP program, since an increase in imports from Japan would result.

The Board of Foreign Trade for the Republic of China argued that Taiwan has never exceeded the competitive need limit for item 731.20 and Taiwan's share of total imports declined during 1979-82.

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Table A.--Fishing reels valued not over \$2.70 each: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in thousands of reels; value in thousands of dollars;  
unit value in dollars per reel)

Period	Producers' shipments	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1978-----	***	***	1,950	***	***
1979-----	***	***	1,728	***	***
1980-----	***	***	1,860	***	***
1981-----	***	***	2,182	***	***
1982-----	***	***	3,158	***	***
January-June:					
1982-----	***	***	1,809	***	***
1983-----	***	***	1,412	***	***
Value					
1978-----	***	***	3,068	***	***
1979-----	***	***	2,632	***	***
1980-----	***	***	3,369	***	***
1981-----	***	***	3,843	***	***
1982-----	***	***	5,423	***	***
January-June:					
1982-----	***	***	3,069	***	***
1983-----	***	***	2,741	***	***
Unit value					
1978-----	***	***	\$1.57	***	-
1979-----	***	***	1.52	***	-
1980-----	***	***	1.81	***	-
1981-----	***	***	1.76	***	-
1982-----	***	***	1.72	***	-
January-June:					
1982-----	***	***	1.70	***	-
1983-----	***	***	1.94	***	-

Source: Compiled from official statistics of the U.S. Department of Commerce and industry sources, except as noted.



Table C-1.--Fishing reels: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	1978		1979		1980		1981		1982		January-June-- 1983	
	Quantity (pieces)	Value (1,000 dollars)	Quantity (pieces)	Value (1,000 dollars)	Quantity (pieces)	Value (1,000 dollars)	Quantity (pieces)	Value (1,000 dollars)	Quantity (pieces)	Value (1,000 dollars)	Quantity (pieces)	Value (1,000 dollars)
Japan	3,832,217	22,633	3,242,625	24,200	3,329,828	27,581	4,532,060	37,484	4,472,895	2,622,358	2,300,764	
Kor Rep	1,645,450	6,024	1,987,503	8,694	2,676,965	11,598	2,674,049	12,112	3,404,006	1,793,687	2,064,137	
Sweden	367,357	7,282	387,575	7,674	370,033	8,531	423,077	8,865	352,018	191,324	221,888	
France	634,243	6,389	268,758	2,988	254,943	3,107	199,289	2,176	175,498	133,804	132,771	
Taiwan	456,002	585	479,450	680	584,224	1,153	514,570	934	771,822	435,559	423,375	
Hg Kong	177,858	389	219,657	490	338,598	1,054	338,410	881	531,217	233,328	414,161	
Mexico	0	-	0	-	0	-	363,250	476	684,202	684,202	0	
U King	18,471	273	23,024	413	23,708	555	26,622	519	25,806	15,137	25,654	
All other	54,358	723	70,315	920	43,864	626	41,868	587	26,647	21,150	11,594	
Total	7,185,956	44,299	6,678,907	46,057	7,622,163	54,205	9,113,125	64,036	10,444,111	6,130,542	5,594,344	
Value (1,000 dollars)												
Japan	22,633	24,200	3,329,828	27,581	4,532,060	37,484	4,472,895	4,619	25,477	20,930		
Kor Rep	6,024	8,694	2,676,965	11,598	2,674,049	12,112	3,404,006	14,864	8,102	8,708		
Sweden	7,282	7,674	370,033	8,531	423,077	8,865	352,018	8,347	4,097	4,988		
France	6,389	2,988	199,289	3,107	175,498	2,176	133,804	1,823	1,319	1,265		
Taiwan	585	680	514,570	1,153	435,559	934	435,559	1,482	811	1,258		
Hg Kong	389	490	338,598	1,054	531,217	881	531,217	1,141	559	842		
Mexico	-	-	0	-	0	-	684,202	1,066	1,066	-		
U King	273	413	23,708	555	25,806	519	25,806	358	254	368		
All other	723	920	43,864	626	41,868	587	26,647	362	242	223		
Total	44,299	46,057	7,622,163	54,205	9,113,125	64,036	10,444,111	71,061	41,928	38,581		
Unit value (per piece)												
Japan	\$5.91	\$7.46	\$8.28	\$8.28	\$8.27	\$8.27	\$9.30	\$9.30	\$9.72	\$9.10		
Kor Rep	3.66	4.37	4.33	4.33	4.53	4.53	4.37	4.37	4.52	4.22		
Sweden	19.82	19.80	23.06	23.06	20.95	20.95	23.71	23.71	21.41	22.48		
France	10.07	11.12	12.19	12.19	10.92	10.92	10.39	10.39	9.86	9.52		
Taiwan	1.28	1.42	1.97	1.97	1.82	1.82	1.92	1.92	1.86	2.97		
Hg Kong	2.19	2.23	3.11	3.11	2.60	2.60	2.15	2.15	2.40	2.03		
Mexico	-	-	-	-	1.31	1.31	1.56	1.56	1.56	-		
U King	14.80	17.93	23.42	23.42	19.49	19.49	13.87	13.87	16.78	14.35		
All other	13.29	13.08	14.26	14.26	14.03	14.03	13.60	13.60	11.46	19.28		
Average	6.16	6.90	7.11	7.11	7.03	7.03	6.80	6.80	6.84	6.90		

Source: Compiled from official statistics of the U.S. Department of Commerce.



Table C-2.--Fishing reels valued not over \$2.70 each: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity (pieces)					Value (1,000 dollars)	Unit value (per piece)
	1978	1979	1980	1981	1982		
Kor Rep	574,712	710,152	914,428	711,100	1,022,050	427,150	671,200
Taiwan	441,254	470,136	493,146	469,562	699,705	396,749	256,385
Hg Kong	113,366	160,202	269,770	310,732	504,149	217,190	389,991
Mexico	0	0	0	363,250	684,000	684,000	0
Japan	820,215	387,170	182,630	314,659	236,456	72,790	96,072
France	0	250	0	0	5,340	5,340	0
Switzld	0	0	0	0	5,000	5,000	0
Sweden	0	0	0	12,406	1,200	1,200	0
All other	3	0	0	400	0	0	0
Total	1,949,550	1,727,910	1,859,974	2,182,109	3,157,900	1,809,419	1,413,648
Value (1,000 dollars)							
Kor Rep	1,018	1,285	1,766	1,501	2,174	933	1,448
Taiwan	513	644	743	727	1,113	623	381
Hg Kong	113	159	571	670	988	464	714
Mexico	-	-	-	476	923	923	-
Japan	1,423	543	289	468	204	104	198
France	-	1	-	-	11	11	-
Switzld	-	-	-	-	10	10	-
Sweden	-	-	-	1	1	1	-
All other	1	-	-	1	-	-	-
Total	3,068	2,632	3,369	3,843	5,423	3,069	2,741
Unit value (per piece)							
Kor Rep	\$1.77	\$1.81	\$1.93	\$2.11	\$2.13	\$2.18	\$2.16
Taiwan	1.16	1.37	1.51	1.55	1.59	1.57	1.49
Hg Kong	1.00	0.99	2.12	2.15	1.96	2.14	1.83
Mexico	-	-	-	1.31	1.35	1.35	-
Japan	1.74	1.40	1.58	1.49	0.86	1.43	2.06
France	-	2.62	-	-	2.07	2.07	-
Switzld	-	-	-	-	2.00	2.00	-
Sweden	-	-	-	0.03	0.82	0.82	-
All other	98.33	-	-	2.19	-	-	-
Average	1.57	1.52	1.81	1.76	1.72	1.70	1.94

1/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.





Table C-5.--Fishing reels valued over \$2.70 but not over \$8.45 each: U.S. imports for consumption under the Generalized System of Preferences; total imports for consumption from the Republic of Korea, Taiwan, and Hong Kong; share of imports of all fishing reels for consumption from the Republic of Korea, Taiwan, and Hong Kong, 1978-82, January-June 1982, and January-June 1983

Period	Imports under the Generalized System of Preferences			Total	Total imports for consumption from Rep. of Korea, Taiwan and Hong Kong		Share of imports of all fishing reels for consumption from Rep. of Korea, Taiwan and Hong Kong
	Rep. of Korea	Taiwan	Hong Kong		of Korea, Taiwan and Hong Kong	Percent	
	Quantity (reels)			Value (1,000 dollar)		Percent	
1978	961,282	13,700	53,046	1,028,028	1,091,378	47.9	
1979	1,072,838	9,314	52,082	1,134,234	1,160,654	43.2	
1980	642,359	47,144	17,392	706,895	1,789,469	49.7	
1981	2,000	6,930	7,784	16,714	1,899,096	53.8	
1982	2,500	0	0	2,500	2,194,238	46.6	
Jan.---							
June---							
1982---	2,500	0	0	2,500	1,248,639	50.7	
1983---	0	0	0	0	1,490,354	51.4	
	Quantity (reels)			Value (1,000 dollar)		Percent	
1978	4,208	69	205	4,482	4,776	68.2	
1979	5,248	36	268	5,552	5,669	57.5	
1980	3,101	185	65	3,351	9,228	66.8	
1981	17	19	49	85	9,675	69.5	
1982	14	-	-	14	10,505	60.1	
Jan.---							
June---							
1982---	14	-	-	14	5,907	62.4	
1983---	-	-	-	-	7,221	66.8	

Source: Compiled from official statistics of the U.S. Department of Commerce.



TITLE: Certain glass containers (Mexico)

I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982

TSUS item No. 1/	Description	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--										Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)
		Pre-MTN col. 1 rate of duty 2/	1980	1981	1982	1983	1984	1985	1986	1987			
	Containers (except ampoules) chiefly used for the packing, transporting, or marketing of merchandise, and containers chiefly used for home canning and preserving, all the fore- going, of glass, with or without their closures and whether or not coated with plastics materials:												
545.21A	Other: Holding not over 1/4 pint--	11¢/gross (1.8% AVE)	9.6¢/gross	8.3¢/gross	6.9¢/gross	5.5¢/gross	4.1¢/gross	2.8¢/gross	1.4¢/gross	Free	50¢/gross	4	
545.25A	Holding over 1/4 pint but not over 1 pint.	0.37¢/lb. (2.8% AVE)	0.32¢/lb.	0.27¢/lb.	0.23¢/lb.	0.18¢/lb.	0.14¢/lb.	0.09¢/lb.	0.05¢/lb.	Free	1-1/2¢/lb.	18	
545.27A	Holding over 1 pint-----	0.24¢/lb. (1.1% AVE)	0.1¢/lb.	0.1¢/lb.	0.1¢/lb.	0.1¢/lb.	Free	Free	Free	Free	1¢/lb.	32	

1/ The designation "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences (GSP) and that all beneficiary developing countries are eligible for the GSP.  
2/ Rate effective prior to Jan. 1, 1980.

## II. Comments

Description and uses

This digest covers those glass containers (with or without their closures and whether or not coated with plastics materials) designed for the packing, transporting, or marketing of merchandise other than perfume or other toilet preparations, and includes narrow neck and wide mouth glass food containers and refillable beverage containers. These containers can also be used for home canning and preserving. For TSUS classification purposes, these containers come in three sizes: holding not over 1/4 pint (item 545.21); holding over 1/4 pint but not over 1 pint (item 545.25); and holding over 1 pint (item 545.27). These glass containers are principally used to hold beverages, foods, drugs and medicines, and household and industrial chemicals.

The major portion of these glass containers are manufactured by continuous, automatic processing machines which press and blow molten glass into glass container molds of various shapes and sizes. The containers can then be decorated, sandblasted, polished, or annealed in secondary treatments.

U.S. customs treatment

The three TSUS items covered in this digest have been eligible for duty-free treatment under GSP since its inception in 1976. Since that time, no eligible countries have been excluded.

U.S. producers and employment

There are approximately 18 glass container producers operating about 110 plants in 30 states. The 12 largest companies manufacture nearly 80 percent of the glass containers produced in the United States. Glass plants in New Jersey, California, Illinois, Pennsylvania, and Indiana accounted for

approximately 58 percent of industry shipments in 1982. Total employment in the U.S. glass container industry in 1982 was 61,000 workers, 54,000 of which were production and related workers. This industry is considered to be localized, generally serving area markets due to high shipping costs.

#### U.S. consumption and shipments

Estimated apparent U.S. consumption of certain glass containers fluctuated in a narrow range during 1978-82, rising from 306 million gross (\$3.9 billion) in 1978 to 313 million gross (\$4.4 billion) in 1980 and then declining to 301 million gross (\$4.9 billion) in 1982 (table A). U.S. imports of certain glass containers accounted for 1 percent or less of apparent U.S. consumption during the period. The high weight to value ratio of glass containers discourages long-distance shipment of these items. As a result, estimated U.S. producers' shipments are approximately the same in units and value as apparent U.S. consumption. The decline in apparent consumption and producers' shipments is attributed to the economic slowdown and intense competition with substitute articles, particularly plastics.

#### U.S. exports

During 1978-82, estimated U.S. exports of certain glass containers accounted for 1 percent or less of U.S. producers' shipments primarily due to high transportation costs and the localized nature of the market. U.S. exports rose to 1.7 million gross (\$30 million) in 1980 from 1.4 million gross (\$22 million) in 1978 (table B). U.S. exports then declined during 1981-82 to 1.3 million gross (\$32 million).



Canada was the principal market for U.S. exports, accounting for 40 percent of this total in 1982. Jamaica and Venezuela were secondary export markets.

#### U.S. imports

U.S. imports of certain glass containers rose gradually from about 1 million gross in 1978-79 (\$14-16 million) to 3 million gross (\$54 million) in 1982, a 200-percent increase (table C). During January-June 1983, U.S. imports totaled 3.3 million gross (\$29 million), up 136 percent from the corresponding period of 1982 (1.4 million gross, valued at \$28 million) and surpassing total U.S. imports in all of 1982. The principal U.S. supplier in 1982 was Canada, with 74 percent of U.S. imports. Mexico and France were secondary sources of supply.

The level of U.S. imports from GSP countries varied during 1978-82, rising from 80,000 gross (\$1.5 million) in 1978 to 117,000 gross (\$1.3 million) in 1979 before falling to 63,000 gross (\$1.3 million) in 1980 (table D). These imports then increased roughly five-fold to 303,000 gross (\$4.5 million) in 1982, approximately 10 percent of total U.S. imports of these products. During the first six months of 1983, U.S. imports from GSP countries totaled 895,000 gross (\$5.2 million), compared to 74,000 gross (\$1.2 million) during the corresponding period of 1982. About 27 percent of total imports for January-June 1983 was accounted for by imports from GSP countries.

Mexico was the principal GSP source of these imports, accounting for 53 percent of total imports from GSP countries in 1982. During January-June

1983, imports from Mexico accounted for nearly 90 percent of GSP imports, compared to 22 percent during January-June 1982.

Due to the prohibitive cost of transporting empty glass containers, most trade in this market is limited to border trade with Canada and Mexico. Generally, imports from these countries most seriously affect the domestic glass container plants that serve the border area markets. Both the foreign and domestic glass containers are of like quality and end-use, and a significant price differential is generally the determining factor when purchasing the merchandise. As an example, the unit value per gross for imports from Mexico was \$14.30 in 1982; the estimated unit value for comparable U.S. products was \$16.33 (based upon data in tables A and C).

#### Position of interested parties

The Glass Packaging Institute, the petitioner, which represents a majority of U.S. glass container producers, testified in favor of GSP graduation of Mexico, citing the import-sensitivity of the glass industry, injury to the U.S. industry, and the threat of further injury if GSP treatment for Mexico continues.

The principal Mexican producer of these products, Vitro Envases, and the major U.S. importer testified in opposition to GSP graduation of Mexico, stating that the low level of glass container imports could have no effect on the U.S. industry which is in good health. Further it would provide benefits to the U.S. consumer.

Vitro Envases testified that there was a problem of misclassified imports of certain glass containers into TSUS provisions subject to this GSP investigation (545.21-.27) and asserted that about 75 percent of these imported

items would be more appropriately classified in TSUS provisions for containers used for perfume or toilet preparations. 1/

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Table A.--Certain glass containers: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in thousand gross; value in thousands of dollars)

Period	Producers' shipments <u>1/</u>	Exports <u>1/</u>	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1978-----	306,044	1,388	1,098	305,754	<u>2/</u>
1979-----	309,069	1,567	1,044	308,546	<u>2/</u>
1980-----	313,689	1,689	1,440	313,440	<u>2/</u>
1981-----	311,371	1,340	2,563	312,594	1
1982-----	299,000	1,328	3,022	300,694	1
January-June:					
1982-----	157,500	676	1,435	158,259	1
1983-----	<u>3/</u>	617	3,314	<u>3/</u>	<u>3/</u>
Value					
1978-----	3,888,335	22,328	13,779	3,879,786	<u>2/</u>
1979-----	4,076,673	27,439	16,493	4,065,727	<u>2/</u>
1980-----	4,379,008	30,161	24,261	4,373,108	1
1981-----	4,760,550	33,160	44,101	4,771,491	1
1982-----	4,882,066	31,713	54,117	4,904,470	1
January-June:					
1982-----	<u>3/</u>	16,525	28,207	<u>3/</u>	<u>3/</u>
1983-----	<u>3/</u>	14,429	28,888	<u>3/</u>	<u>3/</u>

1/ Estimated by staff of the U.S. International Trade Commission.

2/ Less than .005 percent.

3/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table B.--Certain glass containers: U.S. exports of domestic merchandise, by principal markets, 1978-82,  
January-June 1982, and January-June 1983<sup>1/</sup>

Market	1978		1979		1980		1981		1982		January-June-- 1983	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Quantity (1,000 gross)												
Canada	454	7,822	543	10,439	686	12,449	526	13,561	537	13,033	300	7,328
Venezuela	219	2,732	430	5,423	301	3,813	97	1,935	92	2,243	43	1,114
Nigeria	3	41	5	44	32	803	41	1,393	43	2,032	25	1,192
Jamaica	58	1,447	36	1,116	67	2,090	105	3,981	125	1,731	27	557
Bahamas	25	528	25	513	42	694	57	639	66	1,069	46	607
Honduras	19	296	28	445	27	473	18	358	44	1,038	22	495
U King	26	619	36	1,033	28	787	33	874	30	1,009	18	539
Austral	29	610	51	958	38	856	33	908	23	948	11	470
All other	556	8,233	414	7,468	466	8,195	430	9,512	368	8,610	184	4,222
Total	1,388	22,328	1,567	27,439	1,689	30,161	1,340	33,160	1,328	31,713	676	16,525
Value (1,000 dollars)												
Canada	7,822	7,822	10,439	12,449	686	12,449	526	13,561	537	13,033	300	7,648
Venezuela	2,732	2,732	5,423	5,423	301	3,813	97	1,935	92	2,243	43	1,355
Nigeria	41	41	44	44	32	803	41	1,393	43	2,032	25	-
Jamaica	1,447	1,447	1,116	1,116	67	2,090	105	3,981	125	1,731	27	345
Bahamas	528	528	513	513	42	694	57	639	66	1,069	46	760
Honduras	296	296	445	445	27	473	18	358	44	1,038	22	109
U King	619	619	1,033	1,033	28	787	33	874	30	1,009	18	262
Austral	610	610	958	958	38	856	33	908	23	948	11	371
All other	8,233	8,233	7,468	7,468	466	8,195	430	9,512	368	8,610	184	4,579
Total	22,328	22,328	27,439	27,439	30,161	30,161	33,160	33,160	31,713	31,713	16,525	14,429

<sup>1/</sup> Estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Certain glass containers: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	1978		1979		1980		1981		1982		January-June-- 1983	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Quantity (1,000 gross)												
Canada	954		805	1,050		2,180		2,245		1,176		2,065
Mexico	11		7	6		17		261		17		806
France	29		90	285		146		281		139		243
N Zeal	0		0	6		10		25		16		13
Italy	17		22	16		85		33		16		59
Panama	0		0	0		4		22		1		21
Guatmal	0		0	0		15		34		18		5
U King	3		2	4		1		5		3		24
All other	85		119	72		104		116		50		78
Total	1,098		1,044	1,440		2,563		3,022		1,435		3,314
Value (1,000 dollars)												
Canada	9,975		12,910	19,358		38,033		43,354		23,913		20,461
Mexico	940		737	762		1,234		3,732		659		4,315
France	1,074		1,337	2,295		1,977		3,157		1,618		1,980
N Zeal	-		-	126		403		781		614		467
Italy	813		690	824		1,050		768		443		310
Panama	-		-	-		78		516		84		503
Guatmal	-		-	17		231		482		180		61
U King	55		65	58		83		273		140		162
All other	922		754	821		1,011		1,053		557		628
Total	13,779		16,493	24,261		44,101		54,117		28,207		28,888

Source: Compiled from official statistics of the U.S. Department of Commerce.



Table D.--Certain glass containers: U.S. imports for consumption under the GSP, by principal GSP sources, 1978-82, January-June 1982, and January-June 1983

(Quantity in thousand gross; value in thousands of dollars)								
Source	1978	1979	1980	1981	1982	January-June--		
						1982	1983	
Quantity								
Mexico-----	10	6	5	14	162	16	801	
Taiwan-----	69	110	53	42	40	16	44	
Guatemala-----	0	0	1	15	27	11	5	
Panama-----	0	0	0	4	21	1	20	
All other-----	1	1	4	55	53	30	25	
Total-----	80	117	63	130	303	74	895	
Value								
Mexico-----	923	732	745	1,139	2,874	656	4,248	
Taiwan-----	605	573	494	393	264	118	167	
Guatemala-----	-	-	17	231	465	174	61	
Panama-----	-	-	-	78	516	84	490	
All other-----	17	30	69	414	392	197	200	
Total-----	1,545	1,335	1,325	2,255	4,511	1,229	5,166	

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

**TITLE: Porcelain-on-steel cooking and kitchen ware (Taiwan)**

**I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982**

TSUS item No. 1/	Description	(Cents per pound; percent ad valorem)							Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)		
		Pre-WTN col. 1 rate of duty 2/	1980	1981	1982	1983	1984	1985			1986	1987
654.02(pt.)A	Porcelain-on-steel cooking and kitchen ware.	14/lb + 2.5% (AVE 3.2%)	3.3%	3.2%	3.1%	3.1%	3.1%	2.9%	2.8%	2.7%	35.5%	41,521

1/ The designation "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences (GSP) and that all beneficiary developing countries are eligible for the GSP. GSP eligibility on certain steel cooking ware has been temporarily suspended under the Presidential Proclamation 4713 (P.R. 3561, January 18, 1980).

2/ Rate effective prior to Jan 1, 1980

## II. Comments

Description and uses

The products covered by this digest are porcelain coated cooking and kitchen ware of steel (teakettles, pots, pans, skillets, roasters, and similar articles), not having self-contained electrical elements. These consumer products, which are commonly referred to as porcelain-on-steel cooking and kitchen ware, are widely used in many households and food preparation institutions.

U.S. customs treatment

Porcelain-on-steel cooking and kitchen ware is provided for in item nos. 654.0215(pt.), 654.0224, 654.0227, and 654.0228(pt.) of the Tariff Schedules of the United States Annotated (TSUSA). 1/

The current column 1 or most-favored-nation (MFN) rate is 3.1 percent ad valorem. The rate which is applicable to such imports from least developed developing countries (LDDC) is 2.7 percent ad valorem, and the column 2 rate which is applicable to imports from Communist countries is 35.5 percent ad valorem.

On January 16, 1980, Presidential Proclamation 4713 provided for a separate statistical breakout for porcelain-on-steel cooking ware valued not over \$2.25 per pound. The rate of duty for imports of these products was temporarily modified under item 923.60 of the appendix to the TSUS to provide for additional duties of 20 cents per pound effective on or after

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1/ Although statistical provisions 654.0215 and 654.0228 include cooking and kitchen ware of iron or steel, those products of iron are believed to account for less than 5 percent of total imports.

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January 17, 1980. These additional duties were reduced to 15 cents per pound on January 17, 1982, and to 10 cents per pound on January 17,

1983. 1/

Import relief is scheduled to terminate at the close of January 16, 1984, unless extended by the President. During the period of import relief, eligibility under the Generalized System of Preferences and under the LDDC provisions is suspended on porcelain-on-steel cooking ware imported under item 654.0224.

U.S. producers and employment

Since 1978 there has been only one U.S. producer of porcelain-on-steel cooking and kitchen ware.

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U.S. consumption and production

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1/ The total duty collected on MFN imports may not exceed 53.3 percent ad valorem. The column 2 rate may not be less than the applicable MFN rate assessed under that item; i.e., it may vary from 35.5 percent to 53.3 percent ad valorem.

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#### U.S. exports

U.S. exports of porcelain-on-steel cooking and kitchen ware followed the same irregular trend of shipments during 1978-82, declining from 2 million units (\$3 million) in 1978 to 1 million units (\$4 million) in 1982 (table B). Based on quantity, exports to Canada accounted for 60 percent of total U.S. exports of porcelain-on-steel cooking and kitchen ware during 1982.

#### U.S. imports

U.S. imports of porcelain-on-steel cooking and kitchen ware declined from 21 million units (\$44 million) in 1978 to 10 million units (\$27 million) in 1981. During 1982, such imports increased to 13 million units which were valued at (\$42 million) (table C).

Based on quantity, the ratio of imports to apparent consumption declined from 75 percent in 1978 to 59 percent in 1981, before increasing 6 percentage points to 65 percent in 1982. Japan, Taiwan, Spain, and Mexico, together, accounted for approximately 85 percent of the quantity of total U.S. imports in 1982.

The composition of U.S. imports varied considerably among the major foreign sources. Imports from Spain and Taiwan consisted primarily of low-priced (valued not over \$2.25 per pound) multi-piece fashion sets. These imports compete with the products of the U.S. producer on the basis of quality and price, often undercutting the moderately priced lines of the domestic producer. The bulk of the imports from Japan (valued over \$2.25 per pound) do not compete directly with U.S. cooking and kitchen ware, since these products are not manufactured in the United States.

U.S. imports of porcelain-on-steel cooking and kitchen ware from GSP countries declined from 9 million units (\$11 million) in 1978 to 2 million units (\$5 million) in 1982, or by 78 percent (table D). Imports from Taiwan, the major source of imports under the GSP during the last five years, declined from 3 million units (\$5 million) in 1978 to 449,000 units (\$1 million) in 1980. During 1980-82, imports from Taiwan increased about 100 percent, totaling 903,000 units (\$4 million) in 1982.

The lower levels of imports during 1980-82, as compared to imports during 1978-79, can be partially attributed to the import relief that went into effect on imports of cooking ware of steel, valued not over \$2.25 per pound (item 654.0224) and the suspension of GSP eligibility for that item.

#### Position of interested parties

The petitioner, General Housewares Corporation, requests the removal of GSP status on porcelain-on-steel cooking and kitchen ware (TSUS 654.02 pt), for Taiwan. General Housewares Corporation asserts that the Taiwanese

producers are internationally competitive and have been successful in the U.S. market, increasing the volume of sales despite import relief imposed in 1980. The domestic producer further contends that Taiwanese prices have been reduced specifically to undersell a domestic product which was competitively priced. While precise figures were not presented for the Taiwanese product lines, in this particular instance, the Taiwanese dropped their price approximately 25% immediately after the introduction of a new line by the domestic producer designed to compete with Taiwanese products.

Counsel for the Board of Foreign Trade, Republic of China on Taiwan, testified in opposition that GHC has in fact improved its financial condition, with increases in net income and a 25 percent sales gain in the second quarter of 1983. GHC has also recently imported some products that GHC does not produce themselves, and the argument was made that the company was using GSP review to gain competitive advantage for its own source of imports.

A separate statement submitted on behalf of M. Kamenstein, Inc. urged that enamelware teakettles from Taiwan not be removed from GSP eligibility. The company argued that the domestic industry does not need protection from duty-free imports as it has expanded and modernized its production facilities for teakettles. The statement also argued that Taiwan needs GSP status in order to maintain its competitive edge against Japan, the number one producer of teakettles imported into the U.S. market. Finally, the statement points out that removal of GSP would not spur development in less-developed GSP countries, pointing out that Mexico, the principal GSP competitor in teakettles, produces a product not directly competitive with those of Taiwan. Taiwan's GSP status is, therefore, not restraining Mexico's growth.

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Table A.--Porcelain-on-steel cooking and kitchen ware: U.S. shipments, exports, imports, apparent consumption, 1978-82, January-June 1982, and January-June 1983

(Quantity in thousands of units; value in thousands of dollars)						
Period	Shipments <u>1/</u>	Exports	Imports <u>2/</u>	Apparent consumption	Ratio (percent) of imports to consumption	
Quantity						
1978-----	***	1,808	21,052	***	***	***
1979-----	***	2,235	18,352	***	***	***
1980-----	***	1,995	11,388	***	***	***
1981-----	***	2,147	10,340	***	***	***
1982-----	***	1,477	12,890	***	***	***
January-June--						
1982-----	***	824	5,407	***	***	***
1983-----	***	1,077	8,616	***	***	***
Value						
1978-----	***	2,932	43,513	***	***	***
1979-----	***	4,773	47,494	***	***	***
1980-----	***	3,762	38,160	***	***	***
1981-----	***	4,355	27,141	***	***	***
1982-----	***	3,711	41,521	***	***	***
January-June--						
1982-----	***	1,981	16,194	***	***	***
1983-----	***	2,520	27,761	***	***	***

1/ Reported to the U.S. International Trade Commission by domestic producers.

2/ Imports are believed to include less than 5 percent of cooking and kitchen ware of iron.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table B.--Porcelain-on-steel cooking and kitchen ware: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	1978	1979	1980	1981	1982	January-June--	
						1982	1983
	Quantity (1,000 units)						
Canada	1,388	1,396	1,541	1,814	1,183	686	947
Japan	35	10	5	21	105	66	20
Qatar	0	4	0	0	3	0	0
Ecuador	2	4	11	0	17	0	0
Egypt	4	0	0	0	25	0	0
Trinidad	1	19	5	6	16	8	1
Mexico	26	37	11	17	15	9	1
Colomb	4	4	55	1	3	3	12
All other	349	761	366	287	109	65	95
Total	1,808	2,235	1,995	2,147	1,477	842	1,077
	Value (1,000 dollars)						
Canada	1,747	1,968	2,430	3,149	2,232	1,267	1,793
Japan	71	41	26	119	609	372	122
Qatar	-	8	-	-	145	-	-
Ecuador	5	11	36	-	81	-	-
Egypt	8	-	-	-	75	-	-
Trinidad	5	65	19	23	65	29	4
Mexico	67	73	43	116	54	24	2
Colomb	9	8	132	6	48	43	33
All other	1,020	2,619	1,076	944	401	171	565
Total	2,932	4,773	3,762	4,355	3,711	1,981	2,520
	Unit value (per unit)						
Canada	\$1.26	\$1.40	\$1.58	\$1.74	\$1.89	\$1.85	\$1.89
Japan	2.02	3.96	5.23	5.62	5.78	5.64	6.01
Qatar	-	1.93	-	-	55.87	-	-
Ecuador	2.98	2.52	3.36	-	4.67	-	-
Egypt	1.89	-	-	-	3.00	-	-
Trinidad	5.28	3.47	3.49	3.80	4.06	3.44	4.88
Mexico	2.61	1.97	3.87	6.65	3.55	2.72	1.67
Colomb	2.11	2.22	2.37	4.13	14.96	14.94	2.67
All other	2.92	3.44	2.94	3.29	3.69	3.83	5.95
Average	1.62	2.14	1.89	2.03	2.51	2.35	2.34

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Porcelain-on-steel cooking and kitchen ware: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity (1,000 units)					Value (1,000 dollars)		Unit value (per unit)	
	1978	1979	1980	1981	1982	1982	1983	1982	1983
Japan	3,840	3,362	3,027	2,624	4,698	1,725	3,033	64.33	64.48
China	3,205	2,348	1,591	1,682	2,166	791	2,246	3.51	3.35
Spain	2,877	5,003	1,226	1,231	1,494	658	941	3.79	3.35
Mexico	2,250	2,771	2,425	2,803	2,688	1,431	1,044	1.15	1.04
Fr Germ	140	195	445	143	170	56	52	7.41	10.55
France	703	363	130	219	133	54	84	8.17	7.90
Finland	67	56	51	24	60	39	17	6.41	6.06
Poland	2,263	563	280	391	333	191	95	0.85	0.92
All other	5,707	3,692	2,212	1,223	1,148	463	1,103	1.37	0.92
Total	21,052	18,352	11,388	10,340	12,890	5,407	8,616	2.99	3.22
Japan	11,087	11,479	12,689	10,957	20,347	7,898	13,586	20.34	27.76
China	4,894	4,746	3,672	4,931	7,598	2,416	7,524	3.51	3.35
Spain	7,228	14,502	4,479	3,384	5,666	2,511	3,155	3.79	3.35
Mexico	2,379	2,803	3,383	2,935	3,101	1,550	1,086	1.15	1.04
Fr Germ	1,265	2,171	3,431	1,495	1,476	416	553	7.41	10.55
France	3,797	2,908	962	1,492	1,086	413	667	8.17	7.90
Finland	249	233	249	171	384	228	104	6.41	6.06
Poland	560	629	323	314	284	156	88	0.85	0.92
All other	12,055	8,023	8,972	1,461	1,579	606	997	1.37	0.92
Total	43,513	47,494	38,160	27,141	41,521	16,194	27,761	2.99	3.22
Japan	62.89	63.41	64.19	64.18	64.33	64.58	64.48	20.34	27.76
China	1.53	2.02	2.31	2.93	3.51	3.05	3.35	3.51	3.35
Spain	2.51	2.90	3.65	2.75	3.79	3.82	3.35	3.79	3.35
Mexico	1.06	1.01	1.39	1.05	1.15	1.08	1.04	1.15	1.04
Fr Germ	9.04	11.14	7.70	10.44	8.67	7.41	10.55	7.41	10.55
France	5.40	8.01	7.38	6.82	8.17	7.64	7.90	8.17	7.90
Finland	3.71	4.19	4.93	7.03	6.41	5.91	6.06	6.41	6.06
Poland	0.25	1.12	1.15	0.80	0.85	0.82	0.92	0.85	0.92
All other	2.11	2.17	4.06	1.20	1.37	1.31	0.92	1.37	0.92
Average	2.07	2.59	3.35	2.62	3.22	2.99	3.22	2.99	3.22

Note: Imports are believed to include less than 5 percent of cooking and kitchen ware of iron.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table D.--Porcelain-on-steel cooking and kitchen ware: U.S. imports for consumption under the Generalized System of Preferences, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	1978	1979	1980	1981	1982	January-June--	
						1982	1983
Quantity (1,000 units)							
Taiwan-----	3,166	2,322	449	553	903	235	825
Mexico-----	2,187	2,765	890	1,641	1,189	605	537
Hong Kong-----	905	548	64	32	139	26	337
South Korea-----	1,152	1,169	66	20	89	87	27
All other-----	1,298	986	54	90	26	2	31
Total-----	8,708	7,790	1,523	2,336	2,346	955	1,755
Value (1,000 dollars)							
Taiwan-----	4,834	4,672	1,352	2,196	3,572	928	3,597
Mexico-----	2,310	2,800	695	997	794	443	283
Hong Kong-----	372	367	39	30	186	47	246
South Korea-----	1,766	1,961	122	51	135	131	42
All other-----	1,358	905	84	88	81	6	89
Total-----	10,640	10,705	2,292	3,362	4,768	1,555	4,257
Unit value (per unit)							
Taiwan-----	\$1.53	\$2.01	\$3.01	\$3.97	\$3.96	\$3.95	\$4.60
Mexico-----	1.06	1.01	.78	.61	.67	.73	.52
Hong Kong-----	.41	.67	.60	.94	1.34	1.81	.73
South Korea-----	1.53	1.68	1.85	2.55	1.52	1.50	1.68
All other-----	1.05	.92	1.56	.98	3.12	3.00	2.87
Average-----	1.12	1.26	1.56	1.81	2.20	2.20	2.08

Source: Compiled from official statistics of the U.S. Department of Commerce.



TITLE: Portable air purifiers (Hong Kong, Taiwan)

I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No. 1/	Description	Pre-MTN col. 1 rate of duty 2/	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1---					Col. rate of duty	U.S. imports in 1982 (\$1,000)			
			1980	1981	1982	1983	1984			1985	1986	1987
661.95(pt)A	Other: Centrifuges; filtering and purifying machinery and apparatus (other than filter funnels, milk strainers, and similar articles), for liquids or gases; all of the foregoing and parts thereof: Portable air purifiers----	5.5%	5.3%	5.1%	4.9%	4.7%	4.5%	4.3%	4.1%	3.9%	35%	3/ 19,900

1/ The designation A indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences.

2/ Rate effective prior to Jan. 1, 1980.

3/ Estimated.

Note: % denotes percent ad valorem.



## II. Comment

Description and uses

A portable purifier (air cleaner) is an electric-or battery-powered appliance that purifies and deodorizes air and adds a pleasant fragrance. The principal components of an air purifier include an electric motor, a filter, and a casing made of metal or plastic. According to industry sources, the production process for this item is very labor intensive. Replacement filters for use in these air purifiers are made of a foam-like material treated with activated carbon or chemicals which absorb gaseous contaminants.

U.S. producers and employment

There are currently only 2 U.S. producers of portable room-size air purifiers. They are located in Chicago, Illinois, and Sanford, Florida. Although specific data are not available, industry sources indicate that employment has increased since 1978. The actual number of workers, however, fluctuates with seasonal demand.

U.S. consumption and shipments

Estimated apparent U.S. consumption of portable room-size air purifiers and filters increased annually during 1978-82, rising from \$4.4 million to \$84.8 million (table A).

Estimated shipments followed the same trend as that of consumption, rising from \$3.9 million in 1978 to \$72.1 million in 1982. Industry sources indicate that the increase in shipments was due to rising consumer demand for the product.

U.S. exports

Estimated U.S. exports of portable room-size air purifiers and filters increased from \$195,000 in 1978 to \$7.2 million in 1982 (table A). Industry officials indicate that Canada was the major foreign market for exports during the period; information on other export markets is not available.

U.S. imports

U.S. imports (estimated) of the products considered herein increased from \$670,000 in 1978 to \$19.9 million in 1982 (table B). Estimated U.S. imports fell 38.5 percent during January-June 1983 to \$5.3 million compared with the same period of 1982. These imports were supplied by Hong Kong, Taiwan and Japan. The ratio of imports to consumption declined from an estimated 15.3 percent in 1978 to 9.8 percent in 1981. The level of import penetration then increased to an estimated 23.5 percent in 1982. The increase was caused by increased consumer demand for the product and increased importing by a large retailer who had previously purchased these purifiers from domestic sources. The ratio of imports to consumption was estimated to be 19.1 percent in the first six month of 1983, compared with 23.0 percent in the same period of 1982. However, industry spokesmen indicate that the import penetration in quantity is much higher, and that due to the low price of imports, the actual effect on the industry is understated. The estimated percentage of imports of portable air purifiers and filters entering the United States under the Generalized System of Preferences has increased in recent years as Hong Kong

and Taiwan became important suppliers in this market. Although exact data are not available, estimates indicate that GSP imports accounted for approximately 68 percent of estimated total U.S. imports in 1982, compared with 3 percent in 1978 (table C).

Imported portable room-size air purifiers are considered interchangeable with comparable domestically produced products by U.S. consumers. The U.S. industry, however, asserts that the quality of imports is lower because such products are not capable of removing as many of the impurities from the air, due to a substandard filtering systems. These imports are priced much lower than domestically-produced models.

#### Position of interested parties

The petitioner, Associated Mills, Inc., and the other U.S. producer, Rush-Hampton Industries, Inc., request that duty exemption be withdrawn for room-size air purifiers and filters imported from Hong Kong and Taiwan, and that the column 1 rate of duty (4.7 percent ad valorem) be imposed. This would necessitate an individual import breakout for these products presently classified under TSUS category 661.95. During the Commission hearing on September 27, 1983, both these U.S. producers indicated that if the large volume of imports continued, and importers' market share continued to rise, U.S. manufacturers will be forced to locate their operations offshore to remain competitive. This will result in significant unemployment in the industry.

The Board of Foreign Trade, Republic of China on Taiwan, opposed the petition on the grounds that import penetration has risen because of increased

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demand. In the first six months of 1983, imports from Taiwan dropped precipitously, from \$4 million in 1982 to \$2 million. Demand is expected to increase, and the domestic industry will likely improve its already satisfactory financial condition.

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Table A.--Portable air purifiers: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

Period	Producers' shipments	Exports	Imports	Apparent consumption	Ratio of imports to consumption
	1,000 dollars				Percent
1978-----	3,900	195	670	4,375	15.3
1979-----	7,600	380	1,101	8,321	13.2
1980-----	15,120	1,510	1,880	15,490	12.1
1981-----	60,590	5,900	6,010	60,480	9.8
1982-----	72,090	7,200	19,900	84,790	23.5
January-June--					
1982-----	32,050	3,100	8,650	37,600	23.0
1983-----	25,000	2,500	5,320	27,820	19.1

Source: Estimated by the staff of the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce.

Table B.--Portable air purifiers: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

(In thousands of dollars)

Source	1978	1979	1980	1981	1982	January-June--	
						1982	1983
Hong Kong--	1	6	130	2,047	7,326	2,904	2,076
Taiwan-----	1	4	54	85	6,547	2,883	1,523
Japan-----	668	1,091	1,696	3,878	6,027	2,863	1,721
Total--	670	1,101	1,880	6,010	19,900	8,650	5,320

Source: Estimated by the staff of the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce.

Table C.--Portable air purifiers: U.S. imports for consumption under the Generalized System of Preferences, by principal sources, 1978-82, January-June 1982, and January-June 1983

(In thousands of dollars)

Source	1978	1979	1980	1981	1982	January-June--	
						1982	1983
Hong Kong--	1	1	86	2,007	7,084	2,750	1,969
Taiwan-----	1	3	51	68	6,541	2,881	1,508
Total--	2	4	137	2,075	13,625	5,631	3,477

Source: Estimated by the staff of the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce.

TITLE: Drilling machines valued under \$2,500 each (Taiwan)

I. TSUS(A) Item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No. 1/	Description	Pre-MTN col. 1 rate of duty 2/	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--					Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)		
			1980	1981	1982	1983	1984			1985	1986
	Machine tools:										
	Metal-working ma-										
	chine tools:										
	Boring, drilling,										
	and milling										
	machines,										
	including										
	vertical										
	turret										
	lathes:										
	Drilling ma-										
	chines:										
	(used or										
	rebuilt):										
674.3227A	Other, valued: 6%	5.8%	5.6%	5.3%	5.1%	4.9%	4.7%	4.4%	4.2%	30%	25,488
	under										
	\$2,500										
	each.										

1/ The designation "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences and that all beneficiary developing countries are eligible for the GSP.

2/ Rate effective prior to Jan. 1, 1980.

Note: % denotes percent ad valorem.



## II. Comment

Description and uses

This digest includes certain drilling machines, other than used or rebuilt, valued under \$2,500 each, used for drilling holes in metal. They are made in a variety of different sizes, ranging from small, bench-mounted machines used by hobbyists to large, floor-mounted, machines used in light industry. The small drilling machines used by hobbyists are normally priced from \$250 to \$600 and have a fixed number of speeds. The larger, light-industrial, machines range in price from \$600-\$2,400 and have transmissions capable of providing infinite speed changes and high torque at low speeds.

U.S. producers and employment

There are approximately 16 producers of drilling machines valued under \$2,500 in the United States. These producers are located primarily in the North East Central States (especially Ohio and Michigan) and the Pacific States (particularly California). The number of producers has decreased only slightly since 1978, however, the number of production workers has declined from about 1,500 in 1978 to about 1,100 in 1982. 1/

U.S. consumption and production

Apparent consumption of drilling machines valued under \$2,500 fluctuated during 1978-81, increasing from \$33 million to \$45 million. In 1982, apparent consumption decreased 11 percent to \$40 million. U.S. shipments increased from \$22 million in 1978 to \$26 million in 1979 and then decreased erratically to \$15 million in 1982 (table A).

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1/ SIC 35412--Metal cutting drilling machines.

U.S. exports

U.S. exports of drilling machines valued less than \$2,500 fluctuated during 1978-82, increasing from \$1.1 million in 1978 to \$1.6 million in 1981, and decreasing to \$912,000 in 1982 (table B). Exports as a percent of shipments increased from 4.8 percent in 1978 to 7.7 percent in 1981 and decreased to 5.9 percent in 1982. During the period 1978-82, Canada accounted for 25 percent of U.S. exports and Mexico accounted for 15 percent. Other major markets were Singapore, the Republic of South Africa, and Australia.

U.S. imports

U.S. imports of drilling machines valued under \$2,500 increased from \$11.6 million in 1977 to \$25.9 million in 1981 and decreased to \$25.5 million in 1982 (table C). The ratio of imports to consumption increased from 35.5 percent in 1978 to 63.8 percent in 1982.

In 1982, drilling machines valued under \$2,500 were imported from over 20 countries, however, those imported from Taiwan under TSUSA item 674.3227 accounted for 87 percent of total imports. Canada was the next largest source in 1982, accounting for 5 percent of total imports. Throughout 1978-82, Taiwan and Sweden were the principal sources of imports of drilling machine valued less than \$2,500, accounting for 90 percent of total imports.

According to industry officials, the lower end of the market for drilling machines, i.e., those drilling machines valued under \$600, is dominated by lower quality, lower priced, imports. Domestic producers do not compete in this market where the average selling price of the domestic machine is 300 percent higher than the average selling price of the imported machine.

Domestically produced machines are generally sold to small job shops and light industry where high quality is important to the buyer. A small percentage of domestically produced drilling machines are used in home workshops.

Imports of drilling machines valued under \$2,500 from all designated GSP countries accounted for an average of 87 percent of total imports during 1978-82 (table D).

Position of interested parties

Mr. William J. Ferrick, Executive Vice President, Wilton Corporation (petitioner), requests that duty exemption be withdrawn from Taiwan and that the maximum duty be imposed on all drilling machines valued under \$2,500 imported from Taiwan under TSUSA item 674.3227. According to Mr. Ferrick, the domestic drilling machines industry, especially that segment consisting of drilling machines valued under \$600, has been severely affected by imports. No submissions were received from other interested parties.

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Table A.--Drilling machines valued under \$2,500 each: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, and January-June 1982 and January-June 1983

Period	Producers' shipments	Exports	Imports	Apparent consumption <sup>1/</sup>	Ratio (percent) of imports to consumption
	1,000 dollars				Percent
1978-----	22,167	<sup>1/</sup> 1,073	<sup>1/</sup> 11,617	<sup>1/</sup> 32,711	<sup>1/</sup> 35.5
1979-----	25,938	<sup>1/</sup> 1,227	<sup>1/</sup> 15,665	<sup>1/</sup> 40,376	<sup>1/</sup> 38.8
1980-----	18,590	950	17,005	34,645	49.1
1981-----	20,209	1,565	25,907	44,551	58.2
1982-----	15,375	912	25,488	39,951	63.8
Jan.-June--					
1982-----	7,898	418	15,173	22,653	67.0
1983-----	<sup>2/</sup>	357	12,918	<sup>2/</sup>	<sup>2/</sup>

<sup>1/</sup> Estimated by the staff of the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce.

<sup>2/</sup> Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table B.--Drilling machines valued under \$2,500 each: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

(In thousands of dollars)

Market	1978 <u>1/</u>	1979 <u>1/</u>	1980	1981	1982	January-June--	
						1982	1983
Singapore----	19	19	131	104	185	118	14
Republic of South Africa-----	23	31	44	71	116	37	24
Nigeria-----	12	2	-	45	87	-	-
Canada-----	333	385	182	459	85	40	74
Australia----	49	55	25	35	68	68	42
Arab Emirates--	13	9	-	64	68	49	50
Japan-----	24	35	19	9	63	6	32
Mexico-----	93	124	206	378	62	28	40
All other----	507	567	342	400	177	73	81
Total----	1,073	1,227	950	1,565	912	418	357

1/ Estimated by the staff of the U.S. International Trade Commission based on official statistics of the U.S. Department of Commerce.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.-- Drilling machines valued under \$2,500 each: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

(In thousands of dollars)

Source	1978 <sup>1/</sup>	1979 <sup>1/</sup>	1980	1981	1982	January-June--	
						1982	1983
Taiwan-----	9,757	13,185	14,622	22,519	22,270	13,291	11,811
Canada-----	163	259	243	283	1,364	743	321
United Kingdom-----	118	101	92	758	458	242	161
Sweden-----	477	874	1,202	969	375	224	181
Japan-----	310	124	208	358	263	228	51
Spain-----	205	173	144	171	186	82	101
Portugal-----	195	180	186	239	151	88	51
France-----	101	60	111	65	123	65	91
All other-----	291	709	196	544	299	211	121
Total-----	11,617	15,665	17,005	25,907	25,488	15,173	12,911

<sup>1/</sup> Estimated by the staff of the U.S. International Trade Commission based on official statistics of the U.S. Department of Commerce.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table D.--Drilling machines valued under \$2,500 each: U.S. imports for consumption under the Generalized System of Preferences, by principal sources, 1978-82, January-June 1982, and January-June 1983

(In thousands of dollars)

Source	1978 <sup>1/</sup>	1979 <sup>1/</sup>	1980	1981	1982	January-June--	
						1982	1983
Taiwan-----	9,716	13,130	14,555	22,347	22,010	13,071	11,771
Portugal-----	194	180	186	239	151	88	54
Brazil-----	1	82	2	2	-	-	7
Republic of Korea--	46	83	-	-	4	4	6
Hong Kong-----	-	-	-	47	43	17	-
Mexico-----	4	11	5	37	5	-	-
India-----	10	15	11	19	-	-	-
Philippines-----	-	19	-	-	-	-	-
All other-----	1	65	-	-	-	-	-
Total-----	9,972	13,585	14,759	22,691	22,213	13,180	11,838

<sup>1/</sup> Estimated by the staff of the U.S. International Trade Commission based on official statistics of the U.S. Department of Commerce.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.





TITLE: 12-volt lead-acid storage batteries (Republic of Korea)

I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUS item No. 1/	Description	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--										Col. 2 rate of duty :(\$1,000)
		Pre-MTN col. 1 rate of duty 2/	1980	1981	1982	1983	1984	1985	1986	1987	1982 in 1982	
683.0500A*	Lead-acid type storage bat- teries rated at 12 VDC.	8.5%	8.1%	7.7%	7.3%	6.9%	6.5%	6.1%	5.7%	5.3%	40%	12,200

1/ The designation "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences. "A\*" indicates that certain developing countries, specified in general headnote 3(c) of the TSUSA, are not eligible.

2/ Rate effective prior to Jan. 1, 1980.

Note: % denotes percent ad valorem.

## II. Comment

Description and uses

Storage batteries are devices used for the direct transformation of chemical energy into electrical energy through chemical reactions which can be reversed to a high degree. Reversal is accomplished by causing an electric current to flow in the opposite direction of discharge. The term "storage battery" is normally applied to an assembly of identical units or cells connected in series but may also be applied to a single cell. Twelve-volt lead-acid storage batteries have a nominal electrical potential (voltage) of 12 volts and a sulfuric-acid electrolyte. These batteries are most commonly used for the starting, lighting, and ignition (SLI) of motorcycles and other motor vehicles.

U.S. customs treatment

As the result of a petition filed in 1981 by the Yuasa-General Battery Corporation, the current petitioner, Taiwan was removed from the list of eligible GSP beneficiaries with respect to 12-volt, lead-acid storage batteries on March 31, 1982. This was accomplished by dividing the former provision for lead-acid storage batteries (TSUS item 683.10) into 12-volt storage batteries (TSUS item 683.05) and other lead-acid batteries and parts (TSUS item 683.07).

U.S. producers and employment

There are currently only three U.S. producers, including the petitioner, of lead-acid storage batteries for motorcycles. Employment by these firms

was approximately 450 persons in 1982. For the entire storage battery industry, total employment was approximately 23,000 in 1982, having fallen from nearly 26,000 in 1977, or by approximately 12 percent. Employment data is not available separately for 12-volt, lead-acid batteries, however, lead-acid batteries currently account for nearly 90 percent of the total value of storage battery shipments; further, 12-volt batteries are estimated to represent between 75-80 percent of total lead-acid battery shipments.

While there are currently at least 50 U.S. producers of storage batteries, seven of these producers account for approximately 85-90 percent of total industry shipments of 12-volt lead-acid batteries. Many of these companies are divisions of much larger multiproduct, multinational corporations.

#### U.S. consumption and shipments

Estimated apparent U.S. consumption of 12-volt lead-acid batteries increased from \$1.5 billion in 1978 to \$1.8 billion in 1979, declined to \$1.7 billion in 1980, then rose to \$1.9 billion in 1982 (table A).

U.S. shipments of 12-volt lead-acid batteries followed the same trend as that for apparent U.S. consumption while rising irregularly from an estimated \$1.6 billion in 1978 to \$1.9 billion in 1982, or by 19 percent.

This increase was accounted for by increased prices of batteries during the period as the net quantity of battery shipments declined by nearly 12 percent during 1978-82. The decline in unit shipments of batteries, the majority of which were for use in motor vehicles, has been associated with

increased battery life (particularly with respect to new maintenance-free batteries), stagnant U.S. original equipment motor-vehicle sales, and recent milder than normal winters (the prime cause of battery failure).

#### U.S. exports

U.S. exports of 12-volt lead-acid batteries increased from an estimated \$35.8 million in 1978 to \$50.5 million in 1981, or by 41 percent, before declining by 3 percent to \$49.2 million in 1982 (table B). The principal export market during the period was Canada which share of total U.S. exports ranged from a low of 34 percent in 1981 to a high of 42 percent in 1979. These exports were principally of automotive SLI batteries. Saudi Arabia and the United Kingdom were also significant U.S. export markets with 12 and 5 percent shares, respectively, of U.S. exports in 1982.

#### U.S. imports

U.S. imports of 12-volt lead-acid batteries increased from an estimated \$7.5 million in 1978 to \$12.3 million in 1980, declined to \$11.0 million in 1981, then increased to \$12.2 million in 1982 (table C). Imports during January-June 1983 were \$9.9 million, up 65 percent over the \$6.0 million imported during January-June 1982. Most of this increase was in imports from Japan, Taiwan, and Korea. Imports from all of these countries are predominantly motorcycle batteries as evidenced by the low average unit values recorded in 1982 and during January-June 1983. The latter period represents

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imports only under the new tariff provision for 12-volt lead-acid batteries (TSUS item 683.0500), while all other periods contain some or all data for 12-volt batteries extrapolated from the former provision for lead-acid batteries (TSUS item 683.10).

Japan was the leading source of imports throughout the period. Imports from Japan rose irregularly from \$4.1 million in 1978 to \$5.9 million in 1982, or by 44 percent. These imports reached a low of \$3.4 million in 1981, principally due to depressed U.S. shipments of new motorcycles in that year. Imports of 12-volt lead-acid batteries from Korea increased irregularly from an estimated \$31,000 in 1978 to \$329,000 in 1982. Imports during January-June 1983 were \$1.0 million, substantially higher than the \$58,000 recorded during January-June 1982. Virtually all of the imports to date from Korea have been entered under the duty-free provisions of the GSP (table D). While still at a comparatively low level in terms of value, the Korean imports have reportedly entered the U.S. market at prices 30-35 percent below comparable U.S.-produced battery prices. Petitioner and those in opposition debate whether the quality of these batteries is equal to that of U.S.-produced products. The ratio of imports to consumption for all 12-volt lead-acid batteries was less than 1 percent from 1978-82. The import-to-consumption ratio for motorcycle 12-volt lead-acid batteries is considerably higher, however, estimates of shipments, exports, and imports of these battery types are not available to permit a reasonable computation of such ratios.

Position of interested parties

The U.S. petitioner, Yuasa-General Battery Corp., has taken the position that the rapidly increasing level of Korean battery imports, together with their low price and high quality, indicate that these products, and the foreign industry producing them, are competitive with comparable domestically-produced merchandise and thus should be removed from GSP eligibility status.

The Korea Battery Industrial Cooperative takes the position that the current level of Korean imports is small both absolutely and relative to total imports with import penetration only 3.4 percent. They also have argued that Korean batteries are of substantially lower overall quality than U.S. batteries. It was indicated that Korean batteries generally have a service life of one to two years compared to three to five years of U.S. merchandise, and it is this difference which accounts for the 30-35 percent lower costs of Korean batteries.

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Table A.--12-volt lead-acid storage batteries: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, January-June 1982, and January-June 1983

Period	Producers' shipments <sup>1/</sup>	Exports	Imports	Apparent consumption <sup>1/</sup>	Ratio of imports to consumption
-----1,000 dollars-----					Percent
1978-----	1,560,000	35,755	7,499	1,531,744	0.5
1979-----	1,820,000	32,842	10,892	1,798,050	.6
1980-----	1,765,000	40,580	12,262	1,736,682	.7
1981-----	1,800,000	50,475	11,038	1,760,563	.6
1982-----	1,925,000	49,185	12,191	1,888,006	.6
January-June--					
1982-----	1,060,000	24,524	6,003	1,041,479	.6
1983-----	1,000,000	22,697	9,947	987,250	1.0

<sup>1/</sup> Estimated by the staff of the U.S. International Trade Commission based on official statistics of the U.S. Department of Commerce.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table B.---12-volt lead-acid storage batteries: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	1978-82, January-June 1982					January-June--	
	1978	1979	1980	1981	1982	1982	1983
	Quantity (number)						
Canada	642,503	547,171	621,739	527,593	758,411	424,946	436,139
S Arab	28,683	25,464	28,495	150,155	114,519	52,717	25,095
U King	27,802	22,052	120,758	121,935	124,967	78,383	24,942
Sweden	14,130	30,629	34,575	27,149	15,512	15,440	16,508
Kuwait	189,797	1,022	29,918	13,465	43,507	14,618	8,243
Venez	22,719	15,518	29,385	43,917	23,072	17,334	2,877
China t	6,960	21,337	16,259	91,416	73,088	15,254	73,444
Italy	291,254	11,217	14,408	13,841	18,531	9,724	1,198
All other	1,224,441	212,474	301,979	431,720	346,508	143,464	170,070
Total	3,224,441	886,884	1,168,516	1,421,191	1,532,115	771,880	758,516
	Value (1,000 dollars)						
Canada	13,278	13,698	15,374	17,076	18,674	9,979	11,401
S Arab	1,769	1,402	2,157	6,130	5,881	2,968	1,161
U King	1,132	1,099	2,304	2,915	2,615	1,560	1,762
Sweden	542	1,571	1,417	1,040	1,874	817	665
Kuwait	38	82	76	484	1,815	873	271
Venez	5,763	712	1,646	1,890	1,244	584	98
China t	362	1,088	2,904	2,018	1,243	487	782
Italy	230	1,184	780	1,150	1,227	512	153
All other	12,639	12,005	13,924	17,771	14,611	6,743	7,404
Total	35,755	32,842	40,580	50,475	49,185	24,524	22,697
	Unit value (per unit)						
Canada	\$20.67	\$25.03	\$24.73	\$32.37	\$24.62	\$23.48	\$26.14
S Arab	61.68	55.04	75.69	40.82	51.36	56.31	46.26
U King	40.72	49.84	19.08	23.91	20.92	19.91	30.55
Sweden	38.38	51.28	40.98	38.32	63.51	52.91	40.27
Kuwait	64.18	80.68	82.43	35.91	41.71	59.74	32.93
Venez	30.36	45.91	56.01	43.05	53.93	33.68	34.02
China t	15.95	51.01	178.59	22.08	17.01	31.90	10.65
Italy	33.09	105.56	54.11	83.06	66.23	52.67	127.54
All other	43.40	56.50	46.11	41.16	42.17	47.00	43.54
Average	29.20	37.03	34.73	35.52	32.10	31.77	29.92

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--12-volt lead-acid storage batteries: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	1978 1/2/	1979 1/2/	1980 1/2/	1981 1/2/	1982 2/	January-June-- 1982 2/	1983
	Quantity (number)						
Japan	0	0	0	0	452,062	136,902	443,284
Canada	0	0	0	0	68,821	9,644	58,947
China t	0	0	0	0	197,328	64,512	279,575
Fr Germ	0	0	0	0	10,158	4,959	12,184
Mexico	0	0	0	0	622	622	297
Kor Rep	0	0	0	0	18,792	320	93,263
U King	0	0	0	0	2,488	395	1,226
France	0	0	0	0	98	42	220
All other	0	0	0	0	153	2	2,119
Total	0	0	0	0	750,522	217,398	891,115
	Value (1,000 dollars)						
Japan	4,063	4,532	3,821	3,423	5,869	2,573	4,478
Canada	1,289	2,315	2,483	3,206	2,491	1,230	1,580
China t	769	1,584	2,569	1,070	2,178	1,023	2,247
Fr Germ	322	551	316	497	534	382	432
Mexico	684	1,315	1,647	2,122	445	445	7
Kor Rep	31	57	6	122	329	58	1,038
U King	267	429	571	276	255	213	81
France	34	36	59	70	31	28	21
All other	40	73	790	263	64	52	64
Total	7,499	10,892	12,262	11,038	12,191	6,003	9,947
	Unit value (per unit)						
Japan	-	-	-	-	\$12.98	\$18.79	\$10.10
Canada	-	-	-	-	36.19	127.57	26.81
China t	-	-	-	-	11.04	15.86	8.04
Fr Germ	-	-	-	-	52.61	77.06	35.42
Mexico	-	-	-	-	715.21	715.21	24.74
Kor Rep	-	-	-	-	17.30	180.58	11.13
U King	-	-	-	-	102.39	539.84	65.90
France	-	-	-	-	314.90	663.24	94.70
All other	-	-	-	-	416.58	25,802.50	30.05
Average	-	-	-	-	16.24	27.61	11.16

1/ Unit of quantity not collected in these years.  
2/ Data are estimated based on official statistics of the U.S. Department of Commerce.  
Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table D. 12-volt, lead-acid type storage batteries: U.S. imports for consumption under GSP, 1979-82, January-June 1982, and January-June 1983

Item	1979 <u>1/</u>	1980 <u>1/</u>	1981 <u>1/</u>	1982 <u>1/</u>	January-June--	
					1982 <u>1/</u>	1983
Value (1,000 dollars)						
Brazil-----	-	123	-	-	-	-
Hong Kong-----	16	27	131	2	1	-
Israel-----	-	-	2	-	-	-
Republic of Korea-----	8	6	122	329	165	1,015
Macao-----	-	-	1	-	-	-
Mexico-----	1,289	1,545	2,089	419	242	6
Taiwan-----	1,532	2,497	1,070	581	292	5
Uruguay-----	-	-	3	-	-	23
GSP total-----	2,845	4,198	3,418	1,331	700	1,049

1/ Estimated by the staff of the U.S. International Trade Commission based on official statistics of the U.S. Department of Commerce.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.



**TITLE: Ignition wiring sets for motor vehicles (Taiwan)**

**I. TSUS(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status**

TSUS item No. 1/	Description	Pre-MTN col. 1 rate of duty 2/	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--					Col. 2 rate of duty	U.S. imports in 1982 (\$1,000)	
			1980	1981	1982	1983	1984			1985
688.1200A*	Ignition wiring sets and wiring sets designed for use in motor vehicles and crafts.	5.0%	3/	3/	3/	3/	3/	3/	30%	163,600

1/ The designation A indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences. "A\*" indicates that certain developing countries, specified in General headnote 3(c) of the ISUSA, are not eligible.  
 2/ Rate effective prior to Jan. 1, 1980.  
 3/ Rate not negotiated during the Tokyo round.

Note: % denotes percent ad valorem.

## II. Comment

Description and uses

Ignition wiring sets for motor vehicles and other transportation equipment consist essentially of electrical wiring harnesses and ignition cable sets. Wiring harnesses are used for the wiring of instrument panels, lights, horns, windshield wipers, and a variety of other electrical devices in motor vehicles and other transportation equipment. Ignition cable sets are principally employed in the starting and ignition circuits of the above mentioned equipment. The predominant type of these assemblies are spark plug wire sets. These devices are primarily consumed by the motor-vehicle and aircraft industries in original equipment applications, although considerable demand exists, particularly for spark plug wire sets, in replacement applications.

U.S. customs treatment

Ignition wiring sets were designated for duty-free treatment under the Generalized System of Preferences (GSP) on January 1, 1976. On February 29, 1976, Mexico was removed from the list of eligible GSP beneficiaries by virtue of the fact that imports from Mexico in 1975 exceeded 50 percent of total imports under TSUS item 688.1200. Mexico continues to be the only GSP beneficiary country excluded from duty-free eligibility status.

U.S. producers and employment

There are currently 14 U.S. companies producing ignition wiring sets compared to approximately 25 producers in 1977. No estimates of industry employment are currently available; but due to the substantial rationalization

of industry production operations in Mexico utilizing the provisions of TSUS item 807.00, employment is estimated to have dropped dramatically in recent years. Only a few U.S. producers, including the petitioner, have not moved a large part of their production operations offshore.

#### U.S. consumption and shipments

Apparent U.S. consumption of ignition wiring sets for motor vehicles increased from an estimated \$264.5 million in 1978 to \$298.8 million in 1981, or by 13 percent, before declining slightly to \$297.0 million in 1982 (table A). During January-June 1983, apparent U.S. consumption was an estimated \$142.0 million compared to \$130.4 million in the corresponding period of 1982, or nearly 9 percent higher. U.S. producers' shipments of ignition wiring sets declined from an estimated \$300.0 million in 1978 to \$260.0 million in 1982, or by 13 percent, before increasing by nearly 10 percent to \$285.0 million in 1982. Estimated shipments in January-June 1983 were \$150.0 million, or 17 percent higher than during January-June 1982. The increases in 1982 and in the first half of 1983 are associated with a recovery in the replacement market for wiring harnesses and cable sets, increased domestic prices, an increase in original equipment automotive production in early 1983, and increased exports of these products.

#### Exports

Exports of ignition sets for motor vehicles increased from \$78 million in 1978 to \$152 million in 1982 (table B). Exports reached \$118 million during



January-June 1983 compared with \$73 million during the corresponding period in 1982. Canada provided the largest export market during the period although Canada's share decreased each year, declining from 91 percent in 1978 to 56 percent in 1982. Exports of ignition sets to Canada are related to the integration of the U.S. and Canadian automotive industries. Mexico also accounted for a large share of U.S. exports, increasing \$3 million in 1978 to \$57 million in 1982. Exports to Mexico are related to U.S. producers' rationalization of production along the Mexican border. Canada and Mexico combined account for over 90 percent of U.S. exports.

#### Imports

U.S. imports of ignition sets for motor vehicles increased from \$43 million in 1978 to \$166 million in 1982 (table C). During January-June 1983, imports were valued at \$88 million compared with \$61 million during the corresponding period in 1982. The ratio of imports to consumption increased from 16 percent in 1978 to 55 percent in 1982, and then to nearly 78 percent during January-June 1983. Most of this increase was accounted for by Mexico which was the largest supplier during the period, accounting for from 53 to 83 percent of total imports. Virtually all of the imports from Mexico were entered under TSUS item 807.00, reflecting the Mexican border operations of U.S. producers. Imports of ignition sets from Taiwan increased from \$14 million in 1978 to \$20 million in 1982. Imports from Taiwan reached \$16 million during January-June 1983 and were 90 percent higher than during the corresponding period in 1982. Virtually all of the imports from Taiwan were entered

duty free under the GSP, accounting for almost all of the GSP imports of ignition wiring sets during the period 1978-June 1983 (table D). During 1982, imports entered under the GSP accounted for about 12 percent of total imports. Mexico is ineligible for GSP treatment, having exceeded the competitive need limitation in every year since 1974. Ignition sets produced domestically are interchangeable with imported sets with respect to quality and function; however, sets imported from Mexico have been reported by industry sources to be up to 30 percent lower in price.

Position of interested parties

National Industries, Inc. (National), the petitioner, reports significant difficulty in competing for domestic contract awards as the result of intense price competition from imports of wiring harnesses from Taiwan. The petitioner asserts that it is currently being undersold by 5-20 percent in the U.S. market and argues that GSP benefits are largely benefiting the Japanese owners of the predominant Taiwanese producer. National feels that the quantity and price competitiveness of the imported products from Taiwan are significant evidence that Taiwan no longer needs the provisions of the GSP to further its industry's development and thus should be graduated from the list of eligible GSP beneficiaries.

Spokesmen for American Yazaki, the largest Taiwanese producer of wiring harnesses, have indicated that the elimination of GSP benefits to Taiwan would hamper the development of their facilities in Taiwan. They have suggested that the loss of the 5 percent duty preference might eliminate the incentive

for the Japanese parent company to source wiring harness components in Taiwan in order to satisfy the 35 percent value added requirement of the GSP.

Representatives for the Taiwan Board of Foreign Trade (BOFT) essentially concurred with the statements of American Yazaki while asserting that smaller, and considerably less competitive Taiwanese producers of wiring products other than harnesses also stood to lose U.S. market position should the decision be made to deny Taiwan GSP eligibility under TSUS item 688.12.

Both the BOFT and American Yazaki also suggested in prehearing statements, that the graduation of Taiwan from GSP beneficiary status could result in the decreased competitiveness and subsequent reduction in supply of wiring products to the U.S. market. They further argued that National did not currently have the necessary capacity to fill this supply void in an expanding domestic market, thus placing U.S. purchasers of these components in a severe adverse position. National, however, has consistently indicated in its oral and written statements, that it has sufficient unused production capacity to respond, in a timely fashion, to any short supply condition in the U.S. market.

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Table A.--Ignition wiring sets for motor vehicles: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82, and January-June 1982 and January-June 1983

Period	Producers' shipments <sup>1/</sup>	Exports	Imports	Apparent consumption <sup>1/</sup>	Ratio (percent) of imports to consumption
	1,000 dollars				Percent
1978-----	300,000	78,354	42,826	264,472	16.2
1979-----	280,000	71,104	69,658	278,554	25.0
1980-----	263,000	66,556	96,782	293,226	33.0
1981-----	260,000	119,959	158,733	298,774	53.0
1982-----	285,000	151,610	163,571	296,961	55.1
Jan.-June--					
1982-----	128,000	72,952	75,375	130,423	57.8
1983-----	150,000	118,160	110,124	141,964	77.6

<sup>1/</sup> Estimated by the staff of the U.S. International Trade Commission based on official statistics of the U.S. Department of Commerce.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table B.--Ignition wiring sets for motor vehicles: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	(In thousands of dollars)					
	1978	1979	1980	1981	1982	January-June-- 1983
Canada	71,091	62,524	57,465	78,249	84,818	43,947
Mexico	3,395	2,912	2,758	33,558	56,661	24,485
China t	816	112	855	3,721	4,717	2,439
Phil R	5	16	41	477	847	208
Haiti	2	10	136	1	767	60
Japan	257	425	554	698	696	359
U King	944	991	1,553	1,213	573	350
Fr Germ	104	131	174	176	326	177
All other	1,740	3,982	3,019	1,867	2,205	927
Total	78,354	71,104	66,556	119,959	151,610	72,952

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Ignition wiring sets for motor vehicles: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	(In thousands of dollars)					
	1978	1979	1980	1981	1982	January-June-- 1983
Mexico	22,783	50,126	75,451	131,013	130,885	60,583
China t	13,790	11,794	12,664	17,002	20,035	8,203
Japan	1,906	2,525	2,890	3,312	4,337	2,477
Fr Germ	2,009	2,041	1,959	1,914	2,210	1,668
France	64	345	529	1,319	1,957	887
Phil R	757	1,444	527	1,258	1,914	556
Canada	821	450	1,019	1,982	1,237	516
U King	141	186	268	303	367	153
All other	554	748	1,476	630	629	332
Total	42,826	69,658	96,782	158,733	163,571	75,375

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table D. Ignition wiring sets for motor vehicles: U.S. imports for consumption from designated GSP countries, 1979-82, Jan.-June 1982, and Jan.-June 1983

(In thousands of dollars)

Item	1979	1980	1981	1982	January-June --	
					1982 <sup>1/</sup>	1983
Brazil-----	383	332	367	244	122	116
Hong Kong-----	16	67	30	19	9	2
Republic of Korea---	45	8	-	-	-	27
Mexico-----	-	-	7	-	-	-
Philippines-----	273	351	134	2	1	2
Taiwan-----	11,591	12,456	16,947	20,018	10,009	15,236
Total-----	12,308	13,214	17,490	20,283	10,141	15,383

<sup>1/</sup> Estimated by the staff of the U.S. International Trade Commission based on official statistics of the U.S. Department of Commerce.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.





TITLE: Certain fixed-focus cameras (Hong Kong, Republic of Korea, Taiwan)  
I. TSUSA(A) item number; description; tariff rate information; U.S. imports in 1982; competitive status

TSUSA(A) item No. 1/	Description	Pre-MTN col. 1 rate of duty 2/	(Percent ad valorem)					Col. 2 rate of duty in 1982	U.S. imports in 1982 (\$1,000)				
			Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--	1980	1981	1982	1983			1984	1985	1986	1987
722.12A	Certain fixed-focus cameras-- Hand-held type:	10%	9.3%	8.5%	7.8%	7%	6.3%	5.5%	4.8%	4%	20%		
722.1205A 3/	110 cameras with built-in: stroboscopic flash.												8,295
722.1212A 3/	Other 110 cameras-----												6,551
722.1225A	Other cameras, except instant-print.												12,544

1/ The designation "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences (GSP) and that all beneficiary developing countries are eligible for the GSP.  
2/ Rate effective prior to Jan. 1, 1980.  
3/ TSUSA annotations 722.1205 and 722.1212 were broken out from previous TSUSA annotation 722.1210 in 1982.

## II. Comments

Description and uses

The photographic cameras covered in this digest (TSUSA items 722.1205, 722.1212, and 722.1225) are all of the fixed-focus, hand-held type; instant-print cameras and cameras having a photographic lens valued over 50 percent of the value of the article are excluded. TSUSA item 722.1205 consists of 110 cartridge cameras with a built-in electronic stroboscopic flash. TSUSA item 722.1212 consists of all other 110 cartridge cameras, or more specifically, those cameras without a built-in electronic stroboscopic flash. For the past ten years the 110, or "pocket" camera, has been a popular model among casual photographers interested in picture-taking that is both simple and inexpensive. The 110 camera uses a cartridge that contains film 13mm in width.

TSUSA item 722.1225 is a basket provision and consists primarily of 126 cartridge cameras, inexpensive fixed-focus 35mm cameras, and the new disc cameras. The 126 camera uses film cartridges containing film 28mm in width and was the first camera to utilize a cartridge rather than the traditional film spool. This camera was popular in the 1960's, and although the 110 camera system supplanted it in the 1970's, there is still a market for 126 cameras. The disc camera, which was introduced by a U.S. manufacturer in 1982, is also classified in TSUSA item 722.1225, and is characterized by a flat rectangular body that usually incorporates an aspheric lens with a short focal length. These features allow the photographer to shoot subjects in focus from four feet to infinity, and to achieve picture resolution as high as

350 lines per millimeter. The disc camera is used primarily by casual photographers. Hereafter, the products discussed above will be referred to as fixed-focus cameras.

#### U.S. producers and employment

There are currently two U.S. producers of these cameras, down from three in 1978. They are located in New York and New Jersey. Estimated employment in the apparatus divisions of these companies increased from 15,000 in 1978 to 20,000 in 1981, and declined to 16,000 by June of 1983. <sup>1/</sup> Lagging sales in both foreign and domestic markets have led the largest U.S. photographic manufacturer to lay off a large number of employees and to offer incentives to almost 80 percent of its total work force to leave the company.

#### U.S. consumption and production

As shown in table A, apparent U.S. consumption declined irregularly from \$494.1 million in 1978 to \$486.3 million in 1982. Consumption for January to June, 1983, was estimated at \$192.7 million, an increase of about 18 percent from the corresponding period in 1982. The overall decline in apparent U.S. consumption from 1978 to 1981 was due to economic conditions and a saturation of the U.S. 110 camera market. The increase that followed in 1982 and the first six months of 1983 developed due to the new product technology of the disc camera and ensuing consumer interest.

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<sup>1/</sup> The apparatus division includes facilities for production of cameras and other photographic hardware, such as photofinishing equipment and projectors.

The ratio of imports to consumption declined from 8.8 percent in 1978 to 6.0 percent in 1979, and then increased to 7.8 percent by 1981. The U.S. introduction of the disc camera in 1982 brought the ratio of imports to consumption down to 5.6 percent in that year, but an increase in imports caused by the rapid proliferation of foreign disc camera manufacturers in Asia increased the ratio of imports to consumption to 10.9 percent for the first six months of 1983.

U.S. producers' shipments of certain fixed-focus cameras increased from an estimated \$482 million in 1978 to \$498 million in 1979, and then declined to \$442 million by 1981. A significant upturn developed in 1982 due to the successful introduction of the disc camera. U.S. producers' shipments in 1982 were an estimated \$582 million, an increase of about 32 percent over 1981. Shipments for the first six months of 1983 showed a 2 percent increase over the same period in 1982.

U.S. exports <sup>1/</sup>

U.S. exports of certain fixed-focus cameras increased from 1.6 million units valued at \$31.4 million in 1978, to 2.0 million units valued at \$51.2 million in 1979, before declining to 1.3 million units valued at \$27.5 million in 1981. Exports increased in 1982 to 4.7 million units valued at \$123.1 million as the new disc camera stimulated foreign demand (table B). U.S. exports for the first six months of 1983, however, declined by about 25

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<sup>1/</sup> Due to the aggregate nature of Schedule B statistical reporting, export figures include instant-print cameras.

percent in terms of quantity, and 20 percent in terms of value, from the same period in 1982. This downturn was caused primarily by the appearance of foreign competitors who, for the most part, have been licensed to manufacture their own disc camera models. Canada, Japan, and the United Kingdom were the principal export markets during 1978-1982.

Japan, Taiwan, Hong Kong, and South Korea are the major competitors of the United States in international markets. The labor-intensive nature of camera production gives the low wage-rate countries of Asia a distinct advantage in price competition. Although U.S. manufacturers produce a camera that is generally higher in price, they are able to compete on the basis of the long standing reputation of a major U.S. photographic manufacturer for production of a quality product. More effective competition on the part of U.S. manufacturers in the international market is inhibited in part by trade barriers to other producing countries such as Taiwan and South Korea.

#### U.S. imports

U.S. imports of certain fixed-focus cameras decreased irregularly from 4.8 million units valued at \$43.5 million in 1978 to 3.0 million units valued at \$27.4 million in 1982. U.S. imports for the first six months of 1983, compared to the same period in 1982, increased 37 percent in terms of quantity to 1.6 million units, and 126 percent in terms of value to \$21.1 million (table C-1). Taiwan, Japan, Hong Kong, and South Korea were the major suppliers during 1978-82. These countries were particularly successful in

increasing their shipments to the United States in 1983 due to their early purchase of the disc technology from the U.S. manufacturer and the existence of production facilities in these countries that were easily converted to the production of disc cameras. Imports increased substantially in the first six months of 1983 as Hong Kong and Japan, major world camera producers, began production of disc cameras. The product imported from Taiwan, Hong Kong, and South Korea is often less expensive than the domestic product due to low labor costs, but the domestic product is generally considered to be of higher quality since it is made to more rigid specifications and of more durable components. Imports from Taiwan, Hong Kong, and South Korea are usually marketed through discount stores, catalog showrooms, and department stores, while the domestically produced product is sold in these outlets and in specialty camera stores.

Imports under the Generalized System of Preferences, which accounted for 60 percent of all imports of certain fixed-focus cameras during 1978-82, declined from 3.4 million units valued at \$21.1 million in 1978 to 2.3 million units valued at \$16.8 million in 1980, increased to 2.8 million units valued at \$23.4 million in 1981, and then declined to 2.6 million units valued at \$17.3 million in 1982. GSP imports increased significantly from the first half of 1982 to the first half of 1983, growing from 1.1 million units valued at \$7.4 million to 1.5 million units valued at \$12.1 million, for increases of 27 percent in terms of quantity and 62 percent in terms of value (table C-2). In 1982, Taiwan, Hong Kong, and South Korea accounted for 95 percent of GSP imports. Taiwan was the single largest supplier of GSP imports and these

accounted for approximately 43 percent of total imports of certain fixed-focus cameras in 1982. GSP imports from Hong Kong and South Korea accounted for about 14 percent and 5 percent, respectively, of total imports in 1982.

Position of interested parties

The petition for removal of Taiwan, Hong Kong, and South Korea from GSP eligibility for TSUSA items 722.1205, 722.1212, and 722.1225, was submitted by the National Association of Photographic Manufacturers (NAPM). In the petition, its sole submission, NAPM contends that GSP imports from these countries have contributed to domestic unemployment and the exit of a U.S. producer from the photographic industry.

The Board of Foreign Trade, Republic of China (Taiwan) opposes the removal of GSP eligibility from Taiwan. This petition states that imports from Taiwan have not exceeded the competitive need limit and that the U.S. photographic industry is not threatened by the current level of GSP imports.

Written testimony was also presented by W. Haking Enterprises, Limited, of Hong Kong, in opposition to the petition. Counsel argued that significant increases in U.S. exports of subject cameras demonstrates that the U.S. industry is internationally competitive, and that imports from GSP countries have substantially decreased from 1978-82. Injury suffered by the domestic industry is not the result of GSP imports, since market penetration is small, especially when compared with Japan. If GSP treatment were removed, Japan would benefit rather than the domestic industry and prices to the U.S. consumer would go up.



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Table A.--Certain fixed-focus cameras: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1978-82

Year	Producers' shipments <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption	Ratio (percent) of imports to consumption
: -----1,000 dollars-----					
1978-----	482,000	31,397	43,493	494,096	8.8
1979-----	498,000	51,157	28,744	475,587	6.0
1980-----	497,000	39,551	31,963	489,412	6.5
1981-----	442,000	27,522	35,238	449,716	7.8
1982-----	582,000	123,128	27,390	486,262	5.6
January-					
June--					
1982-----	200,000	41,740	9,324	167,584	5.6
1983-----	205,000	33,354	21,065	192,711	10.9

1/ Estimated by the staff of the U.S. International Trade Commission from information supplied by industry sources.

2/ Includes instant-print cameras.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.





Table C-2.--Certain fixed-focus cameras: U.S. imports for consumption under the GSP, 1978-1982, January-June 1982, and January-June 1983

Source	(Quantity in thousands of units; value in thousands of dollars; unit value per unit)						
	1978	1979	1980	1981	1982	January-June-- 1982	1983
	Quantity						
Taiwan	1,363	1,074	1,170	1,807	1,887	781	913
Hong Kong	1,482	1,194	818	675	488	229	452
Republic of Korea	254	287	224	234	104	47	79
Macao	-	4	24	81	80	69	5
Israel	-	-	-	-	2	-	-
Singapore	308	288	98	36	17	12	1
Philippines	-	-	3	-	-	-	-
Brazil	-	-	-	1	-	-	-
India	-	-	-	1/	-	-	-
Total	3,407	2,847	2,337	2,834	2,578	1,138	1,450
	Value						
Taiwan	6,829	8,504	8,011	12,676	11,605	4,472	5,349
Hong Kong	8,447	6,099	4,915	6,686	3,708	1,804	5,612
Republic of Korea	4,634	4,629	3,221	3,164	1,242	614	1,097
Macao	-	29	146	550	516	436	19
Israel	-	-	-	-	136	-	-
Singapore	1,221	1,544	513	254	131	116	3
Philippines	-	-	8	-	-	-	-
Brazil	-	-	-	18	-	-	-
India	-	-	-	3	-	-	-
Total	21,131	20,805	16,814	23,351	17,338	7,442	12,080
	Unit Value						
Taiwan	85.01	87.92	86.85	87.01	86.18	85.73	85.86
Hong Kong	5.70	5.11	6.01	9.91	7.59	7.87	12.41
Republic of Korea	18.22	16.13	14.36	13.49	11.95	13.17	13.83
Macao	-	8.36	6.08	6.81	6.47	6.32	3.80
Israel	-	-	-	-	75.56	-	-
Singapore	3.97	5.36	5.22	7.04	7.77	9.62	3.88
Philippines	-	-	3.06	-	-	-	-
Brazil	-	-	-	30.00	-	-	-
India	-	-	-	62.00	-	-	-
Average	6.20	7.31	7.19	8.24	6.73	6.54	8.33

1/ Less than 500.

Source: U.S. International Trade Commission, except as noted.



**TITLE: Pianos (Republic of Korea)**

**I. TSUS item number; description; tariff rate information; U.S. imports in 1982; competitive status**

TSUS item No. 1/	Description	Pre-MTN col. 1 rate of duty 2/	Staged col. 1 rates of duty effective with respect to articles entered on or after Jan. 1--					Col. 2 rate of duty :(\$1,000)	U.S. imports in 1982			
			1980	1981	1982	1983	1984			1985	1986	1987
725 01A	Upright pianos-----	8.5%	8.1%	7.7%	7.3%	6.9%	6.5%	6.1%	5.7%	5.3%	40%	23,172
725 03A	Other stringed instruments----	8.5%	8.1%	7.7%	7.3%	6.9%	6.5%	6.1%	5.7%	5.3%	40%	18,439

1/ The designation "A" indicates that the item is currently designated as an eligible article for duty-free treatment under the U.S. Generalized System of Preferences (GSP) and that all beneficiary developing countries are eligible for the GSP.

2/ Rate effective prior to Jan. 1, 1980.



## II. Comments

Description and uses

This digest covers pianos which are imported under TSUS items 725.01 and 725.03. Pianos are keyboard string instruments classified according to the way they are strung. Upright or vertical pianos (TSUS 725.01) are strung vertically within a rectangular case. Products entering under TSUS 725.03 include grand pianos, which are strung horizontally in a somewhat wing shaped case, and harpsichords, clavichords and similar instruments, which are precursors to modern pianos. Grand pianos comprised 95 percent of the quantity of imports under TSUS 725.03 during 1978-82.

Uprights are grouped according to the height of the case. Those traditionally used in the home include spinets, measuring 36 to 37 inches; consoles, 38 to 42 inches; and studio uprights, 43 inches and higher. Uprights for use in schools, churches, small nightclubs, and other institutions usually range from 46 to 52 inches in height. Grand pianos usually range in length from about 5 to 9 feet, but can be as long as 11 feet. Grand pianos are used chiefly in the entertainment industry, although the so-called parlor or baby grands are frequently found in homes. Grand pianos are generally regarded as superior to uprights in terms of tone, tuning stability, touch, beauty, and performance capability. Harpsichords and clavichords are used in the performance of 16th to 18th century music.

U.S. customs treatment

TSUS item 725.03 became eligible for GSP treatment on January 1, 1976, pursuant to section 502(a)(3) of the Trade Act of 1974. TSUS item 725.01 became eligible for GSP treatment on March 30, 1980, pursuant to Executive Order 12204. Since that time no beneficiary countries have been excluded.

U.S. producers and employment

Fifteen U.S. firms produced pianos in 1982; the four largest together accounted for 72 percent of domestic production in eight establishments. In addition to domestic plants, these firms own piano production facilities in Canada, Mexico, Korea, the United Kingdom, and Austria. Another company owns a subsidiary in West Germany. The other 11 U.S. firms operated 1 plant each. Of the 19 total U.S. establishments, 9 were in the Midsouth (Tennessee, Mississippi, North Carolina, and Arkansas), 5 were in East North Central States (Indiana, Ohio, and Michigan), and the remaining 5 were located in New York, Connecticut, California, and Utah. Domestic production of harpsichords and clavichords is negligible. Industry sources indicate that the largest harpsichord manufacturer employs from 4 to 6 people and produces 20-25 instruments per year.

All U.S. piano manufacturers make uprights, but until 1977, most grands were supplied by three firms. After 1977, other producers began to place more emphasis on the grand market, and by 1982, a total of seven U.S. producers manufactured grands.

The production of pianos is characterized by a high degree of labor intensity. Although assembly-line-type operations are used to a great extent,

the production process has not undergone significant changes over the years. There has been an increase in the use of automated equipment, with a few producers using computer-controlled machinery. Efforts toward automation have been concentrated on production of upright pianos; however, the degree of automation varies considerably among the producers.

U.S. employment of all persons in establishments producing pianos decreased by 33 percent during 1978-82, from 6,089 to 4,059. The number of production workers engaged in producing pianos also decreased over the period, from 5,180 in 1978 to 3,244 in 1982, or by 37 percent, as plant closures and layoffs were effected by some manufacturers. Production workers accounted for 85 percent of the workforce in 1978, but by 1982, they amounted to 80 percent. There was a somewhat larger percentage decline in workers assigned to the manufacturing of uprights, compared with those manufacturing grand pianos.

During 1978-82, the domestic piano industry experienced diminished profits. Net sales increased by 4 percent from \$257 million in 1978 to \$265 million in 1982; however, operating income fell by 80 percent from \$23 million to \$4 million during 1978-82, and net income declined from \$18 million in 1978 to a loss of \$3 million in 1982.

Overall, increased manufacturing costs and operating expenses in conjunction with increased interest expense for maintaining inventories were principal causes of the decreased profitability.

U.S. consumption and production

During 1978-82, apparent consumption of upright pianos fell from 234,024 units to 167,166 units, or by 29 percent; however, the value decreased only slightly from \$183.0 million to \$182.2 million (table A-1). In terms of quantity, the import penetration ratio increased from 7.9 percent to 14.3 percent; in terms of value the ratio increased from 6.7 percent to 12.7 percent. The share of apparent U.S. consumption of uprights supplied by imports from Korea increased from 0.9 percent to 2.5 percent. U.S. producers' shipments of upright pianos dropped from 215,574 units to 143,336 units, or by 34 percent; the value of such shipments declined from \$170.7 million to \$159.0 million, or by 26 percent. The decline in apparent consumption and production of upright pianos during 1978-82 was due principally to a drop in demand for smaller models, such as spinets, as consumers switched to higher quality pianos.

During 1978-82, apparent consumption of grand pianos rose from 19,278 units to 20,143 units, or by 5 percent; the value increased from \$52.7 million to \$69.9 million, or by 33 percent (table A-2). In terms of quantity, the import penetration ratio increased from 49.7 percent to 70.0 percent; in terms of value the ratio increased from 36.4 percent to 50.8 percent. The share of apparent U.S. consumption of grand pianos supplied by imports from Korea increased from 5.9 percent to 18.4 percent. U.S. producers' shipments of grand pianos decreased from 9,703 units to 6,048 units, or by 34 percent; the

value of such shipments increased slightly from \$33.5 million to \$34.4 million. The increase in consumption of grand pianos is a reflection both of the shift in consumer tastes to a higher quality sound and the increasing availability of relatively low-priced grand pianos from Korea and moderately-priced, high-quality grand pianos from Japan.

U.S. consumption of harpsichords, clavichords, and similar instruments is principally accounted for by imports, which increased from 1,179 units in 1978 to 1,435 units in 1982. The value of these imports increased from \$700,000 to \$1.6 million during the period (table C-3). These increases reflect an increased interest in 18th century music.

#### U.S. exports

U.S. exports of pianos have traditionally consisted almost entirely of uprights, which accounted for 98 percent of U.S. exports during 1978-82. U.S. piano exports decreased during 1978-82, from 19,252 units to 11,681 units, or by 39 percent (table B). The value of exports decreased by only 6 percent during the period, from \$14.1 million in 1978 to \$13.3 million in 1982; however, the average unit value rose by 55 percent, from \$734 to \$1,136. Exports in January-June 1983, compared to that in January-June 1982, decreased by 9 percent in quantity from 5,139 units to 4,666 units, whereas the value decreased by 23 percent from \$6.1 million to \$4.7 million.

Important export markets during 1978-82 included Canada, the Netherlands, and West Germany with Canada, the largest single-country market, consistently purchasing about one-third of U.S. exports of pianos.

U.S.-produced upright pianos increased in popularity in foreign markets during 1978-80 by 35 percent in quantity and 56 percent in value, before

decreasing by 50 and 43 percent, respectively, by 1982. The causes of the sharp decline in U.S. exports of pianos in 1982 have been attributed primarily to the effects of the worldwide recession.

#### U.S. imports

Upright pianos.--U.S. imports of upright pianos increased by 29 percent during 1978-82, from 18,450 units to 23,830 units (table C-1); the value of such imports increased by 89 percent, from \$12.2 million to \$23.2 million. U.S. imports of upright pianos during January-June 1983, compared with January-June 1982, decreased by 15 percent in quantity to 11,319 units from 13,361 units and by 10 percent in value, to \$11.3 million from \$12.6 million.

The share of imported uprights supplied by Japan (the largest supplier) slipped from 77 to 76 percent, despite a 29 percent increase in quantity during 1978-82; the quantity from Korea (the second largest supplier) more than doubled and boosted its share from 11 to 18 percent. In addition, the average unit value of uprights from Korea increased by 56 percent, and those from Japan by 36 percent.

Upright pianos received GSP eligibility in 1980 and, during 1980-82, total imports of upright pianos under the GSP increased from 528 units to 4,257 units. By 1982, such GSP imports accounted for almost 18 percent of total imports. The value of these imports increased from \$0.4 million to \$4.2 million (table D-1). Korea was the principal supplier; other suppliers were Taiwan, Israel and Hong Kong.

Imports of upright pianos from Korea with a polyester finish totalled approximately 3,801 units in 1982 and 3,039 units during January-June 1983.

Grand pianos.--U.S. imports of grand pianos increased by 47 percent during 1978-82, from 9,575 units to 14,095 units (table C-2); the value of such imports increased by 85 percent, from \$19.1 million to \$35.5 million. U.S. imports of grand pianos during January-June 1983, compared with January-June 1982, decreased by 4 percent in quantity to 7,355 units from 7,628 units and by 2 percent in value, to \$18.1 million from \$18.4 million.

The share of imported grand pianos supplied by Japan (the largest supplier) decreased from 82 percent to 71 percent, despite a 28-percent increase in quantity during 1978-82. The share of imported grand pianos supplied by Korea (the second largest supplier) increased from 12 percent to 36 percent as imports from Korea tripled in quantity.

Imports of grand pianos from Korea with a polyester finish totalled approximately 3,344 units in 1982, and 2,850 units during January-June 1983.

During 1978-82, U.S. imports of grand pianos under the GSP increased from 1,147 units to 3,730 units; or by 225 percent. By 1982, such GSP imports accounted for over 26 percent of total imports. The value of these imports increased from \$2.0 million to \$8.1 million, or by 304 percent (table D-2). Most grand piano imports entering under GSP were sourced from Korea, which supplied about 99 percent of the quantity and value of such imports during 1980-82.

Harpsichords, clavichords, and similar instruments.--U.S. imports of harpsichords, clavichords, and similar instruments increased by 22 percent during 1978-82, from 1,179 units to 1,435 units (table C-3); the value of such

imports increased by 125 percent, from \$0.7 million to \$1.6 million. Imports during January-June 1983, compared with January-June 1982, increased by 45 percent in quantity to 556 units from 383 units and by 43 percent in value to \$0.8 million from \$0.5 million. Principal suppliers in 1982 were Korea, Japan and the United Kingdom.

Imports of harpsichords, clavichords, and similar instruments under the GSP increased erratically from 104 units to 803 units during 1978-82 (table D-3). By 1982, such GSP imports accounted for 56 percent of total imports. The value of these imports increased from \$53,000 to \$953,000. Korea was the principal supplier; other suppliers were Uruguay, Brazil, the Dominican Republic, Cameroon, and the Philippines.

#### Conditions of competition

Competition in the U.S. market for pianos is based on a variety of factors, the most important of which are price; perceived quality in terms of tone, tuning stability, workmanship, beauty, and durability; styling; brand name; availability; and service. Each brand of imported and domestically produced pianos has its advantages. Some imports offer price advantages over U.S.-made pianos in some models, particularly grands. The continental styling of uprights and the polyester finish used on both uprights and grands are also viewed as an advantage for the imported pianos in appealing to a segment of the market. Some piano purchasers feel that U.S.-produced pianos have a more mellow tone, need voicing less often, and stand up to U.S. climate variations better than imports; other consumers prefer the sharper tones of some brands



from the Orient. Imports are aimed at establishing market niches in the larger, professional quality uprights and lower priced grands, and offer styling and the polyester finish that is available only on a limited basis from U.S. producers. However, when all of the factors are taken into account, imported and domestically produced pianos are extremely competitive.

In addition, pianos produced in Korea benefit from labor rates lower than those in the United States. This is a factor which is more significant in the production of grands, and enables many Korean-produced grand pianos to sell at wholesale prices significantly lower than those of U.S.-made grand pianos. For grand pianos measuring from 5'6" to 6'1", the most popular sizes, the Korean-made pianos were priced \* \* \*

Demand for harpsichords, clavichords, and similar instruments is essentially one for a relatively high-priced, labor intensive musical instrument for use by classical enthusiasts interested in reproducing the exact sounds of period music and as collectors' items. Although interest in period music has increased, the instruments are purchased on a sporadic basis.

Position of interested parties

The petitioner for removal of GSP eligibility for pianos from Korea is the National Piano Manufacturers Association of America, Inc. (NPMA). NPMA is an industry trade association comprised of U.S. firms which manufacture pianos and supply piano parts, and whose members account for approximately 90 percent of U.S. piano production. NPMA submits that continued GSP treatment for pianos from Korea would harm the U.S. industry by maintaining an unnecessary competitive price advantage for Korean piano manufacturers in the U.S. market.

Importers opposed to removal of GSP eligibility include Daewoo America, Samick America Corp., and Young Chang America, Inc. These importers account for nearly all the imports of pianos from Korea. Submissions by the importers state that removal of GSP eligibility for Korean-made pianos would not benefit the American piano industry. Korean pianos are most similar in styling to Japanese pianos and any decline in imports from Korea would benefit the Japanese who have greater brand name recognition. Further, the removal of GSP benefits would injure the American consumer by restricting the availability of less expensive piano models.

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Table A-1.--Upright pianos: U.S. producers' shipments of U.S.-made pianos, imports for consumption, exports of domestic merchandise, and apparent consumption, 1978-82

(Quantity in units; value in thousands of dollars; unit value in dollars)							
Year	Producers' shipments	Imports	Exports	Apparent consumption	Ratio of imports to--		
					Consumption	Producers' shipments	
Quantity							
1978-----	215,574	18,450	18,481	234,024	7.9	8.6	
1979-----	208,103	16,842	19,739	224,945	7.5	8.1	
1980-----	168,080	15,605	19,345	183,605	8.5	9.3	
1981-----	165,314	18,812	20,284	184,126	10.2	11.4	
1982-----	143,336	23,830	11,217	167,166	14.3	16.6	
January--							
June--							
1982----	76,129	13,361	4,935	89,490	14.9	17.6	
1983----	70,784	11,319	4,481	82,103	13.8	16.0	
Value							
1978-----	170,737	12,242	13,566	182,979	6.7	7.2	
1979-----	177,718	12,513	17,082	190,231	6.6	7.0	
1980-----	162,112	11,405	19,245	173,517	6.6	7.0	
1981-----	171,787	16,727	21,330	188,514	8.9	9.7	
1982-----	158,986	23,172	12,739	182,158	12.7	14.6	
January--							
June--							
1982----	82,019	12,613	5,880	94,632	13.3	15.4	
1983----	80,232	11,278	4,484	91,510	12.3	14.1	
Unit value							
1978-----	\$792	\$664	\$734	\$782	-	-	
1979-----	854	743	865	846	-	-	
1980-----	964	731	995	945	-	-	
1981-----	1,039	889	1,052	1,024	-	-	
1982-----	1,109	972	1,136	1,090	-	-	
January--							
June--							
1982----	1,077	944	1,192	1,057	-	-	
1983----	1,133	996	1,001	1,115	-	-	

Source: Producers' shipments of U.S.-made pianos, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from data supplied by the National Piano Manufacturers Association of America; imports compiled from official statistics of the U.S. Department of Commerce; exports compiled and computed from official statistics of the U.S. Department of Commerce.

Table A-2.--Grand pianos: U.S. producers' shipments of U.S.-made pianos, imports for consumption, exports of domestic merchandise, and apparent consumption, 1978-82

(Quantity in units; value in thousands of dollars; unit value in dollars)							
Year	Producers' shipments	Imports	Exports	Apparent consumption	Ratio of imports to--		
					Consumption	Producers' shipments	
Quantity							
1978-----	9,703	9,575	771	19,278	49.7	98.7	
1979-----	9,940	10,347	822	20,207	51.0	104.1	
1980-----	8,222	9,754	806	17,976	54.3	118.6	
1981-----	7,978	11,284	840	19,262	58.6	141.4	
1982-----	6,048	14,095	464	20,143	70.0	233.1	
January- June--							
1982-----	3,505	7,628	204	11,133	68.5	217.6	
1983-----	2,879	7,355	185	10,234	71.9	255.5	
Value							
1978-----	33,520	19,147	565	52,667	36.4	57.1	
1979-----	40,395	22,396	712	62,791	35.7	55.4	
1980-----	39,565	20,080	802	59,645	33.7	50.8	
1981-----	41,110	26,812	889	67,922	39.5	65.2	
1982-----	34,398	35,469	531	69,867	50.8	103.1	
January- June--							
1982-----	18,470	18,439	245	36,909	50.0	99.8	
1983-----	16,959	18,056	187	35,015	51.6	106.5	
Unit value							
1978-----	\$3,510	\$1,948	\$733	2,732	-	-	
1979-----	4,044	2,165	866	3,107	-	-	
1980-----	4,812	2,059	995	3,318	-	-	
1981-----	5,123	2,376	1,058	3,526	-	-	
1982-----	5,688	2,516	1,144	3,469	-	-	
January- June--							
1982-----	5,270	2,417	1,201	3,315	-	-	
1983-----	5,891	2,455	1,010	3,421	-	-	

Source: Producers' shipments of U.S.-made pianos, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from data supplied by the National Piano Manufacturers Association of America; imports compiled from official statistics of the U.S. Department of Commerce; exports compiled and computed from official statistics of the U.S. Department of Commerce.

Table B.--Pianos: U.S. exports of domestic merchandise, by principal markets, 1978-82, January-June 1982, and January-June 1983

Market	Quantity (units)					
	1978	1979	1980	1981	1982	January-June-- 1983
Canada	6,381	4,551	4,962	6,643	3,829	1,334
Nethlds	467	1,858	1,740	1,384	1,410	454
Fr Germ	2,244	2,660	2,456	2,195	846	330
Mexico	302	200	382	733	350	266
Japan	795	439	524	581	347	198
Austral	665	1,010	1,860	1,860	545	430
U King	1,106	2,138	1,085	1,377	484	256
France	364	516	726	392	406	97
All other	6,928	7,189	7,225	5,959	3,464	1,774
Total	19,252	20,561	20,151	21,124	11,681	5,139
	Value (1,000 dollars)					
Canada	3,507	3,988	4,862	6,521	4,167	1,450
Nethlds	416	1,314	1,534	1,396	1,273	435
Fr Germ	1,702	2,149	2,211	2,091	825	333
Mexico	330	335	609	1,149	637	510
Japan	772	594	679	851	622	355
Austral	545	1,028	978	2,034	618	468
U King	781	1,674	983	1,460	596	310
France	296	547	778	411	487	113
All other	5,781	6,166	7,412	6,306	4,048	2,151
Total	14,131	17,794	20,047	22,219	13,270	6,125
	Unit value					
Canada	\$549.68	\$876.25	\$979.92	\$981.64	\$1,088.16	\$1,087.28
Nethlds	891.05	706.95	881.87	1,008.77	902.70	959.09
Fr Germ	758.37	807.74	900.41	952.47	974.74	1,008.17
Mexico	1,091.74	1,673.64	1,594.50	1,567.65	1,818.64	1,916.53
Japan	971.45	1,354.00	1,296.56	1,464.20	1,791.91	1,794.94
Austral	820.24	1,018.31	930.37	1,093.33	1,133.81	1,087.99
U King	705.96	782.99	905.87	1,060.13	1,230.46	1,211.05
France	813.38	1,059.22	1,071.83	1,049.26	1,198.48	1,166.85
All other	834.48	857.65	1,025.83	1,058.29	1,168.45	1,212.29
Average	734.00	865.41	994.85	1,051.82	1,136.02	1,191.95
	Unit value					
Canada	\$549.68	\$876.25	\$979.92	\$981.64	\$1,088.16	\$1,087.28
Nethlds	891.05	706.95	881.87	1,008.77	902.70	959.09
Fr Germ	758.37	807.74	900.41	952.47	974.74	1,008.17
Mexico	1,091.74	1,673.64	1,594.50	1,567.65	1,818.64	1,916.53
Japan	971.45	1,354.00	1,296.56	1,464.20	1,791.91	1,794.94
Austral	820.24	1,018.31	930.37	1,093.33	1,133.81	1,087.99
U King	705.96	782.99	905.87	1,060.13	1,230.46	1,211.05
France	813.38	1,059.22	1,071.83	1,049.26	1,198.48	1,166.85
All other	834.48	857.65	1,025.83	1,058.29	1,168.45	1,212.29
Average	734.00	865.41	994.85	1,051.82	1,136.02	1,191.95

Source: Compiled from official statistics of the U.S. Department of Commerce.



Table C-1--Upright pianos: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	Quantity (units)					Value (1,000 dollars)					
	1978	1979	1980	1981	1982	1978	1979	1980	1981	1982	1983
Japan	14,131	13,268	13,320	14,831	18,217	10,921	10,921	10,921	10,921	10,921	7,257
Kor Rep	2,048	1,362	590	2,651	4,223	1,889	1,889	1,889	1,889	1,889	3,437
U King	2,086	1,847	1,365	1,135	1,038	453	453	453	453	453	484
Fr Germ	33	88	44	16	38	17	17	17	17	17	36
Finland	1	0	0	19	34	15	15	15	15	15	0
Austria	40	23	18	19	80	6	6	6	6	6	49
China t	25	26	46	0	34	0	0	0	0	0	0
Nethlds	38	77	120	48	22	2	2	2	2	2	27
All other	48	151	102	93	144	58	58	58	58	58	29
Total	18,450	16,842	15,605	18,812	23,830	13,361	13,361	13,361	13,361	13,361	11,319
Unit value											
Japan	10,492	10,641	10,284	13,729	18,419	10,608	10,608	10,608	10,608	10,608	7,666
Kor Rep	1,266	1,002	464	2,518	4,206	1,828	1,828	1,828	1,828	1,828	3,350
U King	347	327	252	218	174	68	68	68	68	68	76
Fr Germ	45	168	42	58	97	36	36	36	36	36	74
Finland	1	-	-	35	71	34	34	34	34	34	-
Austria	13	8	8	7	48	2	2	2	2	2	41
China t	17	25	30	-	42	-	-	-	-	-	-
Nethlds	6	121	188	76	32	3	3	3	3	3	43
All other	57	221	138	86	83	34	34	34	34	34	29
Total	12,242	12,513	11,405	16,727	23,172	12,613	12,613	12,613	12,613	12,613	11,278
Unit value											
Japan	6742.45	6802.03	6772.09	6925.73	61,011.09	6971.33	6971.33	6971.33	6971.33	6971.33	61,056.30
Kor Rep	618.21	735.52	785.87	949.69	996.00	967.93	967.93	967.93	967.93	967.93	974.59
U King	166.29	177.24	184.61	191.89	167.66	150.06	150.06	150.06	150.06	150.06	156.76
Fr Germ	1,361.00	1,910.60	953.41	3,599.38	2,563.24	2,129.29	2,129.29	2,129.29	2,129.29	2,129.29	2,054.25
Finland	698.00	-	-	1,857.32	2,085.88	2,236.20	2,236.20	2,236.20	2,236.20	2,236.20	-
Austria	317.95	350.00	429.22	350.26	605.18	361.67	361.67	361.67	361.67	361.67	834.29
China t	673.52	959.46	646.61	-	1,234.44	-	-	-	-	-	-
Nethlds	149.55	1,566.34	1,564.70	1,593.33	1,441.32	1,488.00	1,488.00	1,488.00	1,488.00	1,488.00	1,593.63
All other	1,180.75	1,461.84	1,355.72	927.56	573.86	589.45	589.45	589.45	589.45	589.45	1,014.69
Average	663.53	742.96	730.88	889.17	972.40	944.04	944.04	944.04	944.04	944.04	996.41

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C-2--Grand pianos: U.S. imports for consumption, by principal sources, 1978-82, January-June 1982, and January-June 1983

Source	1978		1979		1980		1981		1982		January-June-- 1983	
	Quantity (units)	Value (\$1,000)	Quantity (units)	Value (\$1,000)	Quantity (units)	Value (\$1,000)	Quantity (units)	Value (\$1,000)	Quantity (units)	Value (\$1,000)	Quantity (units)	Value (\$1,000)
Japan	7,829	16,956	8,689	16,102	8,394	16,102	9,193	25,010	10,002	14,009	5,936	10,016
Kor Rep	1,147	2,011	1,122	1,613	850	3,502	1,700	8,088	3,716	3,494	1,529	6,116
Fr Germ	294	1,452	266	1,154	223	1,423	182	1,300	174	552	85	1,460
Austria	107	675	116	637	44	996	79	697	59	284	24	341
U King	153	154	120	317	179	76	59	211	105	23	34	64
Germ Dr	32	121	26	202	43	82	13	69	12	18	3	12
France	1	1/	2	35	0	53	3	44	3	30	2	36
China t	0	-	0	35	15	48	26	27	15	22	13	3
All other	12	32	6	19	6	59	29	24	9	4	2	8
Total	9,575	19,147	10,347	22,396	9,754	26,812	11,284	35,469	14,095	18,439	7,628	18,056
Value (\$1,000 dollars)												
Japan	14,701	16,956	16,102	16,102	8,394	16,102	9,193	25,010	10,002	14,009	5,936	10,016
Kor Rep	2,011	2,011	1,122	1,613	850	3,502	1,700	8,088	3,716	3,494	1,529	6,116
Fr Germ	1,452	1,452	266	1,154	223	1,423	182	1,300	174	552	85	1,460
Austria	675	675	116	637	44	996	79	697	59	284	24	341
U King	154	154	120	317	179	76	59	211	105	23	34	64
Germ Dr	121	121	26	202	43	82	13	69	12	18	3	12
France	1/	1/	2	35	0	53	3	44	3	30	2	36
China t	-	-	0	35	15	48	26	27	15	22	13	3
All other	32	32	6	19	6	59	29	24	9	4	2	8
Total	19,147	22,396	20,080	26,812	11,284	35,469	14,095	18,439	7,628	18,056	7,355	18,056
Unit value												
Japan	\$1,877.78	\$1,951.38	\$1,918.29	\$1,918.29	\$1,918.29	\$1,918.29	\$1,918.29	\$2,237.93	\$2,500.46	\$2,360.09	\$2,360.09	\$2,562.84
Kor Rep	1,753.52	1,909.44	1,897.40	1,897.40	1,897.40	1,897.40	1,897.40	2,059.86	2,176.61	2,285.27	2,285.27	1,931.21
Fr Germ	4,938.50	5,627.73	5,175.47	5,175.47	5,175.47	5,175.47	5,175.47	7,819.69	7,469.85	6,499.04	6,499.04	7,934.40
Austria	6,312.71	12,305.64	14,480.70	14,480.70	14,480.70	14,480.70	14,480.70	12,610.11	11,805.22	11,850.33	11,850.33	14,830.57
U King	1,006.27	1,396.68	1,773.06	1,773.06	1,773.06	1,773.06	1,773.06	1,282.92	2,012.43	684.68	684.68	1,264.20
Germ Dr	3,773.66	4,341.00	4,700.00	4,700.00	4,700.00	4,700.00	4,700.00	6,286.00	5,724.08	6,123.00	6,123.00	1,527.88
France	308.00	17,305.00	-	-	-	-	-	17,609.33	14,664.33	15,249.50	15,249.50	3,555.10
China t	-	-	2,322.80	2,322.80	2,322.80	2,322.80	2,322.80	1,857.85	1,790.93	1,713.62	1,713.62	1,550.00
All other	2,667.17	9,790.33	3,202.50	3,202.50	3,202.50	3,202.50	3,202.50	2,032.24	2,618.89	1,986.50	1,986.50	4,137.50
Average	1,999.67	2,164.51	2,058.62	2,058.62	2,058.62	2,058.62	2,058.62	2,376.10	2,516.39	2,417.26	2,417.26	2,454.98

1/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C-3.--Harpisichords, clavichords, and similar instruments, n.s.p.f.: U.S. Imports for consumption, by principal sources, 1978-82, January-June 1982 and January-June 1983

Source	Quantity (units)					Value (1,000 dollars)	
	1978	1979	1980	1981	1982	1982	1983
Kor Rep	104	9	4	53	803	118	365
Japan	118	367	53	663	281	192	65
U King	740	493	970	218	81	50	41
Fr Germ	89	22	19	11	23	10	34
Canada	85	115	66	12	7	3	5
Nethlds	5	33	0	0	2	-	16
Austria	16	5	25	18	6	4	24
China M	0	0	0	2	223	-	-
All other	22	514	21	368	9	6	6
Total	1,179	1,558	1,158	1,345	1,435	383	556
Value (1,000 dollars)							
Kor Rep	53	7	3	60	953	135	447
Japan	108	511	59	193	400	334	81
U King	133	111	223	51	74	23	12
Fr Germ	193	49	77	34	71	36	70
Canada	186	225	158	36	23	6	19
Nethlds	1	47	-	-	10	-	29
Austria	4	2	5	6	8	6	118
China M	-	-	-	2	7	-	-
All other	14	20	26	52	12	7	5
Total	691	972	552	433	1,557	547	781
Unit value							
Kor Rep	505.42	743.00	787.00	1,128.55	1,186.39	1,144.07	1,224.66
Japan	914.83	1,393.68	1,107.87	291.49	1,424.46	1,739.58	1,246.15
U King	179.85	225.50	230.35	235.21	911.79	460.00	292.68
Fr Germ	2,170.16	2,219.82	4,076.74	3,113.18	3,080.70	1,000.00	2,058.82
Canada	2,191.52	1,955.58	2,389.98	2,980.92	3,248.57	2,000.00	3,800.00
Nethlds	139.20	1,411.97	-	-	5,153.50	-	812.50
Austria	239.13	496.20	194.08	312.61	1,267.67	1,500.00	4,916.67
China M	-	-	-	828.00	31.74	-	-
All other	615.36	39.44	1,249.71	140.77	1,331.33	1,166.67	833.33
Average	586.16	624.14	476.34	322.27	1,085.28	1,428.20	1,404.68

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table D-1.--Upright pianos: U.S. imports under the GSP, 1978-82,  
January-June 1982 and January-June 1983

Source	1978	1979	1980	1981	1982	January-June--	
						1982	1983
Quantity (units)							
Korea-----	-	-	510	2,641	4,220	1,889	3,428
Taiwan-----	-	-	-	-	34	-	-
Israel-----	-	-	18	5	3	3	-
Hong Kong-----	-	-	-	32	-	-	-
Total-----	-	-	528	2,678	4,257	1,892	3,428
Value (1,000 dollars)							
Korea-----	-	-	395	2,493	4,199	1,828	3,325
Taiwan-----	-	-	-	-	42	-	-
Israel-----	-	-	27	7	5	5	-
Hong Kong-----	-	-	-	15	-	-	-
Total-----	-	-	422	2,515	4,246	1,833	3,325
Unit value							
Korea-----	-	-	\$775	\$944	\$995	\$968	\$970
Taiwan-----	-	-	-	-	1,235	-	-
Israel-----	-	-	1,500	1,400	1,667	1,667	-
Hong Kong-----	-	-	-	469	-	-	-
Average-----	-	-	799	939	997	969	970

Table D-2.--Grand pianos: U.S. imports under the GSP, 1978-82,  
January-June 1982 and January-June 1983

Source	1978	1979	1980	1981	1982	January-June--	
						1982	1983
Quantity (units)							
Korea-----	1,147	1,080	841	1,686	3,716	1,529	3,153
Taiwan-----	-	-	-	-	14	12	2
Total-----	1,147	1,080	841	1,686	3,730	1,541	3,155
Value (1,000 dollars)							
Korea-----	2,011	2,054	1,593	3,475	8,088	3,494	6,069
Taiwan-----	-	-	-	-	26	21	3
Total-----	2,011	2,054	1,593	3,475	8,114	3,515	6,072
Unit value							
Korea-----	\$1,753	\$1,902	\$1,894	\$2,061	\$2,177	\$2,285	\$1,925
Taiwan-----	-	-	-	-	1,857	1,750	1,500
Average-----	1,753	1,902	1,894	2,061	2,175	2,281	1,925

Table D-3.--Harpsichords, clavichords, and similar instruments, n.s.p.f.: U.S. imports under GSP, 1978-82, January-June 1982 and January-June 1983

Source	1978	1979	1980	1981	1982	January-June--	
						1982	1983
Quantity (units)							
Korea-----	104	-	4	51	803	118	365
Uruguay-----	-	-	3	-	-	-	-
Dom. Rep-----	-	500	-	-	-	-	-
Brazil-----	-	1	-	-	-	-	-
Cameroon-----	-	-	-	152	-	-	-
Phil. Rep-----	-	-	7	-	-	-	-
<b>Total-----</b>	<b>104</b>	<b>501</b>	<b>14</b>	<b>203</b>	<b>803</b>	<b>118</b>	<b>365</b>
Value (1,000 dollars)							
Korea-----	53	-	3	56	953	135	447
Uruguay-----	-	-	7	-	-	-	-
Dom. Rep-----	-	5	-	-	-	-	-
Brazil-----	-	1	-	-	-	-	-
Cameroon-----	-	-	-	1/	-	-	-
Phil. Rep-----	-	-	1/	-	-	-	-
<b>Total-----</b>	<b>53</b>	<b>6</b>	<b>10</b>	<b>56</b>	<b>953</b>	<b>135</b>	<b>447</b>
Unit value							
Korea-----	\$510	-	\$750	\$1,098	\$1,187	\$1,144	\$1,225
Uruguay-----	-	-	2,333	-	-	-	-
Dom. Rep-----	-	\$10	-	-	-	-	-
Brazil-----	-	1,000	-	-	-	-	-
Cameroon-----	-	-	-	-	-	-	-
Phil. Rep-----	-	-	-	-	-	-	-
<b>Average-----</b>	<b>510</b>	<b>12</b>	<b>714</b>	<b>278</b>	<b>1,187</b>	<b>1,144</b>	<b>1,225</b>

1/ Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.



APPENDIX A

U.S. Trade Representative Request of July 21, 1983,  
for Probable Effect Advice



THE UNITED STATES TRADE REPRESENTATIVE  
WASHINGTON  
20506

July 21, 1983

The Honorable Alfred E. Eckes, Jr.  
Chairman  
United States International Trade  
Commission  
701 E Street, N.W.  
Washington, D.C. 20436

Dear Chairman Eckes:

In accordance with sections 503(a) and 131(a) of the Trade Act of 1974 (the Act), and pursuant to the authority of the President delegated to the United States Trade Representative by sections 4(c) and 8(c) and (d) of Executive Order 11846 of March 31, 1975, as amended, I hereby notify the International Trade Commission that the articles identified in Part A of the attached list are being considered for designation as eligible articles for purposes of the United States Generalized System of Preferences (GSP), set forth in Title V of the Act.

Pursuant to sections 503(a) and 131(a) of the Act, I request that the Commission provide its advice, with respect to each article listed in Part A of the attached list, as to the probable economic effect on United States industries producing like or directly competitive articles and on consumers of the elimination of United States import duties under the GSP. The Commission, in Investigation No. TA-503 (a)-7, recently submitted advice on several items in the attached list. In these cases, it will be necessary to submit new advice only for those items for which the Commission would now modify the advice reported in that investigation.

In providing its advice, I request the Commission to assume that benefits of the GSP would not apply to imports that would be excluded from receiving such benefits by virtue of

the "competitive-need" limits specified in section 504 (c) of the Act.

At the direction of the President, pursuant to section 332 (g) of the Tariff Act of 1930, I further request, with respect to each article listed in Parts B and C of the attached list, that the Commission provide its advice as to the probable economic effect on United States industries producing like or directly competitive articles and on consumers (1) of the removal of articles in Part B of the list from eligibility for duty-free treatment under the GSP and (2) of the removal of the GSP duty-free status from articles in Part C of the list which are imported from the respective countries specified.

Section 504(d) of the Act exempts from one of the competitive-need limits in section 504(c) articles for which no like or directly competitive article was being produced in the United States on the date of enactment of the Trade Act of 1974. Accordingly, pursuant to the authority of section 332(g) of the Tariff Act of 1930, I request that the Commission provide advice with respect to whether products like or directly competitive with those described in Part A of the attached list were being produced in the United States on January 3, 1975.

Under the provisions of the Act, the Commission has six months to provide the advice requested herein on Part A of the attached list. However, it would be greatly appreciated if all of the requested advice could be provided by November 15, 1983, in order to permit that any action taken on these items be included in the Executive Order which should be issued in March 1984.

Very truly yours,



WILLIAM E. BROCK

WEB:stmbw

## Notice of Public Hearings

**Summary:** The purpose of this notice is (1) to announce the acceptance for review of petitions to modify the list of articles eligible to receive duty-free treatment under the Generalized System of Preferences (GSP); (2) to announce the timetable for public hearings to consider petitions accepted for review; and (3) to announce that the list of articles herein is to be sent by the United States Trade Representative to the United States International Trade Commission with respect to designating articles as eligible for GSP.

### I. Acceptance of Petitions for Review

Notice is hereby given of acceptance for review of petitions requesting modification of the list of articles eligible to receive duty-free treatment under the GSP, as provided for in Title V of the Trade Act of 1974 (19 U.S.C. 2461-2465). These petitions were submitted, and will be reviewed, pursuant to regulations codified at 15 CFR, part 2007.

#### 1. Requests for "Graduation" of Products from Countries

As part of this product review, a special effort will be made to include on the GSP list products of interest to low income beneficiary countries. In addition, requests to add products to or remove them from the list of articles eligible for GSP duty-free treatment will be evaluated in accordance with the "graduation" policy. In considering GSP eligibility for products, limitations on GSP benefits will be considered for the more economically advanced beneficiary developing countries in specific products where it is determined that they have demonstrated international competitiveness. This approach will help to ensure that a greater share of GSP benefits is reserved for less competitive beneficiaries. Three criteria will be taken into account when any such "graduation" action is considered: the development level of individual beneficiary countries, their competitive position in the product concerned, and the overall economic interests of the United States. The GSP Subcommittee will review information for the relevant United States industry as enumerated in 15 CFR 2007.1 (5) when considering the removal of any beneficiary developing country from GSP eligibility with respect to a specific designated product or from proposed GSP eligibility with respect to a petition requesting the designation of a new item.

Product designations announced at the conclusion of the review process, therefore, may be made on a differential basis. This means that certain beneficiary developing countries may not be designated for GSP benefits on certain products even though those countries are not excluded under the competitive need provisions set forth in Section 504(C)

(1) of the Trade Act of 1974, as amended. It also is possible to withdraw GSP treatment from certain beneficiary developing countries rather than remove the product entirely from GSP coverage. The competitive need limitations of the program will continue to apply to countries remaining eligible for GSP treatment with respect to particular products.

The implementation of this policy is designed to provide increased opportunities for less developed, less competitive beneficiary developing countries to benefit from GSP treatment. In accordance with U.S. trade policy toward developing countries, this action is designed also to promote continued graduation of more advanced developing countries from GSP benefits in products where they have demonstrated competitiveness. Over time, such action should provide a more balanced distribution of GSP benefits among developing countries by helping to shift more of the program's benefits to the less competitive developing countries.

For additional information on this policy, refer to the Report to the Congress on the First Five Years' Operation of the U.S. Generalized System of Preferences (GSP), transmitted by the President of the United States on April 17, 1980. A copy of the report is available for inspection at the GSP Information Center, Office of the United States Trade Representative, 600 Seventeenth Street, N.W., Room 316, Washington, D.C. 20506. Information also can be obtained by calling the GSP Information Center at (202) 395-6971.

## 2. Information Subject to Public Inspection

Information submitted in connection with the hearings will be subject to public inspection by appointment with the staff of the GSP Information Center, except for information granted "business confidential" status pursuant to 15 CFR 2003.6 and 15 CFR 2006.10. Parties submitting briefs or statements containing confidential information must indicate clearly on the cover page of each of the twenty copies submitted and on each page within the document, where appropriate, that confidential material is included. Non-confidential summaries of all confidential material must be submitted in twenty copies, in English, at the same time that confidential submissions are filed.

## 3. Communications

All communications with regard to these hearings should be addressed to: GSP Subcommittee, Office of the United States Trade Representative, 600 Seventeenth Street, N.W., Room 316, Washington, D.C. 20506. The telephone number of the Secretary of the GSP Subcommittee is (202) 395-6971. Questions may be directed to any member of the staff of the GSP Information Center.

Acceptance for review of the petitions listed herein does not indicate any opinion with respect to a disposition on the merits of the petitions. Acceptance indicates only that the listed petitions have been found to be eligible for review by the GSP Subcommittee and the TPSC, and that such reviews will take place.

## II. Deadline for Receipt of Requests to Participate in the Public Hearings

The GSP Subcommittee of the Trade Policy Staff Committee invites submissions in support of or in opposition to any petition contained in this notice. All such submissions should conform to 15 CFR 2007, particularly parts 2007.0, 2007.1(1), 2007.1(2), and 2007.1(3).

Requests to present oral testimony in connection with public hearings should be accompanied by twenty copies, in English, of all written briefs or statements and should be received by the Chairman of the GSP Subcommittee no later than the close of business Friday, September 16, 1983. Oral testimony before the GSP Subcommittee will be limited to five minute presentations that summarize or supplement information contained in briefs or statements submitted for the record. Post-hearing briefs or statements will be accepted if submitted in twenty copies, in English, no later than close of business Friday, October 14, 1983. Rebuttal briefs should be submitted in twenty copies, in English, by close of business Friday, October 28, 1983.

Parties not wishing to appear may submit written briefs or statements in twenty copies, in English, in connection with articles under consideration in the public hearings, provided that such submissions are filed by October 14 and conform with the regulations cited above.

Hearings will be held on September 26 and 28, beginning at 10:00 A.M. in the Amphitheater of the Federal Home Loan Bank Board, 1700 G Street, N.W., Washington, D.C. The hearings will be open to the public and transcripts will be made available for public inspection or purchase from the reporting company.

## III. List of Articles Which May Be Considered for Designation as Eligible Articles for Purposes of the GSP and On Which the United States International Trade Commission Will Be Asked to Provide Advice

1. In conformity with Sections 502(a) and 131(a) of the Trade Act of 1974 as amended (19 U.S.C. 2463 (A) and 2151 (A)), notice is hereby given that the articles listed herein may be considered for designation as eligible articles for purposes of the GSP.

An article which is determined to be import sensitive in the context of the GSP cannot be designated as an eligible article. Recommendations with respect to the eligibility of any listed article will be made after public hearings have been held and advice has been received from the U.S. International Trade Commission on the probable effects of GSP designation on industries producing like or directly competitive articles and on consumers.

2. Advice of the United States International Trade Commission

On behalf of the President and in accordance with Sections 503(A) and 131(A) of the Trade Act of 1974 as amended, the United States International Trade Commission is being furnished with a list of the articles published herein for the purpose of securing from the Commission its advice on the probable economic effect on United States industries producing like or directly competitive articles, and on consumers, of the designation of such articles as eligible articles for purposes of the GSP.

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Frederick L. Montgomery  
Chairman, Trade Policy Staff Committee

Annex I  
Petitions Accepted for Review

Case No.	TSUS or TSUSA <sup>1/</sup> item No.	Articles	Petitioner
[The bracketed language in this list has been included only to clarify the scope of the numbered items which are being considered, and such language is not itself intended to describe articles which are under consideration.]			
A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences.</u>			
83-1	126.01	Garden and field seeds: Alfalfa	Government of Chile
83-2	146.85	Berries, fresh, or prepared or preserved: [Fresh or in brine; dried; frozen] Otherwise prepared or preserved: Strawberries	do.
83-3	161.60	Mustard, ground or prepared: [Ground] Other	Government of Peru
Cyclic organic chemical products in any physical form having a benzenoid, quinoid, or modified benzenoid structure, not provided for in subpart A or C of part 1 of schedule 4 of the Tariff Schedules of the United States: [Articles provided for in items 402.00 thru 402.32]			
83-4	403.05	Other: [Hydrocarbons; halogenated hydrocarbons] Other hydrocarbon derivatives: p-Toluenesulfonyl chloride	Government of Korea
83-5	403.16pt.	Alcohols, phenols, ethers (including epoxides and acetals), aldehydes, ketones, alcohol peroxides, ether peroxides, ketone peroxides, and their derivatives: 2,6-Di-tert-butyl-p-cresol	Cydsa Group, Mexico
83-6	404.04	Carboxylic acids, anhydrides, halides, acyl peroxides, peroxyacids, and their derivatives: Benzoic acid	Government of Colombia

<sup>1/</sup> Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

## Petitions Accepted for Review

Case No.	TSUS or TSUSA <u>1</u> / item No.	Article	Petitioner
<b>A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences (con.)</u></b>			
Cyclic organic chemical products, etc. (con.):			
Other (con.):			
Amines having one or more oxygen functions, and their derivatives: [Articles provided for in items 404.92 thru 405.02]			
Other: [Products provided for in the Chemical Appendix to the Tariff Schedules]			
83-7	405.09pt.	Potassium-D-(-)-N-(1-methoxycarbonylpropen-2-yl)- $\alpha$ -amino-p-hydroxyphenylacetate (Dane salt)	Kaneka America Corp., New York, NY
Heterocyclic compounds and their derivatives (including lactones and lactams but excluding epoxides with three membered rings, anhydrides and imides of polybasic acids, and cyclic esters of polyhydric alcohols with polybasic acids):			
83-8	406.16	2,2'-Dithiobisbenzothiazole	Cydsa Group, Mexico, Government of Mexico
[Articles provided for in items 406.20 thru 406.32]			
Other: [Articles provided for in item 406.36]			
83-9	406.40pt.	Other: 1,2-Dihydro-2,2,4-trimethylquinoline polymer; 2-Mercaptobenzothiazole; N-(Oxydiethylene)benzothiazole-2-sulfenamide	Cydsa Group, Mexico, Government of Mexico

1/ Tariff Schedules of the United States Annotated (19 U.S.C. 1202).



## Annex I

## Petitions Accepted for Review

Case No.	TSUS or TSUSA <sup>1/</sup> item No.	Article	Petitioner
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A. Petitions to add products to the list of eligible articles for the Generalized System of Preferences (con.)

Cyclic organic chemical products, etc. (con.):

Other (con.):

Sulfonamides, sultones, sultams, and other organic compounds:

Sulfonamides:

83-10      406.48pt.

4-Amino-6-chloro-m-benzene-disulfonamide

Pliva of Zagreb,  
Yugoslavia

Products suitable for medicinal use, and drugs:

Obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of part 1 of schedule 4 of the Tariff Schedules of the United States:

Drugs:

[Articles provided for in items 410.68 thru 411.27]

Other:

[Alkaloids and their salts and other derivatives]

Antihistamines, including those chiefly used as antinauseants:

[Articles provided for in item 411.52]

83-11      411.56pt.

Other:

Meclizine hydrochloride

do.

<sup>1/</sup> Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

## Annex I

## Petitions Accepted for Review

Case No.	TSUS or TSUSA <u>1</u> / item No.	Article	Petitioner
A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences (con.)</u>			
Products suitable for medicinal use, etc.. (con.):			
Obtained, derived, or manufactured, etc. (con.):			
Drugs (con.):			
Other (con.):			
Anti-infective agents:			
Anti-infective sulfonamides:			
[Articles provided for in items 411.80 and 411.81]			
83-12	411.83pt.	Other: Acetylsulfisoxazole; sulfamerazine, sodium	Pliva of Zagreb, Yugoslavia
[Articles provided for in items 411.98 thru 412.67]			
83-13	412.69pt.	Other: Chlorpropamide; chlorothiazide	do.

1/ Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

## Annex I

## Petitions Accepted for Review

Case No.	TSUS or TSUSA <u>1</u> / item No.	Article	Petitioner
A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences (con.)</u>			
		Glass (whether or not containing wire netting), in rectangles, not ground, not polished and not otherwise processed, weighing over 4 oz. per sq. ft.: [Cast or rolled glass] Other, including blown or drawn glass, but excluding pressed or molded glass: Colored or special glass:	
83-14	542.57	Weighing over 4 oz. but not over 12 oz. per sq. ft	Government of Mexico
83-15	542.67	Weighing over 12 oz. but not over 16 oz. per sq. ft	do.
83-16	542.71	Weighing over 16 oz. but not over 28 oz. per sq. ft.: Measuring not over 40 united inches	do.
83-17	542.73	Measuring over 40 but not over 60 united inches	do.
83-18	542.75	Measuring over 60 but not over 100 united inches	do.
83-19	542.77	Measuring over 100 united inches	do.
83-20	542.92	Weighing over 28 oz. per sq. ft.: Not over 2-2/3 sq. ft. in area	do.
83-21	542.94	Over 2-2/3 but not over 7 sq. ft. in area	do.
83-22	542.96	Over 7 but not over 15 sq. ft. in area	do.
83-23	542.98	Over 15 sq. ft. in area	do.

1/ Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

## Annex I

## Petitions Accepted for Review

Case No.	TSUS or TSUSA <sup>1/</sup> item No.	Article	Petitioner
<b>A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences (con.)</u></b>			
Glass (including plate glass and float glass), whether or not containing wire netting, in rectangles, ground or polished on one or both surfaces in whole or in part, but not further processed:			
Ordinary glass:			
Not containing wire netting:			
Measuring not over 15/32 inch in thickness:			
83-24	543.21	Not over 2-2/3 sq. ft. in area	Government of Mexico
83-25	543.23	Over 2-2/3 but not over 7 sq. ft. in area	do.
83-26	543.27	Over 7 sq. ft. in area	do.
83-27	543.31	Measuring over 15/32 inch in thickness	do.
Colored or special glass:			
Measuring not over 15/32 inch in thickness:			
83-28	543.61	Not over 2-2/3 sq. ft. in area	do.
83-29	543.63	Over 2-2/3 but not over 7 sq. ft. in area	do.
83-30	543.67	Over 7 sq. ft. in area	do.
83-31	543.69	Measuring over 15/32 inch in thickness	do.

<sup>1/</sup> Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

## Petitions Accepted for Review

Case No.	TSUS or TSUSA <u>1/</u> item No.	Article	Petitioner
A. <u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences (con.)</u>			
		Radiotelegraphic and radiotelephonic transmission and reception apparatus; radiobroadcasting and television transmission and reception apparatus, and television cameras; record players, phonographs, tape recorders, dictation recording and transcribing machines, record changers, and tone arms; all of the foregoing, and any combination thereof, whether or not incorporating clocks or other timing apparatus, and parts thereof: Radiotelegraphic and radiotelephonic transmission and reception apparatus; radiobroadcasting and television transmission and reception apparatus; and parts thereof: Television apparatus, and parts thereof: [Television receivers and parts thereof] Other television apparatus and parts thereof:	
83-32	685.1915	Antennas	Government of Malaysia
		Dolls, and parts of dolls including doll clothing: (Doll clothing imported separately) Other: Dolls (with or without clothing): [Stuffed]	
83-33	737.24pt.	Handmade, of wood or clay	Government of Thailand
		Buttons: Of acrylic resin, of polyester resin, or of both such resins	
83-34	745.32		Government of Colombia, Government of Malta
		Button blanks and molds, and parts of buttons: [Button blanks of casein] Other	
83-35	745.42		Government of Colombia

1/ Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

## Petitions Accepted for Review

Case No.	TSUS or TSUSA <sup>1/</sup> item No.	Articles	Petitioner
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B. Petitions to remove products from the list of eligible articles for the Generalized System of Preferences.

Products obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of part 1 of schedule 4 of the Tariff Schedules of the United States:

## Pesticides:

Not artificially mixed:

[Fungicides]

Herbicides (including plant growth regulators):

[Articles provided for in item 408.21]

Other:

83-36	408.22pt.	2,4-Dinitro-6-sec-butyl-phenol	Vertac Chemical Corp., Memphis, TN
Nitrogenous compounds:			
Cyanuric chloride, melamine, and other compounds containing a triazine ring:			
83-37	425.1020	Melamine	Melamine Chemicals, Inc., Donaldsonville, LA
Acids:			
83-38	425.74	Citric	Pfizer, Inc., New York, NY
Pipe and tube fittings of iron or steel:			
Cast-iron fittings, not malleable:			
For cast-iron pipe:			
83-39	610.62	Cast iron, other than alloy cast iron	American Pipe Fittings Association, Washington, D.C.
83-40	610.63	Alloy cast iron	do.
Not for cast-iron pipe:			
83-41	610.65	Cast iron, other than alloy cast iron	do.
83-42	610.66	Alloy cast iron	do.

<sup>1/</sup> Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

## Petitions Accepted for Review

Case No.	TSUS or TSUSA <u>1</u> / item No.	Article	Petitioner
<b>B. <u>Petitions to remove products from the list of eligible articles for the Generalized System of Preferences (con.)</u></b>			
Pipe and tube fittings of iron or steel (con.):			
Cast-iron fittings, malleable:			
Not advanced in condition by operations or processes subsequent to the casting process:			
83-43	610.70	Cast iron, other than alloy cast iron	American Pipe Fittings Association, Washington, D.C.
83-44	610.71	Alloy cast iron	do.
83-45	610.74	Advanced in condition by operations or processes subsequent to the casting process	do.
83-46	610.80	Other fittings	do.
Furniture, and parts thereof, not specially provided for:			
Of rubber or plastics:			
[Of reinforced or laminated plastics]			
83-47	727.50	Other	Waterbed Manufacturers Association, Washington, D.C., General Foam Plastics Corp., Norfolk, VA
Pillows, cushions, mattresses, and similar furnishings, all the foregoing, whether or not fitted with covers and with or without electrical heating elements, fitted with springs, stuffed, or both, or of expanded, foamed, or sponge rubber or plastics:			
[Of cotton]			
Other:			
83-48	727.8630	Mattresses	Waterbed Manufacturers Association, Washington, D.C.
Fishing reels and parts thereof:			
Reels:			
83-49	731.20	Valued not over \$2.70 each	Zebco Division Brunswick Corp., Tulsa, OK

1/ Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

## Petitions Accepted for Review

Case No.	TSUS or TSUSA <sup>1/</sup> item No.	Article	Petitioner
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C. Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences.<sup>2/</sup>

Containers (except ampoules) chiefly used for the packing, transporting, or marketing of merchandise, and containers chiefly used for home canning and preserving, all the foregoing, of glass, with or without their closures and whether or not coated with plastics materials:

[Ordinarily used for perfume or other toilet preparations, or if fitted with or designed for use with ground glass stoppers]

Other:

83-50	545.21 (Mexico)	Holding not over 1/4 pint	Glass Packing Institute, Washington, D.C.
83-51	545.25 (Mexico)	Holding over 1/4 pint but not over 1 pint	do.
83-52	545.27 (Mexico)	Holding over 1 pint	do.

Articles not specially provided for of a type used for household, table, or kitchen use; toilet and sanitary wares; all the foregoing and parts thereof, of metal:

Articles, wares, and parts, of base metal, not coated or plated with precious metal:

Of iron or steel:

Enameled or glazed with vitreous glasses:

83-53	654.02pt. (Taiwan)	Porcelain-on-steel cooking and kitchen ware	General Housewares, Corp., Stanford, CT
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<sup>1/</sup> Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

<sup>2/</sup> The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee's (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.



## Petitions Accepted for Review

Case No.	TSUS or TSUSA 1/ item No.	Article	Petitioner
C. <u>Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences (con.)<sup>2/</sup></u>			
		Centrifuges; filtering and purifying machinery and apparatus (other than filter funnels, milk strainers, and similar articles), for liquids or gases; all the foregoing and parts thereof: [Centrifuges and parts thereof] Other: [Cast-iron (except malleable cast-iron) parts, not alloyed and not advanced beyond cleaning, and machined only for the removal of fins, gates, sprues, and risers or to permit location in finishing machinery]	
83-54	661.95pt. (Hong Kong, Taiwan)	Portable air purifiers, not specially designed for industrial use, and filters thereof	Associated Mills, Inc., Chicago, IL
		Machine tools: Metal-working machine tools: Boring, drilling, and milling machines, including vertical turret lathes: Drilling machines: [Used or rebuilt] Other, valued under \$2,500 each	
83-55	674.3227 (Taiwan)		Wilton Corp., Des Plaines, IL
		Storage batteries and parts thereof: Lead-acid type storage batteries, and parts thereof: 12-volt batteries	
83-56	683.05 (Republic of Korea)		Yuasa-General Battery Corp., Reading, PA

<sup>1/</sup> Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

<sup>2/</sup> The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee's (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

## Petitions Accepted for Review

Case No.	TSUS or TSUSA 1/ item No.	Article	Petitioner
C. <u>Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences (con.)<sup>2/</sup></u>			
83-57	688.12 (Taiwan)	Insulated (including enamelled or anodized) electrical conductors, whether or not fitted with connectors (including ignition wiring sets, Christmas-tree lighting sets with or without their bulbs, and other wiring sets): With fittings: Ignition wiring sets and wiring sets designed for use in motor vehicles and craft provided for in part 6 of schedule 6 of the Tariff Schedules of the United States	National Industries, Inc., Montgomery, AL
83-58	722.1205 (Hong Kong, Republic of Korea, Taiwan)	Photographic cameras (other than motion-picture cameras), photographic enlargers, and combination camera-enlargers: [Having a photographic lens valued over 50 percent of the value of the article] Other cameras: Fixed-focus: Hand-held type: 110 cameras: With built-in electronic stroboscopic flash	National Association of Photographic Manufacturers, Inc., Harrison, NY
83-59	722.1212 (Hong Kong, Republic of Korea, Taiwan)	Other	do.
83-60	722.1225 (Hong Kong, Republic of Korea, Taiwan)	Other: [Instant-print cameras] Other	do.

<sup>1/</sup> Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

<sup>2/</sup> The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee's (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

## Petitions Accepted for Review

Case No.	TSUS or TSUSA <sup>1/</sup> item NO.	Article	Petitioner
C. <u>Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences (con.)<sup>2/</sup></u>			
		Stringed musical instruments:	
		Pianos (including player pianos, whether or not with keyboards): harpsichords, clavichords, and other keyboard string instruments:	
83-61	725.01 (Republic of Korea)	Pianos (including player pianos, whether or not with keyboards), except grand pianos	National Piano Manufacturers Association of America, Inc., Chicago, IL
83-62	725.03 (Republic of Korea)	Other	do.

<sup>1/</sup> Tariff Schedules of the United States Annotated (19 U.S.C. 1202).

<sup>2/</sup> The country or countries named are those beneficiary developing countries specified by the petitioner. While the Trade Policy Staff Committee's (TPSC) review will focus on those countries, the TPSC reserves the right to address removal of GSP status for countries other than those specified by the petitioner.

**APPENDIX B**

**U.S. International Trade Commission Notice of  
Investigation and Hearing**

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

(TA-503(a)-11 and 332-166)

PRESIDENT'S LIST OF ARTICLES WHICH MAY BE DESIGNATED OR MODIFIED AS ELIGIBLE  
ARTICLES FOR PURPOSES OF THE U.S. GENERALIZED SYSTEM OF PREFERENCES

AGENCY: United States International Trade Commission

ACTION: In accordance with the provisions of sections 503(a) and 131(b) of the Trade Act of 1974 (hereinafter referred to as "the Act") (19 U.S.C. §§ 2463(a) and 2151(b)) and section 332(g) of the Tariff Act of 1930 (19 U.S.C. § 1332(g)), the Commission has instituted investigation No. TA-503(a)-11 and 332-166 for the purpose of obtaining, to the extent practicable, information of the kind described in section 131(d) of the Act. This information is for use in connection with the preparation of advice requested by the U.S. Trade Representative (USTR) with respect to certain listed articles as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the modification of the list of articles eligible for duty-free treatment under the United States Generalized System of Preferences (GSP), set forth in Title V of the Act.

EFFECTIVE DATE: August 5, 1983

FOR FURTHER INFORMATION CONTACT:

- (1) Agricultural products, Mr. Robert Roeder (202-724-1170).
- (2) Chemical products, Mr. John Gersic (202-523-0451).
- (3) Minerals and metals, Mr. Larry Brookhart (202-523-0275).
- (4) Machinery and equipment, Mr. Aaron Chesser (202-523-0353).
- (5) Miscellaneous manufactures, Mr. Walter Trezevant (202-724-1719).

All of the above are in the Commission's Office of Industries. For information on legal aspects of the investigation contact Mr. William Gearhart of the Commission's Office of the General Counsel at 202-523-0487.

SUPPLEMENTARY INFORMATION: On July 27, 1983, in accordance with sections 503(a) and 131(a) of the Act and pursuant to the authority of the President delegated to the USTR by Executive Order 11846, as amended by Executive Order 11947, the USTR requested advice in four areas related to the GSP: (1) the addition of certain articles to the list of GSP eligible articles (see Annex, Part A), (2) the removal of certain articles from the GSP list (see Annex, Part B), (3) the removal of duty-free status under the GSP for certain beneficiary developing countries for certain articles ("graduation") (See Annex, Part C), and (4) a determination of whether or not certain articles are like or directly competitive with any article produced in the United States on January 3, 1975, for purposes of section 504(d) of the Act (see Annex, Part A).

For each article being considered for addition to the list of eligible articles, the Commission will advise the USTR as to the probable economic effect of the addition on U.S. industries producing like or directly competitive articles and on consumers. For each article being considered for removal or graduation, the Commission will advise the USTR as to the impact on U.S. industries producing like or directly competitive articles and on consumers of continued GSP status for the articles and countries in question.

In providing its advice, the USTR requested the Commission to assume that benefits of the GSP would not apply to imports that would be excluded from receiving such benefits by virtue of the "competitive need" limitations specified in section 504(c) of the Act.

Section 504(d) of the Act exempts from one of the competitive-need limits in section 504(c) articles for which no like or directly competitive article was being produced in the United States on the date of enactment of the Act. Accordingly, pursuant to the authority of section 332(g) of the Tariff Act of 1930, and in conformity with the delegation of authority from the President to him of Executive Order 11846 as amended by Executive Order 11947, the USTR requested that the Commission also provide advice with respect to whether products like or directly competitive with any articles contained in the TSUS(A) items in the Annex, Part A, were being produced in the United States on January 3, 1975.

A list giving detailed descriptions of the articles contained in the TSUS(A) items identified in the Annex is available upon request from the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436 (202-523-5178).

The USTR announced the items which have been sent to the Commission for probable effects advice in the July 21, 1983 Federal Register (48 F.R. 33400).


Public hearing

A public hearing in connection with the investigation will be held in the Commission Hearing Room, 701 E Street NW., Washington, D.C. 20436, beginning at 10:00 a.m., e.d.t., on September 27, 1983, to be continued on September 29, 1983, if required. All persons shall have the right to appear by counsel or in person, to present information, and to be heard. Requests to appear at the public hearing should be filed with the Secretary, United States International Trade Commission, 701 E Street NW., Washington, D.C. 20436, not later than noon, September 20, 1983.

Written submissions

In lieu of or in addition to appearances at the public hearing, interested persons are invited to submit written statements concerning the investigation. Written statements should be received by the close of business on September 21, 1983. Commercial or financial information which a submitter desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked "Confidential Business Information" at the top. All submissions requesting confidential treatment must conform with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR § 201.6). All written submissions, except for confidential business information, will be made available for inspection by interested persons. All submissions should be addressed to the Secretary at the Commission's office in Washington, D.C.

By order of the Commission.



Kenneth R. Mason  
Secretary

Attachment

Issued: August 9, 1983

## Annex

## A. Petitions to add products to the list of eligible articles for the Generalized System of Preferences

126.01	412.69(pt) <u>7</u>	543.23
146.85	542.57	543.27
161.60	542.67	543.31
403.05	542.71	543.61
403.16(pt) <u>1</u> /	542.73	543.63
404.04	542.75	543.67
405.09(pt) <u>2</u> /	542.77	543.69
406.16	542.92	685.1915
406.40(pt) <u>3</u> /	542.94	737.24(pt) <u>8</u> /
406.48(pt) <u>4</u> /	542.96	745.32
411.56(pt) <u>5</u> /	542.98	745.42
411.83(pt) <u>6</u> /	543.21	

- 1/ 2,6-Di-tert-butyl-p-cresol  
2/ Potassium-D-(-)-N-(1-methoxycarbonylpropen-2-yl)-a-amino-p-hydroxyphenylacetate (Dane salt)  
3/ 1,2-Dihydro-2,2,4-trimethylquinoline polymer; 2-Mercaptobenzothiazole; N-(Oxydiethylene) benzothiazole-2-sulfenamide  
4/ 4-Amino-6-chloro-m-benzenedisulfonamide  
5/ Meclizine hydrochloride  
6/ Acetylsulfisoxazole; sulfamerazine, sodium  
7/ Chlorpropamide; chlorothiazide  
8/ Handmade dolls, of wood or clay

## B. Petitions to remove products from the list of eligible articles for the Generalized System of Preferences

408.22(pt) <u>1</u> /	610.65	610.80
425.1020	610.66	727.50
425.74	610.70	727.8630
610.62	610.71	731.20
610.63	610.74	

- 1/ 2,4-Dinitro-6-sec-butylphenol

-2-

C. Petitions to remove duty-free status from a beneficiary developing country for a product on the list of eligible articles for the Generalized System of Preferences

545.21 (Mexico)  
545.25 (Mexico)  
545.27 (Mexico)  
654.02(pt) (Taiwan) 1/  
661.95(pt) (Hong Kong, Taiwan) 2/  
674.3227 (Taiwan)  
683.05 (Republic of Korea)  
688.12 (Taiwan)  
722.1205 (Hong Kong, Republic of Korea, Taiwan)  
722.1212 (Hong Kong, Republic of Korea, Taiwan)  
722.1225 (Hong Kong, Republic of Korea, Taiwan)  
725.01 (Republic of Korea)  
725.03 (Republic of Korea)

1/ Porcelain-on-steel cooking and kitchen ware

2/ Portable air purifiers, not specially designed for industrial use, and filters thereof





**APPENDIX C**

**List of Witnesses Appearing at the  
Commission Hearing**

TENTATIVE CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's public hearing on the President's List of Articles which may be Designated or Modified as Eligible Articles for Purposes of the U. S. Generalized System of Preferences (Investigation Nos. TA-503(a)-11 and 332-166). Sessions are being held in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington, beginning at 10:00 a.m., on September 27, 1983.

Witness and organization:

Subject:

Thorp, Reed & Armstrong--Counsel  
Washington, D.C.  
on behalf of

National Piano Manufacturers Association

Pianos

H. B. Comstock, President, Pratt-Read Corp.

Peter M. Perez, Chairman & Chief Executive  
Officer, Aeolian Pianos, Inc.

Elmer F. Brooks, Jr., Chairman, Aeolian-  
American Corporation

Ronald J. Thyen, Executive Vice President,  
Kimball Piano and Organ Co., Piano Div.

Roger M. Golden )  
Preston T. Scott)--OF COUNSEL

Daniels, Houlihan & Palmeto--Counsel  
Washington, D.C.  
on behalf of

Young Chang America, Inc., Samick America Corporation  
and Daewoo America

Pianos

Donald B. Cameron, Jr.--OF COUNSEL

Kilpatrick & Cody--Counsel  
Washington, D.C.  
on behalf of

General Housewares Corporation

Gary L. Riles, President, Cookware Group

Porcelain-on-steel  
kitchen and  
cooking ware

Joseph W. Dorn--OF COUNSEL

Witness and organization:

Subject:

Italo H. Ablondi, P.C.--Counsel  
Washington, D.C.  
on behalf of

Board of Foreign Trade, Republic of China on Taiwan

Italo H. Ablondi)  
Sturgess Sobin }--OF COUNSEL

Porcelain-on-steel  
kitchen and  
Cooking ware

Stein, Shostak, Shostak & O'Hara--Counsel  
Washington, D.C.  
on behalf of

Vitro Envases of Monterrey, Mexico  
and Riekes Container Co., Richardson, Texas

Juan M. Holguin, Vitro Envases

Avrum Fitch, Riekes Container Co.

Irwin P. Altschuler)  
Donald Stein }--OF COUNSEL

Glass containers

Collier, Shannon, Rill & Scott--Counsel  
Washington, D.C.  
on behalf of

Glass Packaging Institute

C. F. Flynn, Executive Vice President,  
Latchford Glass Company

Jack L. Zarfoss, District Sales Manager,  
Brockway, Inc.

William H. Ellis, Vice President,  
Chattanooga Glass Company

Lewis D. Andrews, Vice President, Legislative  
Affairs, Glass Packaging Institute

Bruce Malashevich, Vice President, Economic  
Consulting Services, Inc.

Brian Rubenking, Staff Economist, Economic  
Consulting Services, Inc.

Michael R. Kershow--OF COUNSEL

Glass containers

Witness and organization:

Subject:

Wald, Harkrader & Ross--Counsel  
Washington, D.C.  
on behalf of

Associated Mills, Inc. (AMI)

Richard J. Stern, President

Mark R. Joelson--OF COUNSEL

Ruch-Hampton Industries, Inc., Sanford, Florida

Hal Sumrall, Vice President

Italo H. Ablondi, P.C.--Counsel  
Washington, D.C.  
on behalf of

Board of Foreign Trade, Republic of China  
on Taiwan

Italo H. Ablondi )  
Sturgess Sobin )--OF COUNSEL

Barnes, Richardson & Colburn--Counsel  
Washington, D.C.  
on behalf of

Pfizer, Inc.

Frank P. Chapman, Vice President-Marketing,  
Chemical Division

Eileen R. Walton, Corporate Counsel

James H. Lündquist--OF COUNSEL

Kaplan, Russin & Vecchi--Counsel  
Washington, D.C.  
on behalf of

Gadot Petrochemical Industries Ltd. of Israel

Leon Brenton, Consultant

Dennis James, Jr.--OF COUNSEL

Room-size air  
purifiers

Room-size air  
purifiers

Room-size air  
purifiers

Citric acid

Citric acid

Witness and organization:

Subject:

Beveridge & Diamond, P.C.--Counsel  
Washington, D.C.  
on behalf of

Vertac Chemical Corporation, Memphis, Tennessee

Certain chemicals

Alexander W. Sierck--OF COUNSEL

Dow, Lohnes & Albertson--Counsel  
Washington, D.C.  
on behalf of

Pliva Pharmaceutical, Chemical, Food and  
Cosmetic Industry, Zagreb, Yugoslavia

Certain chemicals

William Silverman )  
Margaret B. Dardess)--OF COUNSEL

Stein, Shostak, Shostak & O'Hara  
Washington, D.C.  
on behalf of

Monterey Manufacturing Co., Los Angeles,  
California

Waterbed mattresses

Steven P. Kersner--OF COUNSEL

Webster, Chamberlain & Bean--Counsel  
Washington, D.C.  
on behalf of

Waterbed Manufacturers Association

Waterbed mattresses

C. Michael Deese--OF COUNSEL

Witness and organization:

Subject:

Mayer, Brown & Platt--Counsel  
Washington, D.C.  
on behalf of

The Zebco Division of Brunswick Corporation

Fishing reels

Gene Howard, Vice President--Planning  
and Administration

William B. Hoffman--OF COUNSEL

Stein, Shostak, Shostak & O'Hara--Counsel  
Washington, D.C.  
on behalf of

Daiwa Corporation

Fishing reels

Warren Marr, Vice President

David R. Amerine )  
Steven P. Kersner)--OF COUNSEL

Daniels, Houlihan & Palmeter, P.C.--Counsel  
Washington, D.C.  
on behalf of

Korean Plastic Goods Exporters Association

Fishing reels

Donald B. Cameron, Jr.--OF COUNSEL

Italo H. Ablondi, P.C.--Counsel  
Washington, D.C.  
on behalf of

Board of Foreign Trade, Republic of China  
on Taiwan

Fishing reels

Sturgess Sobin--OF COUNSEL

McClure & Trotter--Counsel  
Washington, D.C.  
on behalf of

American Pipe Fittings Association

Pipe fittings

Paul Engle, Executive Director, APFA

Peter Buck Feller )  
Robert W. Johnson)--OF COUNSEL

Witness and organization:

Subject:

Kaplan, Russin & ecchi--Counsel  
Washington, D.C.  
on behalf of

Korea Flange Company, Ltd.

Pipe fittings

Dennis James, Jr.--OF COUNSEL

Italo H. Ablondi, P.C.--Counsel  
Washington, D.C.  
on behalf of

Board of Foreign Trade, Republic of China on  
Taiwan

Pipe fittings

Sturgis Sobin--OF COUNSEL

Plaia, Schaumberg & deKieffer--Counsel  
Washington, D.C.  
on behalf of

Taiwan Association of Machinery Industry and  
Sequoia International, Inc.

Pipe fittings

Joel D. Kauffman--OF COUNSEL

Kadison, Pfaelzer, Woodard, Quinn & Rossi--Counsel  
Washington, D.C.  
on behalf of

Fundicao TUPY, S.A.

Pipe fittings

Gary Meyers, President, TUPY American  
Foundry Corporation

Robert Crandall, Senior Fellow,  
Brookings Institution

Gary L. Stanley--OF COUNSEL



Witness and organization:

Subject:

Stewart and Stewart--Counsel  
Washington, D.C.  
on behalf of

PPG Industries, Inc.,  
and  
AFG Industries, Inc.

Flat glass  
products

Ron Tiller, Vice President, Sales

Eugene L. Stewart--OF COUNSEL

Stein, Shostak, Shostak & O'Hara--Counsel  
Washington, D.C.  
on behalf of

General Battery Corporation and Yuasa-General  
Battery Corporation, Reading, Pennsylvania

Batteries

Douglas Thompson, General Battery Corp.

Bruce Retter, Yuasa-General Battery Corp.

Steven P. Kersner )  
Irwin Altshuler )--OF COUNSEL

Korea Trade Center, Washington, D.C.

Batteries

On behalf of: Korea Battery Industrial Cooperative

Jong Man Choi, First Assistant Director

Jin Woo Lee, Assistant Director

Adduci, Dinan & Mastriani--Counsel  
Washington, D.C.  
on behalf of

National Industries, Inc., Montgomery, Alabama  
June Collier, President

Automotive  
wiring harnesses

V. James Adduci, II--OF COUNSEL

Witness and organization:

Subject:

Sonnenberg & Anderson--Counsel  
Chicago, Illinois  
on behalf of

American Yazaki Corporation

Edward Mayne, Principal, Mayne & McKinney

Steven P. Sonnenberg--OF COUNSEL

Automotive  
wiring harnesses

Italo H. Ablondi, P.C.--Counsel  
Washington, D.C.  
on behalf of

Board of Foreign Trade, Republic of China  
on Taiwan

Sturgis Sobin--OF COUNSEL

Automotive  
wiring harnesses

Italo H. Ablondi, P.C.--Counsel  
Washington, D.C.  
on behalf of

Board of Foreign Trade, Republic of China  
on Taiwan

Sturgis Sobin--OF COUNSEL

PVC pipe  
furniture

Italo H. Ablondi, P.C.--Counsel  
Washington, D.C.  
on behalf of

Board of Foreign Trade, Republic of China  
on Taiwan

Sturgis Sobin--OF COUNSEL

Fixed-focus  
cameras

Pazianos Associates, Washington, D.C.

The CYDSA Group, Monterrey, Mexico

Eduardo Martinez, Export Sales Manager

E. George Pazianos, President, Pazianos Associates

Rubber processing  
compounds



