

**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-131-17,
503(a)-2, and 332-312

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United States International Trade Commission
Washington, DC 20436



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Note.--This report is a declassified version of the Confidential probable effects advice report submitted to the President on November 22, 1991.

INTRODUCTION

On August 21, 1991, in accordance with sections 131, 503, and 504 of the Trade Act of 1974 and section 332(g) of the Tariff Act of 1930, and pursuant to the authority delegated to the United States Trade Representative (USTR) by the President through Executive Order 11846, as amended, the USTR requested advice (see appendix A) related to the U.S. Generalized System of Preferences (GSP) as follows:

- (1) pursuant to sections 503(a) and 131(a) of the Trade Act, of 1974 (19 U.S.C. 2151(b) and 2463(a)), advice with respect to each article listed in Part A of the Annex to the USTR request, as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the elimination of U.S. import duties under the GSP. The USTR requested that the Commission, in providing its advice, 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)(1) of the 1974 Act (except as noted for Thailand with respect to the articles involved in HTS subheading 2008.92.10, for Turkey with respect to the articles involved in HTS subheading 2401.10.40, for Mexico with respect to the articles involved in HTS subheading 2917.36.00, and for Argentina with respect to the articles involved in HTS subheading 3301.13.00).
- (2) pursuant to section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g))--
 - (a) advice as to the probable economic effect on domestic industries producing like or directly competitive articles and on consumers of the removal of the articles listed in Part B of the Annex to the USTR request from eligibility for duty-free treatment under the GSP;
 - (b) advice in accordance with section 504(c)(3)(A)(i) of the Trade Act of 1974, as to the probable economic effect on domestic industries producing like or directly competitive articles and on consumers of waiving the competitive-need limits for countries specified with respect to the articles listed in Part C of the Annex to the USTR request;

- (c) advice as to the probable economic effect on domestic industries producing like or directly competitive articles and on consumers of restoring the competitive-need limits specified in section 504(c)(1) of the 1974 Act for Mexico with respect to the articles included under HTS subheadings 0807.10.70, 0810.90.40(pt), 7402.00.00, 8409.91.91, 8415.82.00, 8415.90.00, 8428.90.00(pt), 8539.90.00, all of the foregoing articles for which Mexico currently is subject to the reduced competitive-need limits specified in section 504(c)(2)(B) of the 1974 Act and for Brazil with respect to the articles included under HTS subheadings 8527.21.1010 and 9024.11.20 and all of the foregoing articles for which Brazil currently is subject to the reduced competitive-need limits specified in section 504(c)(2)(B) of the 1974 Act; and
- (d) advice in accordance with section 504(d) of the Trade Act of 1974, which exempts from one of the competitive-need limits in section 504(c) of the Act articles for which no like or directly competitive article was being produced in the United States on January 3, 1985, as to whether products like or directly competitive with the articles in Part A of the Annex of the USTR request and HTS subheading 3926.90.87 were being produced in the United States on January 3, 1985.

In response to the USTR request, the Commission on August 28, 1991, instituted investigations Nos. TA-131-17, 503(a)-22 and 332-312 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 will be held in the Commission hearing room, 500 E Street SW., Washington, DC 20436, on October 1-3, 1991. All interested parties were afforded an opportunity to appear by counsel or in person, to present information, and to be heard.²

¹ The following Federal Register notices were issued by the Commission and the USTR related to investigations Nos. TA-131-17, 503(a)-22 and 332-312:

<u>Date</u>	<u>Notice</u>	<u>Subject</u>
Aug. 26, 1991	56 F.R. 42080	USTR notice of annual GSP review
Sept. 5, 1991	56 F.R. 43939	Notice of ITC investigation and hearing
Sept. 16, 1991	56 F.R. 46804	Issuance of erratum

² A list of witnesses who are scheduled to appeared at the Commission hearing is contained in app. C.

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PRESENTATION OF PROBABLE ECONOMIC EFFECT ADVICE

In response to the USTR request for probable economic effect advice, the Commission determined that an appropriate format for such an analysis would be commodity digests, each digest dealing with the effect of tariff modifications on a specific HTS subheading or on a group of several closely related HTS subheadings. In the latter case, advice is given both for the group as a whole and for each individual subheading.

To provide a factual basis for the Commission's advice, each digest contains the following sections:

- I. Introduction
- II. U.S. market profile
- III. GSP import situation, 1990
- IV. Competitiveness profiles, GSP suppliers
- V. Position of interested parties
- VI. Summary of probable economic effects
- ... U.S. import/export tables

I. Introduction.--This section provides basic information on the item, including description and uses, rate of duty, and an indication of whether there was U.S. production of the item on January 3, 1985.

II. U.S. market profile.--This section provides information on U.S. producers, employment, shipments, exports, imports, consumption, import market share, and capacity utilization. Where exact information is not obtainable, the best available estimates are provided.

III. GSP import situation, 1990.--This section provides 1990 U.S. import data, including the world total and certain GSP country-specific data. Individual GSP country data are provided for the top four GSP suppliers during 1990 as well as for any additional GSP country proposed for a "waiver."

IV. Competitiveness profiles.--This section provides background information on GSP supplier countries that are (1) the most significant sources, (2) likely to emerge as significant suppliers as a result of the GSP modification, and/or (3) affected by changes in eligibility as a

result of the modification. Information is provided on the level and significance of the country as a supplier, the elasticities of supply and demand for imports from the country,³ and the price and quality of imports compared with U.S. and other foreign products.

V. Position of interested parties.--This section provides brief summaries of written submissions and testimony from interested parties.

VI. Summary of probable economic effects.--This section provides advice on the short-to-near-term (1-5 years, 1992-96) impact of the proposed GSP-eligibility modifications in three areas: (1) U.S. imports, (2) U.S. industry, and (3) U.S. consumers. The probable economic effect advice, to a degree, integrates and summarizes the data provided in sections I-V of the digests with particular emphasis on the price sensitivity of import supply and demand. Thus, for example, if the price elasticity of demand in the United States and the price elasticity of supply in the exporting beneficiary country are both relatively high, elimination of even a moderate-level tariff suggests the possibility of large import increases from the beneficiary country. Appendix D provides a brief textual and graphic presentation of the types of trade shifts that can result from modification of GSP eligibility for the case where the domestic product and imports from all countries are perfect substitutes. For the products in this report, it is not possible to measure such trade shifts precisely.

It should be noted that the probable economic effect advice with respect to changes in import levels is presented in terms of the degree to which GSP modifications will affect U.S. trade levels with the world. Consequently, although U.S. imports of a particular product from GSP beneficiaries may change significantly, if GSP beneficiaries supply a very small share of total U.S. imports of that product or if imports from beneficiaries readily substitute for imports from developed countries, the overall effect on U.S. imports could be minimal.

³ Price elasticity is a measure of the changes in quantity that are brought about as a result of changes in price. The guidelines used for both supply and demand are as follows: The elasticity is low when the percentage change in quantity is less than the percentage change in price; moderate when it is between 1 and 2 times the percentage change in price; and, high when it is greater than 2 times the percentage change in price. It should be noted that the elasticity levels ("low, moderate, and high") are only estimates, and are not based on empirical research on the various products under consideration.

The digests contain a coded summary of the probable economic effect advice. The coding scheme is shown below:

FOR "ADDITION" AND "WAIVER" DIGESTS:

Level of total U.S. imports:

- Code A: Little or no increase (5 percent or less).
- Code B: Moderate increase (6 to 15 percent).
- Code C: Significant increase (over 15 percent).
- Code N: No impact

Impact on the U.S. industry and employment:

- Code A: Little or negligible adverse impact.
- Code B: Significant adverse impact (significant proportion of workers unemployed, declines in output and profit levels, firms depart; effects on some segments of the industry may be substantial if the adverse effect is not felt industrywide).
- Code C: Substantial adverse impact (substantial unemployment, widespread idling of productive facilities, substantial declines in profit levels; effects felt by the entire industry).
- Code N: No impact.

Benefit derived by the U.S. consumer:⁴

- Code A: The bulk of duty savings (greater than 75 percent) is expected to be absorbed by the foreign suppliers. The price U.S. consumers pay is not expected to fall significantly (by less than 25 percent of the duty reduction).
- Code B: Duty savings are expected to benefit both the foreign suppliers and the domestic consumer (neither one receiving more than 75 percent of the savings).
- Code C: The bulk of duty savings (greater than 75 percent) is expected to benefit the U.S. consumer.
- Code N: No impact.

⁴ The "U.S. consumer" may be a firm/person receiving an intermediate good for further processing or an end user in case of a final good.

FOR "REMOVAL" DIGESTS:

Level of total U.S. imports:

- Code X: Little or no decrease (0 to 5 percent).
- Code Y: Moderate decrease (6 to 15 percent).
- Code Z: Significant decrease (over 15 percent).
- Code N: No impact.

Impact on the U.S. industry and employment:

- Code X: Little or negligible beneficial impact.
- Code Y: Significant beneficial impact (significant number of additional workers employed; increases in output; increases in profit levels; new firms; but beneficial impact not industrywide).
- Code Z: Substantial beneficial impact (substantial increase in employment; widespread increased production; substantial increases in profit levels; beneficial impact on the industry as a whole).
- Code N: No impact

Impact on the U.S. consumer:⁵

- Code X: The bulk of the duty increase (greater than 75 percent) is expected to be absorbed by the foreign suppliers.
- Code Y: The duty increase is expected to increase costs to both the foreign suppliers and the domestic consumer (neither absorbing more than 75 percent of the cost).
- Code Z: The bulk of the duty increase (greater than 75 percent) is expected to be passed on to the U.S. consumer.
- Code N: None

In using the probable economic effect advice, one should consider several important factors. The HTS trade data for 1986-1988 used in the investigation were developed by the Commission by converting official TSUSA import statistics and Schedule B export statistics to the HTS format using Commission-developed concordances between the TSUSA/Schedule B systems and the HTS. As a general observation, data that are developed under one system and subsequently translated and presented in another should be viewed with some caution. Such caution is recommended in this investigation because of fundamental differences in structure and classification concepts between the HTS and the TSUSA/Schedule B. Although the Commission believes that it has solved the great majority of the technical problems in converting trade data

⁵ The "U.S. consumer" may be a firm/person receiving an intermediate good for further processing or an end user in case of a final good.

from one format to another, basic differences between the two systems make precise conversion of data impossible in many instances.

Further, confidence in available data and data estimates often varies by product and by type of information. To give the report user some indication of the degree of confidence in data provided in the digests, the Commission uses the following coding system.

- No code = Response based on complete or almost complete information/data adequate for a high degree of confidence.
- * = Based on partial information/data adequate for estimation with a moderately high degree of confidence (e.g., *5, *X).
- ** = Based on limited information/data adequate for estimation with a moderate degree of confidence (e.g., **5).
- (¹) = Not available.

The probable economic effect advice for U.S. imports and the domestic industry are estimates of what is expected in the future with the proposed change in GSP eligibility compared to what is expected without it. That is, the estimated effects are independent of and in addition to any changes that will otherwise occur. Although a number of factors, such as exchange rate changes, relative inflation rates, and relative rates of economic growth could have a significant effect on imports, these other factors are not within the scope of the USTR request.

Probable Economic Effect Digest Locator and Overview

Note.--In this report, the digests follow the sequential order of the first HTS subheading, listed in pages 13 to 20. This listing provides the following information on the individual digests: a digest title, name of petitioner(s), probable economic effect codes, col. 1 rate of duty or AVE, existence of U.S. production on January 3, 1985, and the assigned Commission trade analyst.

HTS subheadings requiring probable effect advice and listing of digests

HTS sub- heading(s) ¹	Short title	Proposed action	Petitioner(s)	Probable effects	Col. 1 rate of duty or AVE	U.S. pro- duction, of like or directly competitive articles, Jan. 3, 1985?	Analyst
<u>0409.00.00</u>	Natural honey	Addition	Government of Mexico; Cooperative Society "Apiario el Borullo" S.C.L., Mexico	***	15%	Yes	Williams
<u>0703.10.40(pt)</u>	Green (spring) onions	Addition	Government of Mexico; Soliedad de Produccion Rural de R.L. "Hortalizas del Valle del Sol", Mexico	***	8%	Yes	Reeder
<u>0705.11.40</u>	Head lettuce	Waiver (Mexico)	Government of Mexico; Procesadora de Uvas S.P.R. de R.L., Mexico	***	8.3%	Yes	Burket
<u>0709.90.40(pt)</u>	Cilantro (fresh coriander)	Addition	Asociacion Agricola Local de Productores de Hortalizas de Tijuana, "La Isleta", Mexico	***	25%	Yes	Reeder
<u>0712.10.00</u> 0712.20.20 0712.20.40 0712.90.40 0712.90.75	Certain dried vegetables	Addition	Government of Argentina; Federacion Argentina de de Vegetables Industrializados, Argentina Government of Mexico; Deshidratadora GAB, S.A. de C.V., Mexico	***	19%	Yes	Burket
<u>0804.20.40</u> 0804.20.80	Figs and fig paste	Addition	Government of Mexico; Comericalizadora Internacional Santa Antia, Mexico	***	11.2%	Yes	Gallagher
<u>0806.10.60</u>	Grapes, fresh	Addition	Government of Peru	***	0.6%	Yes	Gallagher

See footnotes at end of table.

HTS subheadings requiring probable effect advice and listing of digests--Continued

HTS sub- heading(s) ¹	Short title	Proposed action	Petitioner(s)	Probable effects	Col. 1 rate of duty or AVE	U.S. pro- duction, of like or directly competitive articles, Jan. 3, 1985?	Analyst
<u>0806.20.20</u>	Other raisins	Addition	Government of Mexico; Comercializadora Internacional Santa Anita, Mexico	***	5.1%	Yes	Gallagher
<u>0807.10.20</u> 0807.10.70	Certain melons	Waiver ² (Mexico)	Government of Mexico; Asociacion Agricola Local de Productoes de Nuez Durazno Y Manzana de Sonora, Mexico	***	35%	Yes	Reeder
<u>0810.90.40(pt)</u>	Prickly pears, fresh	Waiver ³ (Mexico)	Government of Mexico; Asociacion Rural de Interes Collective "El Gran Turnal" de R.L., Mexico; Union de Ejidos de Axapusco, Mexico; Union de Ejidos de Temascalapa, Mexico	***	3.4%	Yes	Reeder
<u>0814.00.90(pt)</u>	Lime peel	Addition	Government of Peru	***	2%	Yes	Reeder
<u>1210.20.00</u>	Hop cones lupulin	Addition	Hmazad Export-Import p.o. Zalec, Yugoslavia	***	3%	Yes	Pierre- Benoist
<u>1604.13.30</u> 1604.19.25	Certain prepared fish in oil	Addition	Government of Peru	***	19.8%	Yes ⁴	Corey
<u>1901.90.30(pt)</u>	Cajeta	Addition	Government of Mexico; Lacteos Cedral, S. A. de C.V., Mexico	5***	17.5%	Yes	Ruggles
<u>1905.90.90(pt)</u>	Corn chips and taco shells	Waiver (Mexico)	Taco Bell Corp., Irvine CA	***	10%	Yes	Ruggles
<u>2001.90.39(pt)</u>	Jalapeno and Serrano peppers, in vinegar or acetic acid	Waiver (Mexico)	Camara Nacional de la Industria de Conservas Alimenticias, Mexico; Empacadora del Noroeste, S.A., Mexico	***	12%	Yes	Reeder

See footnotes at end of table.

HTS subheadings requiring probable effect advice and listing of digests--Continued

HTS sub- heading(s) ¹	Short title	Proposed action	Petitioner(s)	Probable effects	Col. 1 rate of duty or AVE	U.S. pro- duction, of like or directly competitive articles, Jan. 3, 1985?	Analyst
<u>2005.70.11</u> 2005.70.13 2005.70.15 2005.70.21 2005.70.22 2005.70.25 2005.70.50 2005.70.75 2005.70.83	Olives	Addition	Government of Argentina; Government of Turkey; Federacion Argentina de Vegetales Industrializados, Argentina Consorcio Olivarero Argentino, S.A., Argentina	***	4%	Yes	Burket
<u>2008.40.00</u> 2008.50.20 2008.92.10	Certain prepared or preserved fruits	Addition ⁶	Government of Argentina; Federacion Argentina de Vegetales Industrializados, Argentina Dole Packaged Foods Company, San Francisco, CA	***	7.6%	Yes	Gallagher
<u>2204.30.00</u>	Grape must	Addition	Government of Argentina	***	29%	Yes	Salin
<u>2401.10.40</u>	Oriental or Turkish cigarette leaf tobacco	Addition ⁷	Tekel Tobacco, Turkey; Tobacco Products, Salt and Alcohol Enterprises General Directorate, Turkey; Directorate of Leaf and Tobacco Enterprises and Trade, Turkey	***	6.4%	No	Salin
<u>2603.00.00</u> 7401.10.00 7402.00.00	Copper ores, concentrates, mattes, and unrefined copper	Waiver ⁸ (Mexico)	Industrial Minera Mexico, S.A. de C.V., Mexico; Mexicana de Cobre, S.A. de C.V. Mexico; Mexico de Cananea, S.A. de C.V., Mexico	***	0.5%	Yes	Lundy
<u>2836.91.00</u>	Lithium carbonates	Waiver (Chile)	Cyprus Foote Mineral Company Malvern, PA	***	3.7%	Yes	Conant

See footnotes at end of table.

HTS subheadings requiring probable effect advice and listing of digests--Continued

HTS sub- heading(s) ¹	Short title	Proposed action	Petitioner(s)	Probable effects	Col. 1 rate of duty or AVE	U.S. pro- duction, of like or directly competitive articles, Jan. 3, 1985?	Analyst
<u>2902.90.50</u> 2906.21.00 2917.36.00	Certain benzenoid chemicals	Addition ⁹	Government of Argentina; PASA Petroquimica Argentina, S.A.; Government of Mexico; Quest International de Mexico, S.A. de C.V. Mexico; Petrocel, S.A. Mexico; Tereftalatos Mexicanos, S.A., Mexico	***	10.4%	Yes	Matusic
<u>2922.49.20</u>	Certain aromatic drugs	Addition	Haarmann & Reimer, S.A., Mexico	***	7%	Yes	Nesbitt
<u>3301.13.00</u>	Essential oil of lemon	Addition ¹⁰	S.A. San Miguel Argentina	***	8.5%	Yes	Land
<u>3402.90.10</u>	Synthetic detergents	Waiver (Mexico)	Gov't of Mexico Camara Nacional de la Industria de Aceites, Grasas Y debones, Mexico	***	3.8%	Yes	Land
<u>3902.10.00</u> 3902.30.00	Polypropylene resins in primary forms	Waiver (Mexico)	Indelpro, S.A., Mexico	***	9.4%	Yes	Taylor
<u>3920.71.00</u>	Plates, sheets, film, foil and strip of regenerated cellulose	Waiver (Mexico)	Intermex, Inc., Dallas, TX; Masterpak, S.A. de C.V., Mexico	***	6.2%	Yes	Taylor
<u>3926.20.50</u>	Plastic apparel and clothing accessories	Addition	Gov't of Turkey	***	5%	Yes	Jones

See footnotes at end of table.

HTS subheadings requiring probable effect advice and listing of digests--Continued

HTS sub- heading(s) ¹	Short title	Proposed action	Petitioner(s)	Probable effects	Col. 1 rate of duty or AVE	U.S. pro- duction, of like or directly competitive articles, Jan. 3, 1985?	Analyst
<u>3926.30.50</u>	Plastic fittings for furniture, coachwork or the like, except handles and knobs	Addition	Gov't of Mexico Distribuidora Kober, S.A. de C.V., Mexico	***	5.3%	Yes	Rafferty
<u>3926.90.87</u>	Flexible plastic document binders with tabs, rolled or flat	Waiver ¹¹ (Mexico)	Spiral binding Co., Totowa, NJ IBICO, Inc. Elk Grove, IL	***	5.3%	Yes	Rafferty
<u>4007.00.00</u>	Vulcanized rubber thread and cord	Removal	North America Rubber Thread Company, Inc., Fall River, MA	***	4.2%	Yes	Taylor
<u>5608.11.0010</u>	Hand-cast, string- drawn fishing nets	Addition	Gov't of Mexico; Grupo OMNI, Mexico	***	17%	Yes	Cook
<u>6910.10.0030</u>	Ceramic sinks and lavatories of porcelain or china	Waiver (Mexico)	Gov't of Mexico; Ceramica Diamante, Mexico	***	7.2%	Yes	Lukes
<u>6912.00.44</u>	Earthenware or stoneware mugs and other steins	Waiver (Brazil)	Anheuser-Busch, Inc., St. Louis, MO	***	13.5%	Yes	McNay
<u>7113.19.10</u>	Precious metal chain	Waiver (Peru)	Oroamerica, Inc. Burbank, CA	***	7%	Yes	Witherspoon
<u>7202.41.00</u> <u>7202.49.50</u>	Certain chromium ferroalloys	Addition	Etibank General Management, Turkey	***	2.2%	Yes	Boszormenyi

See footnotes at end of table.

HTS subheadings requiring probable effect advice and listing of digests--Continued

HTS sub- heading(s) ¹	Short title	Proposed action	Petitioner(s)	Probable effects	Col. 1 rate of duty or AVE	U.S. pro- duction, of like or directly competitive articles, Jan. 3, 1985?	Analyst
<u>7314.20.00</u>	Welded steel wire grill, netting, and fencing	Removal	Oklahoma Steel and Wire Co., Inc., Madill, OK	***	5.7%	Yes	Yost
<u>7318.15.20</u> 7318.15.40 7318.15.60 7318.16.00	Certain industrial fasteners of iron or steel	Addition	American Screw de Chile, S.A., Chile	***	2%	Yes	Brandon
<u>7320.10.00</u> 7321.11.30	Certain miscellaneous products of base metal	Removal ¹²	Detroit Steel Products Co, Inc. Morristown, IN; Spring Research Institute, Chicago, IL; Winamac Spring Co., Inc., Winamac, IN Magic Chef Company Cleveland, TN Controladora Mabe, Mexico; General Electric Company, Fairfield, CT	***	4.1%	Yes	Brandon
<u>8301.40.60</u>	Certain locks of base metal	Waiver (Mexico)	Schlage lock Company, San Francisco, CA	***	5.7%	Yes	Brandon
<u>8407.34.20.80</u>	Certain spark-ignition internal combustion engines	Waiver (Brazil)	General Motors Corp., Detroit, MI	***	3.1%	Yes	Stonitsch

See footnotes at end of table.

HTS subheadings requiring probable effect advice and listing of digests--Continued

HTS sub- heading(s) ¹	Short title	Proposed action	Petitioner(s)	Probable effects	Col. 1 rate of duty or AVE	U.S. pro- duction, of like or directly competitive articles, Jan. 3, 1985?	Analyst
<u>8409.91.91</u>	Non cast-iron parts for certain spark-ignition internal combustion engines	Waiver ¹³ (Mexico)	Gov't of Mexico Autoprecisa, S.A. de C.V.; Mexico, Moresa; Industrial S.A. de C.V.; Mexico; Transmisiones Y Equipos Mecanica, S.A. de C.V., Mexico	***	3.1%	Yes	Stonitsch
<u>8415.82.00</u> 8415.90.00	Certain air conditioning machines and parts thereof	Waiver ¹⁴ (Mexico)	Carrier Corporation, Syracuse, NY	***	2.2%	Yes	Mata
<u>8428.90.00(pt)</u>	Garage door openers	Waiver ¹⁵ (Mexico)	The Chamberlain Group, Inc., Nogales, AZ	***	2%	Yes	Greene
<u>8483.50.80</u>	Flywheels, pulleys, and pulley blocks, nesl	Addition	Doktas Dokumculok Ve Sanayi A.S., Turkey	***	5.7%	Yes	Fravel
<u>8527.21.1010</u>	Car radio/cassette player combinations	Waiver ¹⁶ (Brazil)	Ford Motor Company, Dearborn, MI	***	3.7%	Yes	Kitzmiller
<u>8527.29.0040</u>	AM/FM car radios	Addition	Ford Motor Company, Dearborn, MI	***	8%	Yes	Kitzmiller
<u>8539.90.00</u>	Parts for electrical filament or discharge lamps	Waiver ¹⁷ (Mexico)	The Gov't of Mexico Lamparas General Electric, S.A. de C.V., Mexico	***	3.9%	Yes	Cutchin
<u>8544.51.80</u> 8544.59.20	Certain insulated elec- trical conductors	Waiver (Mexico)	The Gov't of Mexico Productos de Control, S.A. de C.V., Multilec S.A. de C.V. Cordaflex, S.A. de C.V.	***	5.3%	Yes	Cutchin

See footnotes at end of table.

HTS subheadings requiring probable effect advice and listing of digests--Continued

HTS sub- heading(s) ¹	Short title	Proposed action	Petitioner(s)	Probable effects	Col. 1 rate of duty or AVE	U.S. pro- duction, of like or directly competitive articles, Jan. 3, 1985?	Analyst
<u>9025.11.20</u>	Liquid-filled clinical thermo- meters	Waiver ¹⁸ (Brazil)	Becton Dickinson and Company, Franklin Lakes, NJ; Becton Dickinson Industrias Cirurgicas, Ltda.; Brasil	***	17%	Yes	Shetty
<u>9502.10.40</u>	Nonstuffed dolls not over 33cm in height	Waiver (Malaysia)	Mattel, Inc. El Segundo, CA	***	12%	Yes	Luther
<u>9502.10.80</u>	Certain nonstuffed dolls over 33cm in height	Waiver (Malaysia)	Mattel, Inc. El Segundo, CA	***	12%	Yes	Luther

¹ The first HTS subheading (underlined) is the Digest number.

² Advice on restoring the competitive-need limit for Mexico with respect to HTS subheading 0807.10.70 is also requested.

³ Advice on restoring the competitive-need limit for Mexico with respect to HTS subheading 0810.90.40(pt) is also requested.

⁴ There was no U.S. production, of a like or directly competitive article produced in the United States on January 3, 1985, classified under HTS subheading 1604.19.25, which is included in this digest.

⁵ ***

⁶ Advice on waiving the competitive-need limit for Thailand with respect to HTS subheading 2008.92.10 is also requested.

⁷ Advice on waiving the competitive-need limit for Turkey with respect to HTS subheading 2401.10.40 is also requested.

⁸ Advice on restoring the competitive-need limit for Mexico with respect to HTS subheading 7402.00.00 is also requested.

⁹ Advice on waiving the competitive-need limit for Mexico with respect to HTS subheading 2917.36.00 is also requested.

¹⁰ Advice on waiving the competitive-need limit for Argentina with respect to HTS subheading 3301.13.00 is also requested.

¹¹ Advice is also requested, on whether products like or directly competitive with articles included in HTS subheading 3926.90.87 were produced in the United States on January 3, 1985.

¹² Advice on waiving the competitive-need limit for Mexico with respect to HTS subheading 7321.11.30 is also requested.

¹³ Advice on restoring the competitive-need limit for Mexico with respect to HTS subheading 8409.91.91 is also requested.

¹⁴ Advice on restoring the competitive-need limit for Mexico with respect to HTS subheadings 8415.82.00 and 8415.90.00 is also requested.

¹⁵ Advice on restoring the competitive-need limit for Mexico with respect to HTS subheading 8428.90.00(pt) is also requested.

¹⁶ Advice on restoring the competitive-need limit for Brazil with respect to HTS subheading 8527.21.1010 is also requested.

¹⁷ Advice on restoring the competitive-need limit for Mexico with respect to HTS subheading 8539.90.00 is also requested.

¹⁸ Advice on restoring the competitive-need limit for Brazil with respect to HTS subheading 9025.11.20 is also requested.

COMMODITY DIGESTS

COMMODITY DIGESTS

DIGEST NO. 0409.00.00

NATURAL HONEY

Natural Honey

I. Introduction

X Addition to GSP ___ Removal from GSP ___ Competitive-need-limit waiver _____

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0409.00.00	Natural Honey	15% AVE	Yes

Description and uses.--Natural honey is a sweet, viscous fluid derived by bees from the nectar of flowers. Color, flavor, and chemical and physical composition of honey depend upon the flora from which the nectar for the honey was taken. The principal components of honey are fructose, glucose, and water.

Honey may be sold in liquid, creamed, or comb form and is used in many food products. Although not directly substitutable for sugar, honey is a widely used sweetening agent and is often included in foods for its own unique properties and flavor. Honey is further processed to obtain a high quality product. Dark, strong flavored honey is generally used industrially by baking, confectionery, and cereal industries. Light honey is considered "table-grade."

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number) ² :					
Commercial.	*2,000	*2,000	*2,000	*2,000	*2,000
Part-time	*10,000	*10,000	*10,000	*10,000	*10,000
Hobbyists	*200,000	*200,000	*200,000	*200,000	*200,000
Employment (1,000 employees) ³	*213,000	*213,000	*213,000	*213,000	*213,000
Shipments (1,000 dollars)	128,256	138,348	126,533	95,485	109,980
Exports (1,000 dollars)	5,810	7,865	8,906	6,334	7,109
Imports (1,000 dollars)	42,750	20,732	19,112	28,145	30,293
Consumption (1,000 dollars)	165,196	151,215	136,739	117,297	133,164
Import-to-consumption ratio (percent)	26	14	14	24	23
Capacity utilization (percent).	(4)	(4)	(4)	(4)	(4)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²The United States Department of Agriculture estimates that there are approximately 212,000 beekeepers in the United States. The Government, however, does not conduct any official surveys of the beekeeping population. For this report, beekeepers have been classified as hobbyists--owning fewer than 25 colonies, part-time beekeepers--owning 25-299 colonies, and commercial beekeepers--owning over 300 colonies.

³Beekeeping is a highly specialized field requiring hands-on application of such subjects as biology. Therefore, the number for employment incorporates the number of producers. The majority of beekeepers are hobbyists and part-timers, who generally do not employ others. Additional employment other than that already accounted for under "Producers" is most likely to occur under commercial enterprises, and even so does not constitute a large number.

⁴Data are not meaningful in this agricultural industry.

Comment.--Honey production in the United States varies from region to region and from year to year depending on environmental factors such as rainfall, temperature, and crops. The majority of honey harvested is extracted from the combs in extracting plants. Large, well-organized bottling

firms distribute advertised brands of honey and provide private-label packing for retail chains. Bottlers generally buy honey from domestic and foreign sources and blend the final product to keep color and flavor uniform. However, honey is an industry where national brand loyalty and recognition do not matter as much to individual consumer preference as in other products. Part of this lack of national brand loyalty stems from the fact that honey taste varies according to the flora composition at the site of production, and individual consumers enjoy the uniqueness of unblended honey.

The U.S. Government operates a honey price-support program that assists beekeepers by providing a market for honey at an assured price, thus smoothing out price fluctuations. Since 1952, the Government program has been two part, consisting of both a loan and a purchase program. Loans at the applicable price support rate are available April 1 of the crop year through January 1 of the following crop year to producers complying with the program. Producers store their honey and wait for favorable market prices, with the loan maturity date being the limit on the waiting period. (Maturity dates are staggered to prevent all honey from coming onto the market at the same time.) In the 1980's, the Government support prices generally exceeded domestic and world market prices. Consequently, approximately 90 percent of the yearly U.S. honey crop in the 1980's was produced under loan, and large forfeitures of honey to the CCC occurred. Honey forfeited under loan is disposed of through domestic food assistance programs. The current tight supply of honey in North America (caused by weather and the infestation of bees by tracheal and varroa mites) coupled with a 1986 reduction in the loan rate has caused market prices in many cases to rise above the repayment rate, and in 1990, the majority of honey was sold on the market rather than forfeited.¹

¹ World Honey Situation, United States Department of Agriculture, Foreign Agricultural Service, October 1990, pg. 3.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	30,293	100	-	23
Imports from GSP countries:				
Total	14,430	48	100	10
Argentina	7,019	23	52	5
Mexico	6,007	20	44	4
Guatemala	255	1	2	(1)
Dominican Republic	79	(1)	1	(1)

Note.--Because of rounding, figures may not add to the totals shown.

¹ Less than one percent.

Comment.--Over the past 5 years, Argentina and Mexico have consistently ranked in the top four countries exporting natural honey to the United States. During this period, Canada and China have been the other major natural honey exporting countries to the United States, with China shipping \$8.8 million and Canada \$4.6 million in 1990.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Argentina for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High Moderate X Low

Price level compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.--The United States ranks second behind West Germany for Argentinean honey exports. The Argentinean export tax on honey was eliminated as of August 7, 1990.

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 3

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High Moderate X Low

Price level compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.--Since 1987, the United States has ranked third, behind West Germany and the United Kingdom, as a destination for Mexican honey exports. Mexican honey production continues to be limited by the infestation of Africanized bees. Many part-time and small beekeepers lack the economic resources to control the Africanized bee problem, and trade sources anticipate a sharp decline in honey production and higher prices in the medium-term. Increasingly efficient medium and large producers and exporters may make recovery in production once some type of ecological equilibrium is established between the Africanized swarms and Mexican bee colonies.

IV. Competitiveness profiles, GSP suppliers--Continued

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
What is the price elasticity of U.S. demand?	High	<input checked="" type="checkbox"/>	Moderate	<input type="checkbox"/>
Can production in the country be easily expanded or contracted				
in the short term?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the country have significant export markets besides the				
United States?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Could exports from the country be readily redistributed among				
its foreign export markets?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
What is the price elasticity of import supply?	High	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>
Low	<input type="checkbox"/>			
Price level compared with--				
U.S. products.	Above	<input type="checkbox"/>	Equivalent	<input checked="" type="checkbox"/>
Other foreign products	Above	<input type="checkbox"/>	Equivalent	<input checked="" type="checkbox"/>
Below	<input type="checkbox"/>			
Quality compared with--				
U.S. products.	Above	<input type="checkbox"/>	Equivalent	<input checked="" type="checkbox"/>
Other foreign products	Above	<input type="checkbox"/>	Equivalent	<input checked="" type="checkbox"/>
Below	<input type="checkbox"/>			

Comment.--Argentina and Mexico account for 96 percent of GSP imports. Imports from other GSP suppliers of honey to the United States, such as Guatemala and the Dominican Republic are unlikely to change significantly, because these countries do not possess the capacity to greatly expand production and do not possess large export markets from which to divert shipments to the United States.

V. Position of interested parties

Petitioner.--The Government of Mexico and Sociedad Cooperativa Apirario "El Borullo" submitted a petition for the addition of natural honey to the list of GSP articles. The Government of Mexico stated that the addition of natural honey to the list of GSP articles will not cause hardship on the U.S. domestic industry and will help Mexico increase its employment and foreign exchange earnings. Sociedad Cooperativa "Apirario El Borullo" included along with the reasons supplied by the Mexican government that the addition of natural honey to GSP will increase the number of their employees from 45 to 95 by 1992. Furthermore, the supporting statement noted that the honey produced in the region where the Sociedad Cooperativa Apirario "El Borullo" is located has a unique quality due to the native flora.

VI. Summary of probable economic effects--Addition

* * * * *

Table I.

Digest Title: Natural honey
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
China.....	11,323	5,905	5,634	7,473	8,781
Argentina.....	7,751	3,722	3,668	3,349	7,019
Mexico.....	7,584	3,060	1,108	2,510	6,007
Canada.....	9,316	5,925	5,077	11,660	4,621
Australia.....	1,509	54	63	101	891
Hungary.....	144	113	1,228	815	822
West Germany.....	268	250	855	438	272
Guatemala.....	483	290	186	248	255
Switzerland.....	185	160	115	218	244
United Kingdom...	132	144	157	181	226
Soviet Union.....	239	126	203	443	223
Hong Kong.....	249	83	93	145	165
France.....	78	99	183	150	157
New Zealand.....	73	117	30	15	81
Dominican Rep....	422	115	175	103	79
All other.....	2,993	567	339	296	449
Total.....	42,750	20,732	19,112	28,145	30,293
GSP Total.....	18,944	7,690	6,588	7,167	14,430
Percent					
China.....	26.5	28.5	29.5	26.6	29.0
Argentina.....	18.1	18.0	19.2	11.9	23.2
Mexico.....	17.7	14.8	5.8	8.9	19.8
Canada.....	21.8	28.6	26.6	41.4	15.3
Australia.....	3.5	.3	.3	.4	2.9
Hungary.....	.3	.5	6.4	2.9	2.7
West Germany.....	.6	1.2	4.5	1.6	.9
Guatemala.....	1.1	1.4	1.0	.9	.8
Switzerland.....	.4	.8	.6	.8	.8
United Kingdom...	.3	.7	.8	.6	.7
Soviet Union.....	.6	.6	1.1	1.6	.7
Hong Kong.....	.6	.4	.5	.5	.5
France.....	.2	.5	1.0	.5	.5
New Zealand.....	.2	.6	.2	.1	.3
Dominican Rep....	1.0	.6	.9	.4	.3
All other.....	7.0	2.7	1.8	1.1	1.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	44.3	37.1	34.5	25.5	47.6

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990.

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

Table II.

Digest No.
04090000

Digest Title: Natural honey

U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (\$1,000 dollars)					
West Germany.....	1,668	2,542	2,355	823	1,761
Saudi Arabia.....	923	1,592	2,055	1,847	1,379
Japan.....	419	484	659	518	663
Canada.....	203	261	209	394	636
Philippines.....	88	12	524	130	346
Netherlands.....	918	202	437	98	320
Yemen (Sana).....	60	0	0	212	286
United Arab Em...	194	372	392	311	282
Kuwait.....	342	356	393	475	176
Belgium.....	90	210	132	2	153
Singapore.....	114	207	411	141	135
United Kingdom...	151	314	179	148	134
Hong Kong.....	212	555	205	113	109
Taiwan.....	13	44	58	160	105
Sweden.....	10	24	110	104	104
All other.....	404	688	786	856	520
Total.....	5,810	7,865	8,906	6,334	7,109
GSP Total.....	263	341	807	888	852
Percent					
West Germany.....	28.7	32.3	26.4	13.0	24.8
Saudi Arabia.....	15.9	20.2	23.1	29.2	19.4
Japan.....	7.2	6.1	7.4	8.2	9.3
Canada.....	3.5	3.3	2.4	6.2	9.0
Philippines.....	1.5	.2	5.9	2.1	4.9
Netherlands.....	15.8	2.6	4.9	1.6	4.5
Yemen (Sana).....	1.0	.0	.0	3.4	4.0
United Arab Em...	3.3	4.7	4.4	4.9	4.0
Kuwait.....	5.9	4.5	4.4	7.5	2.5
Belgium.....	1.6	2.7	1.5	1/	2.1
Singapore.....	2.0	2.6	4.6	2.2	1.9
United Kingdom...	2.6	4.0	2.0	2.3	1.9
Hong Kong.....	3.6	7.1	2.3	1.8	1.5
Taiwan.....	.2	.6	.7	2.5	1.5
Sweden.....	.2	.3	1.2	1.6	1.5
All other.....	7.0	8.8	8.8	13.5	7.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	4.5	4.3	9.1	14.0	12.0

1/ Less than \$500 or less than 0.1 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990.

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

DIGEST NO. 0703.10.40(pt)

GREEN (SPRING) ONIONS

Green (Spring) Onions

I. Introduction

X Addition to GSP ___ Removal from GSP ___ Competitive-need-limit waiver ___

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0703.10.40(pt)	Green (spring) onions	8% AVE	Yes

Description and uses.—Fresh onions are used as condiments for flavoring food such as in salads. There are several types of onions which enter commerce: the small undersized bulbs, called onion sets, used for planting as seed; pearl or silverskin onions, the small onions grown from sets for consumption as green onions or for processing (with frozen mixed vegetables); green spring onions consumed in the green vegetative state; and the mature onion bulbs. The dominant onion product is the mature bulb; dried or dehydrated onions are produced from the yellow onion bulb. However, the only product considered in this digest is the green spring onion or scallion, which is a fresh, perishable vegetable.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	*1,250	1,200	*1,150	*1,100	*1,100
Employment (1,000 employees).	(²)	(²)	(²)	(²)	(²)
Shipments (1,000 dollars).	*27,000	*18,000	*38,000	*35,000	*26,000
Exports (1,000 dollars).	992	1,202	1,524	1,102	2,346
Imports (1,000 dollars) ⁴	40,385	62,820	80,851	64,494	76,669
Consumption (1,000 dollars).	*64,000	*80,000	*117,000	*98,000	*100,000
Import-to-consumption ratio (percent).	*63	*79	*69	*66	*77
Capacity utilization (percent).	(²)	(²)	(²)	(²)	(²)

¹ Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

² Data are not meaningful in this agricultural industry.

³ Exports of green onions are also not specifically reported, but are estimated by USITC staff.

⁴ Imports include all items reported under HS subheading 0703.10.40, the majority of which are believed to consist of green onions, but some yellow, bulb onions are included as well.

Comment.—Green onions are grown in the United States primarily in California and Texas which together account for over two-thirds of U.S. production; some seasonal production occurs in a large number of other States as well. There were 1,200 growers of green onions reported in the United States in 1987, but this number is believed to have declined to about *1,100 in 1990. There were 18,400 acres planted in green onions in 1987, a 10-percent decline from the 1982 acreage, partly as a result of competition from Mexico. Green onion production is a labor-intensive operation similar to the growing of other fresh vegetables such as lettuce.

U.S. shipments of green onions declined irregularly by about *4 percent during 1986-90 to an estimated *\$26 million, fluctuating between \$18 million and \$38 million annually. Imports grew irregularly by 90 percent during 1986-90, reaching \$77 million; imports supplied *77 percent of apparent U.S. consumption of green onions, an increase from their *63 percent-share in 1986.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports ¹ 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	76,669	100	-	*77
Imports from GSP countries:				
Total	68,752	90	100	*69
Mexico	67,169	88	98	*67
Mauritius	250	(²)	(²)	(*) ²
Guatemala	153	(²)	(²)	(*) ²
Morocco	75	(²)	(²)	(*) ²

¹ All imports reported under HTS subheading 0703.10.40.

² Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Mexico supplies all but a small fraction of U.S. imports of onions entering under HTS subheading 0703.10.40(pt), a category which includes both green (majority) onions and a small amount of yellow bulb onions. Because green onions are a fresh vegetable, marketing and transportation are key factors in competitiveness, and only Mexico possesses these to be competitive in the U.S. market at this time. Mexico has been increasing its share of the U.S. market at the expense of domestic producers over the past 5 years. None of the other GSP eligible suppliers are significant players in the green onion market.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

 U.S. products. ¹ Above Equivalent X Below

 Other foreign products ¹ Above Equivalent Below

Quality compared with—

 U.S. products. ¹ Above Equivalent X Below

 Other foreign products ¹ Above Equivalent Below

¹ Not available.

Comment.—Mexico is the leading U.S. supplier of vegetables to the United States. The Mexican vegetable industry is very competitive with U.S. producers, having advantages in lower labor and land costs, year-around growing conditions, and proximity to the U.S. market. A number of previous U.S. growers have moved their operations to Mexico, according to industry sources, over the past 5 years, and thus Mexico's exporters have become even more adept and competitive. Other than Mexico, there are few GSP suppliers that are able to export onions of any type to the United States at a competitive price. Mexico is expected to exceed the competitive need limits based upon its past exports to the United States.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☒ No ☐

What is the price elasticity of U.S. demand? High ☒ Moderate ☐ Low ☐

Can production in the country be easily expanded or contracted

in the short term? Yes ☒ No ☐

Does the country have significant export markets besides the

United States? Yes ☐ No ☒

Could exports from the country be readily redistributed among

its foreign export markets? Yes ☐ No ☒

What is the price elasticity of import supply? High ☒ Moderate ☐ Low ☐

Price level compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products ¹ Above ☐ Equivalent ☐ Below ☐

Quality compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products ¹ Above ☐ Equivalent ☐ Below ☐

¹ Not available.

Comment.—Mexico controls the overwhelming share of U.S. imports from all countries, including GSP eligible suppliers.

V. Position of interested parties

No statements were received either in support or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects--Addition

* * * * *

Table I.

Digest No.
07031046(PT)Digest Title: Green (spring) onions
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	34,478	53,207	71,671	57,817	67,169
Canada.....	2,984	4,475	4,670	2,186	4,718
France.....	1,813	1,875	1,578	2,213	2,099
Chile.....	87	1,555	974	941	1,045
New Zealand.....	105	356	537	211	460
Netherlands.....	212	357	464	202	342
Belgium.....	370	547	345	236	255
Mauritius.....	0	0	0	148	250
Guatemala.....	104	184	170	228	153
Morocco.....	4	37	50	91	75
Argentina.....	0	0	0	0	40
Italy.....	74	16	0	0	30
Israel.....	77	43	10	6	19
Monaco.....	0	0	187	15	12
Korea.....	0	0	0	0	2
All other.....	76	168	194	198	0
Total.....	40,385	62,820	80,851	64,494	76,669
GSP Total.....	34,782	55,061	72,986	59,255	68,752
Percent					
Mexico.....	85.4	84.7	88.6	89.6	87.6
Canada.....	7.4	7.1	5.8	3.4	6.2
France.....	4.5	3.0	2.0	3.4	2.7
Chile.....	.2	2.5	1.2	1.5	1.4
New Zealand.....	.3	.6	.7	.3	.6
Netherlands.....	.5	.6	.6	.3	.4
Belgium.....	.9	.9	.4	.4	.3
Mauritius.....	.0	.0	.0	.2	.3
Guatemala.....	.3	.3	.2	.4	.2
Morocco.....	1/	.1	.1	.1	.1
Argentina.....	.0	.0	.0	.0	.1
Italy.....	.2	1/	.0	.0	1/
Israel.....	.2	.1	1/	1/	1/
Monaco.....	.0	.0	.2	1/	1/
Korea.....	.0	.0	.0	.0	1/
All other.....	.2	.3	.2	.3	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	86.1	87.6	90.3	91.9	89.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990. Imports include all items reported under HTS subheading 0703.10.40.

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

Table II.

Digest No.
07031040 (pt)Digest Title: Green (spring) onions
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	412	762	613	476	1,442
Japan.....	276	139	547	375	332
Mexico.....	8	28	25	47	265
Taiwan.....	98	76	108	60	97
Hong Kong.....	79	59	80	55	54
United Kingdom...	47	33	37	30	38
Panama.....	14	42	30	11	36
Singapore.....	12	11	8	10	27
Netherlands.....	2	1	2	3	9
Venezuela.....	0	0	0	0	8
Netherlands Ant..	0	0	4	1	8
Barbados.....	1/	4	1/	2	6
Malaysia.....	0	1/	1	1/	5
Haiti.....	0	1/	1/	0	4
Australia.....	2	17	14	2	3
All other.....	44	29	55	29	11
Total.....	992	1,202	1,524	1,102	2,346
GSP Total.....	57	95	97	78	340
Percent					
Canada.....	41.5	63.4	40.2	43.2	61.5
Japan.....	27.8	11.6	35.9	34.1	14.1
Mexico.....	.8	2.3	1.7	4.3	11.3
Taiwan.....	9.8	6.3	7.1	5.4	4.1
Hong Kong.....	8.0	4.9	5.2	5.0	2.3
United Kingdom...	4.7	2.8	2.4	2.7	1.6
Panama.....	1.4	3.5	1.9	1.0	1.6
Singapore.....	1.2	.9	.5	.9	1.1
Netherlands.....	.2	.1	.1	.3	.4
Venezuela.....	.0	.0	.0	.0	.4
Netherlands Ant..	.0	.0	.3	.1	.3
Barbados.....	1/	.4	1/	.2	.3
Malaysia.....	.0	1/	1/	1/	.2
Haiti.....	.0	1/	1/	.0	.2
Australia.....	.2	1.4	1.0	.2	.1
All other.....	4.4	2.4	3.6	2.6	.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	5.7	7.9	6.4	7.0	14.5

1/ Less than \$500 or less than 0.05 percent

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

Source: Estimated by staff of the U.S. International Trade Commission.

DIGEST NO. 0705.11.40

HEAD LETTUCE

Head Lettuce

I. Introduction

☐ Addition to GSP ☐ Removal from GSP ☒ Competitive-need-limit waiver Mexico

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0705.11.40 ¹	Head lettuce, if entered during any period other than June 1 to October 31, inclusive.	8.3% AVE	Yes

¹Mexico has been proclaimed by the President as non-eligible for GSP treatment under HTS subheading 0705.11.40.

Description and uses.—The product covered by this digest is head lettuce imported during any period other than June 1 to October 31, inclusive. Head lettuce is used principally in the fresh form in salads.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	2,000	2,000	2,000	2,000	2,000
Employment (1,000 employees)	10	10	10	10	10
Shipments (1,000 dollars)	423,000	604,000	707,000	602,000	491,000
Exports (1,000 dollars)	21,912	28,004	29,876	26,353	54,376
Imports (1,000 dollars)	2,531	3,151	8,581	4,514	2,577
Consumption (1,000 dollars)	403,619	579,147	685,705	580,161	439,201
Import-to-consumption ratio (percent)	¹	¹	¹	¹	¹
Capacity utilization (percent)	(²)	(²)	(²)	(²)	(²)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Data are not meaningful in this agricultural industry.

Comment.—The U.S. lettuce growing industry consists of thousands of fresh-market growers distributed throughout most States, with numerous small, regional producers competing with several hundred larger national producers. Most of the smaller-size farms are family owned, whereas some of the largest farms are part of large-scale, multi-State and even multinational operations. A number of the larger farms in Texas, Arizona, and California are believed to be owned by firms also farming on owned or leased land in Mexico.

Head lettuce is perishable and must be distributed quickly to protect freshness. As a result, Mexico has an advantage over other suppliers, with its established distribution channels and its close proximity to the United States. A warm climate, ample water for irrigation, and improved highways and railways have enabled Mexican producers to maintain competitiveness with U.S. producers. All of the existing technology currently used in the United States is also available in Mexico.

Head lettuce is consumed throughout the year. Since the late 1970's, the consumption of head lettuce is believed to be relatively stable from month to month (in terms of volume) as the share of U.S. consumption of head lettuce utilized by institutional users and restaurants has increased because of the popularity of salad bars.

The United States is both a principal producer and one of the largest consuming countries of fresh lettuce. Mexico, which has ample domestic supplies available for export, is the major foreign supplier to U.S. markets. Along with the benefits of technology transfer from the United States, Mexico has the added advantage of adequate low-cost labor and additional land available for expansion.

Product quality of imported head lettuce is generally equal to that of domestically produced items, with an abundant supply of such products readily available on a year-round basis in Mexico. Although there may be distinct brand loyalty or preference for certain labels, many retailers and most consumers are generally unaware of the country of origin of their vegetables purchased and, for products of comparable price and quality, do not consider such information as pertinent to their purchases.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	2,577	100	-	1
Imports from GSP countries:				
Total	2,464	96	100	1
Mexico ¹	2,464	96	100	1

¹Mexico was not eligible for GSP treatment because it exceeded the competitive need criteria.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—During 1986–90, imported head lettuce accounted for less than 1 percent of U.S. consumption of such lettuce. Mexico accounted for most U.S. imports during the period, primarily because Mexico has a transportation cost advantage over other foreign producers of this bulky commodity. Mexico also has an advantage over other foreign suppliers with regard to its proximity to major U.S. markets. Imports from Mexico have traditionally supplemented domestic supplies.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

V. Position of interested parties

Support.—Procesadora De Uvas, S.P.R and Lynx Esportadora, SA. support the request for a waiver of the competitive-need limit on head lettuce (HTS subheading No. 0705.11.40) from Mexico. These firms stated that their production complements U.S. production during the period covered by the waiver request. They noted that the equipment used to produce lettuce, the seed, and packing materials are imported from the United States.

VI. Summary of probable economic effects—competitive-need-limit waiver (Mexico)

* * * * *

Table I.

Digest Title: Head lettuce
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	2,350	2,934	8,347	4,275	2,464
Canada.....	128	119	81	194	108
Belgium.....	10	12	0	0	3
Netherlands.....	6	16	3	0	1
Guatemala.....	0	21	23	5	0
Costa Rica.....	0	0	0	1	0
Monaco.....	0	0	12	0	0
France.....	3	11	5	0	0
Italy.....	12	37	97	35	0
Turkey.....	4	0	0	0	0
Thailand.....	18	1	0	3	0
Morocco.....	0	0	7	0	0
Mozambique.....	0	0	7	0	0
Total.....	2,531	3,151	8,581	4,514	2,577
GSP Total.....	2,372	2,956	8,383	4,284	2,464
Percent					
Mexico.....	92.9	93.1	97.3	94.7	95.6
Canada.....	5.0	3.8	.9	4.3	4.2
Belgium.....	.4	.4	.0	.0	.1
Netherlands.....	.2	.5	1/	.0	1/
Guatemala.....	.0	.7	.3	.1	.0
Costa Rica.....	.0	.0	.0	1/	.0
Monaco.....	.0	.0	.1	.0	.0
France.....	.1	.3	.1	.0	.0
Italy.....	.5	1.2	1.1	.8	.0
Turkey.....	.1	.0	.0	.0	.0
Thailand.....	.7	1/	.0	.1	.0
Morocco.....	.0	.0	.1	.0	.0
Mozambique.....	.0	.0	.1	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	93.7	93.8	97.7	94.9	95.6

1/ Less than \$500 or less than 0.1 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990.

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

Table II.

Digest No.
07051140

Digest Title: Head lettuce

U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	17,842	23,453	23,620	19,599	44,286
Hong Kong.....	2,472	2,710	3,866	3,762	3,984
United Kingdom...	686	933	944	1,205	2,027
Mexico.....	60	56	242	448	1,789
Taiwan.....	75	190	343	478	800
Netherlands.....	70	0	21	189	720
Singapore.....	11	63	170	241	220
Japan.....	44	8	114	8	118
Sweden.....	88	26	32	71	79
Netherlands Ant..	0	0	216	100	73
Switzerland.....	0	0	0	4	49
West Germany.....	3	0	4	11	47
Kuwait.....	59	145	67	66	21
Belgium.....	0	9	0	0	21
Finland.....	0	0	0	3	19
All other.....	502	410	238	170	123
Total.....	21,912	28,004	29,876	26,353	54,376
GSP Total.....	548	459	671	704	1,927
Percent					
Canada.....	81.4	83.7	79.1	74.4	81.4
Hong Kong.....	11.3	9.7	12.9	14.3	7.3
United Kingdom...	3.1	3.3	3.2	4.6	3.7
Mexico.....	.3	.2	.8	1.7	3.3
Taiwan.....	.3	.7	1.1	1.8	1.5
Netherlands.....	.3	.0	.1	.7	1.3
Singapore.....	.1	.2	.6	.9	.4
Japan.....	.2	1/	.4	1/	.2
Sweden.....	.4	.1	.1	.3	.1
Netherlands Ant..	.0	.0	.7	.4	.1
Switzerland.....	.0	.0	.0	1/	.1
West Germany.....	1/	.0	1/	1/	.1
Kuwait.....	.3	.5	.2	.2	1/
Belgium.....	.0	1/	.0	.0	1/
Finland.....	.0	.0	.0	1/	1/
All other.....	2.3	1.5	.8	.6	.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	2.5	1.6	2.2	2.7	3.5

1/ Less than \$500 or less than 0.1 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990.

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

DIGEST NO. 0709.90.40(pt)
CILANTRO (FRESH CORIANDER)

Cilantro (Fresh Coriander)

I. Introduction

X Addition to GSP Removal from GSP Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0709.90.40(pt)	Cilantro (fresh coriander)	25%	Yes

Description and uses.—Cilantro or fresh coriander is a fresh herb which is a specialty vegetable used for flavoring a variety of foods, particularly Mexican style cuisine. Sales of cilantro and other similar culinary herbs (such as basil, rosemary, mint, garlic, parsley, watercress, dill, and ginger root) are one of the fastest growing segments of the fresh vegetable market. Fresh cilantro is sold and traded as a fresh vegetable, increasingly throughout the United States, boosted in part by the popularity of Mexican food.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number) ²	*800	866	*920	*980	*1,100
Employment (1,000 employees).	(³)	(³)	(³)	(³)	(³)
Shipments (1,000 dollars) ²	**2,000	**2,500	**3,500	**4,500	**6,500
Exports (1,000 dollars) ⁴	0	0	0	0	0
Imports (1,000 dollars) ⁵	1,668	3,040	3,062	6,086	8,506
Consumption (1,000 dollars)	**3,700	**5,500	**6,600	**10,600	**15,000
Import-to-consumption ratio (percent)	**45	**55	**46	**57	**57
Capacity utilization (percent).	(³)	(³)	(³)	(³)	(³)

¹ Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

² Includes data for producers and shipments of all miscellaneous fresh herbs which include cilantro, basil, and rosemary, among others.

³ Data are not meaningful in this agricultural industry.

⁴ Exports are not specifically reported, but believed to be negligible.

⁵ Imports include all items reported under HTS subheading 0709.90.40, the majority of which are believed to consist of cilantro, but other miscellaneous fresh vegetables are also included as well.

Comment.—There are little trade or production data available on cilantro although some data exists on the category of "fresh herbs." Domestic consumption and production of fresh herbs (used chiefly for culinary or cooking uses such as cilantro) have grown at an accelerating speed, tripling over the past 5 years. In 1987, the U.S. Census Bureau reported that there were 10 million pounds of fresh herbs produced in the United States; by 1990, the U.S. Department of Agriculture reported

that in the 18 principal U.S. metropolitan areas, "arrivals" (shipments) of the various fresh herbs (a category which includes cilantro, basil, and rosemary, among others) reached 26 million pounds.¹

In 1989, California was the leading producing State with about 70 percent of domestic-origin arrivals of fresh herbs, followed by Florida with a 20-percent share. The acreage planted in herbs in California increased from 1,157 acres in 1989 to nearly 2,700 acres in 1990, according to data of the State of California. USDA also reports weekly prices for cilantro and other fresh herbs for most of the leading 18 U.S. cities, a fact which indicates the widespread popularity and sales of cilantro throughout the United States.²

The estimated value of U.S. shipments of cilantro more than **tripled from an estimated **\$2 million in 1986 to **\$6.5 million in 1990. Imports have grown steadily during 1986-90, reaching \$8.5 million; imports supplied **57 percent of estimated U.S. consumption of cilantro.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports ¹ 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	8,506	100	-	**57
Imports from GSP countries:				
Total	8,123	96	100	**54
Mexico	7,736	91	95	**52
Costa Rica	266	3	3	**2
Jamaica	54	1	1	**(2)
Grenada	20	(2)	(2)	**(2)

¹ All imports reported under HTS subheading 0709.90.40 which include many fresh herbs and other miscellaneous fresh vegetables.

² Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Mexico supplies all but a small fraction of U.S. imports of cilantro entering under HTS subheading 0709.90.40(pt), which includes both cilantro and other miscellaneous fresh herbs. Because cilantro is a fresh vegetable, marketing and transportation are key factors in competitiveness, and only Mexico possesses these to be competitive in the U.S. market at this time. In addition, cilantro is used principally in Mexican-style foods, and Mexico is thought to have a marketing advantage because of this. None of the other GSP eligible suppliers are significant suppliers of cilantro.

¹ USDA, ERS, "Herb Production Up According to Census," Vegetables and Specialties, March 1990, pp. 6-7. Since the "arrivals" data cover only a proportion of total U.S. shipments, U.S. total shipments of fresh herbs are doubtless larger than 26 million pounds.

² USDA, AMS, National Wholesale Herb Market News Report.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent X Below

Other foreign products¹ Above Equivalent Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products¹ Above Equivalent Below

¹ Not available.

Comment.—Mexico is the leading U.S. supplier of vegetables to the United States. The Mexican vegetable industry is very competitive with U.S. producers. Mexico has a competitive advantage in labor and land costs, year round growing conditions, and proximity to the U.S. market. A number of previous U.S. growers have moved their operations to Mexico, according to industry sources, over the past 5 to 10 years, and thus Mexico's exporters have become even more adept and competitive. Other than Mexico, there are few GSP suppliers that are able to export fresh herbs of any type to the United States at a competitive price. Mexico is expected to exceed the competitive need limits based upon its past exports to the United States.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent X Below

Other foreign products¹ Above Equivalent Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products¹ Above Equivalent Below

¹ Not available.

Comment.—Mexico controls the overwhelming share of U.S. imports from all countries, including GSP eligible suppliers.

V. Position of interested parties

Petitioners.—The Rancho Cardoso and the Asociacion Agricola Local de Productores de Hortalizas de Tijuana "La Isleta" of Mexico (the petitioners) indicated in brief and testimony that the removal of the duty on U.S. imports of cilantro would have a minimal economic effect on the U.S. industry producing a like or directly competitive product. The petitioners indicated that this product was previously duty free under the former TSUS, that this product lost its GSP status inadvertently as a result of the conversion to the HTS, and that U.S. consumers are disadvantaged by having to pay a 25-percent duty.

Support.—The Blue Star Produce Company of Dallas, Texas, an importer of Mexican cilantro, indicated in a written statement that the duty on cilantro be eliminated since prices for Mexican and U.S. cilantro are "pretty much the same no matter where they are grown." The company indicated that its U.S. customers demanded that the company sell the Mexican cilantro because of its stem length and flavor, and that "the crossing fees and freight drive up the costs enough without further regulation or interference from the government," and that "if we are to have a free trade agreement then let's begin with an even playing field."

VI. Summary of probable economic effects--Addition

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
07099040 (pt)Digest Title: Cilantro (fresh coriander)
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	1,048	1,616	2,229	5,007	7,736
China.....	62	71	76	290	273
Costa Rica.....	1/	1	7	173	266
Canada.....	104	160	75	395	72
Jamaica.....	4	13	6	18	54
Dominican Rep....	22	20	36	18	32
Japan.....	13	10	14	74	21
Grenada.....	0	0	0	0	20
Hong Kong.....	2	5	1	0	11
Thailand.....	14	95	63	12	6
Mauritius.....	1/	1	0	5	5
Netherlands.....	7	15	4	19	3
Trin & Tobago....	1/	11	21	8	3
Italy.....	179	403	399	25	3
Guatemala.....	1	9	2	2	0
All other.....	212	610	130	41	0
Total.....	1,668	3,040	3,062	6,086	8,506
GSP Total.....	1,199	2,059	2,406	5,278	8,123
Percent					
Mexico.....	62.8	53.2	72.8	82.3	91.0
China.....	3.7	2.3	2.5	4.8	3.2
Costa Rica.....	1/	1/	.2	2.8	3.1
Canada.....	6.2	5.3	2.4	6.5	.8
Jamaica.....	.2	.4	.2	.3	.6
Dominican Rep....	1.3	.7	1.2	.3	.4
Japan.....	.8	.3	.5	1.2	.3
Grenada.....	.0	.0	.0	.0	.2
Hong Kong.....	.1	.1	1/	.0	.1
Thailand.....	.8	3.1	2.1	.2	.1
Mauritius.....	1/	1/	.0	.1	.1
Netherlands.....	.4	.5	.1	.3	1/
Trin & Tobago....	1/	.4	.7	.1	1/
Italy.....	10.7	13.3	13.0	.4	1/
Guatemala.....	1/	.3	.1	1/	.0
All other.....	12.7	20.1	4.2	.7	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	71.9	67.7	78.6	86.7	95.5

1/ Less than \$500 or less than 0.1 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990. Imports include all items reported under HTS subheading 0709.90.40.

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

DIGEST NO. 0712.10.00
CERTAIN DRIED VEGETABLES

Certain Dried Vegetables¹

I. Introduction

☒ Addition to GSP ☐ Removal from GSP ☐ Competitive-need-limit waiver

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0712.10.00	Dried potatoes.	3% AVE	Yes
0712.20.20	Onion powder or flour.	35%	Yes
0712.20.40	Dried onion, other than powder or flour.	25%	Yes
0712.90.40	Dried garlic, except powder or flour.	35%	Yes
0712.90.75	Dried tomatoes.	13%	Yes

Description and uses.—The dried vegetables covered by this digest are used primarily by food processors and the food service industry, as seasonings or food flavorings. Dried onions and garlic are primarily used in seasoning meat and meat products, sauces, soups, and dry mixes. Dried potatoes are used in soups and other dry mixes. Dried tomatoes are used in soup mixes.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	20	20	20	20	20
Employment (1,000 employees)	5	5	5	5	5
Shipments (1,000 dollars)	203,080	187,672	284,099	316,954	334,944
Exports (1,000 dollars)	42,346	43,378	48,342	55,892	71,033
Imports (1,000 dollars)	11,468	15,447	18,035	34,915	54,845
Consumption (1,000 dollars)	172,202	159,741	253,792	295,977	318,756
Import-to-consumption ratio (percent)	7	10	7	12	17
Capacity utilization (percent)	(²)	(²)	(²)	(²)	(²)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Data are not meaningful in this agricultural industry.

Comment.—During 1986-90, U.S. consumption of products covered by this digest increased by 85 percent. During the same period imports of products covered by this digest increased nearly four-fold. Dehydrated onions and garlic account for the bulk of U.S. consumption of products covered by this digest. Domestic producers supplied over 90 percent of the dried onions and garlic and dried potatoes consumed during 1986-90. Apparent consumption of dried tomatoes is supplied primarily from import sources.

For both U.S. and foreign dried vegetable growing industries, climate (i.e., rainfall, temperature, and soil type) is a significant factor in the production of the vegetables covered by this digest, along with an adequate labor supply. Domestic producers have a competitive advantages over their foreign counterparts because of their proximity to U.S. markets and distribution channels. Any advantage in U.S. production technology is generally short-lived owing to technology transfers between countries.

¹ This digest includes the following HTS subheadings: 0712.10.00, 0712.20.20, 0712.20.40, 0712.90.40, and 0712.90.75.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	54,845	100	-	17
Imports from GSP countries:				
Total	16,900	31	100	5
Morocco	7,567	14	45	2
Mexico	6,471	14	38	2
Israel ¹	444	1	3	(²)
Chile	428	1	3	(²)

¹ Although imports of dried potatoes (HTS subheading 0712.10.00) from Israel are not eligible for duty-free entry under the GSP, imports of this item during 1990 from Israel entered duty-free under the provisions of the United States-Israel Free Trade Area Implementation Act of 1985 (Act). Imports of dried onions (HTS subheadings 0712.20.20 and 0712.20.40), certain dried garlic (HTS subheading 0712.90.40), and dried tomatoes (HTS subheading 0712.90.75) were not eligible for duty-free entry from Israel in 1990 under the Act.

² Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—In 1990, GSP suppliers provided 31 percent of the imports of digest products as a whole; however, their share for individual HTS subheadings ranged from 6 percent for HTS subheading 0712.90.40 to 95 percent for HTS subheading 0712.20.40. Mexico was the predominant GSP supplier for the subheadings covering dehydrated onions and garlic; Peru was the leading GSP supplier of dried potatoes; and Morocco was the leading GSP supplier of dried tomatoes. It also should be noted that Mexico accounted for 89 percent of total imports of onion powder or flour (HTS subheading 0712.20.20) and 79 percent of total imports of dried onions, other than powder or flour (HTS subheading 0712.20.40).

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Morocco for all digest products

Ranking as a U.S. import supplier, 1990. 4

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.—With exceptions imported dehydrated tomato products from Morocco and domestic dehydrated tomato products are of comparable quality. Because of their lower cost basis, the imported dehydrated tomato products sell at a discount to the domestic products. Most dehydrated tomato products are consumed as intermediate products.

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 5

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Comment.—The price elasticity of U.S. demand for imports and the price elasticity of import supply are extremely high for imported onions. The onion and garlic industry in Mexico has been expanding in recent years and has been developing marketing channels for export to the United States. The imported products from Mexico are usually sold at a discount to the domestic product because of their lower cost basis. The imported product is usually of lower quality than the domestic product because of the reliance on hand labor compared with domestic producers who have developed sophisticated harvesting and processing equipment. Most dehydrated onions are consumed as intermediate products.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

V. Position of interested parties

Support.—Dehidratadora GAB, S.A. de C.V. (GAB) supports the request for GSP duty-free treatment for dried onions and garlic. GAB asserts that the granting of GSP duty-free treatment to these products would have no adverse economic impact on the U.S. industry producing like or directly competitive products, and could greatly benefit consumers who are forced to pay an unnecessarily high price for these products as a result of the extraordinarily high rates of duty imposed upon these products. GAB stated that harvested acreage and production of garlic has increased in California, the principal U.S. production region, a characteristic not usually associated with an industry in need of extraordinary tariff protection. GAB also noted that GSP eligibility for dried onions in all forms would enable U.S. companies which purchase the product to reduce somewhat their overwhelming dependence of U.S. suppliers, and to diversify their sourcing.

Opposition.—Senators Steve Symms and Larry E. Craig of Idaho and Congressmen Richard H. Stallings and Larry LaRocco of Idaho and Congressman Sid Morrison of Washington are opposed to the granting of duty-free treatment under the Generalized System of Preferences (GSP) for dehydrated potatoes, onions, and garlic. They stated that the petition for duty-free status for imported dehydrated potatoes could not come at a worse time. The 1991 potato crop has ushered in one of the greatest periods of surplus in years. Efforts are underway to include U.S. potatoes in various subsidized export programs. If we, at the same time, open our borders to import it totally defeats the purpose. Furthermore, the Senators and Congressmen are of the opinion that the tariff on onions and garlic is the domestic industry's only protection against government subsidized, foreign imports often of lower quality. Removal of the tariff will jeopardize the industry's existing market share and could very well spell the demise of domestic operations. In addition, Congressman Morrison expressed concern that the granting of GSP duty-free treatment to dehydrated potatoes, onions, and garlic products would severely undermine the negotiating powers we currently hold going into the deliberations on the North American Free Trade Agreement.

The National Association of Growers and Processors for Fair Trade opposes the granting of GSP treatment on dried tomatoes. The Association asserts that imported dried tomatoes and dehydrated tomatoes are directly competitive with U.S. products. Dehydrated tomatoes are themselves highly import-sensitive and are directly competitive with other processed tomato products which are highly import sensitive. Imports of dehydrated tomatoes displace U.S. production at the processor level and affect quantities and prices of competing tomato products all the way down to the grower level. Imports cause adverse economic effects for growers and processors.

The Association also gave the following reasons for not granting GSP duty-free treatment to dehydrated tomato products in this digest: GSP treatment would give Israel an uncompensated concession incompatible with the U.S.-Israel FTA agreement because dehydrated tomato products are one of a handful of commodities for which the duties for Israel were frozen until 1995; and the existing MFN tariff is not an impediment to imports of dried or dehydrated tomatoes.

The American Dehydrated Onion and Garlic Association is opposed to the granting of GSP treatment to dehydrated onions and garlic. The Association contends that domestic dehydrated onion and garlic products are import trade sensitive, particularly in the context of the GSP, and therefore, should not be designated as articles eligible for duty-free treatment. The loss of tariff protection for dehydrated onion and garlic under the GSP program would be damaging to the domestic industry, the U.S. food industry, California agriculture, a number of local economies, and thousands of real people. In return, the American consumer would be treated to neither a high quality product or a lower price; indeed, the consumer would reap no discernible benefit.

Basic American, Inc. is opposed to the granting of GSP duty-free treatment to dehydrated potatoes. Basic American, Inc. asserts that the granting of such treatment will have an adverse economic impact on the U.S. potato industry in all forms—fresh, dehydrated, frozen, and canned. Basic American, Inc. asserts that (1) the removal of the import tariff protection would likely encourage the importation of foreign dehydrated potatoes into a saturated market, (2) increased competition from imports will reduce the market for U.S. dehydrated potatoes, thereby reducing the sales market for U.S. fresh producers to the U.S. dehydration industry, (3) the U.S. market cannot absorb additional supplies of potatoes—fresh or dehydrated—without a significant price impact, (4) any decline in the U.S. dehydrated potato industry would have a negative impact on industry employees and the communities surrounding the plants, (5) removing the import tariff on dehydrated potatoes at the same time the U.S. government is trying to assist the industry by developing export markets through the use of export credits would be counterproductive, and (6) a time of great surplus in the domestic market is not an appropriate time for the U.S. government to sanction and encourage increased foreign imports through preferential tariff treatment.

VI. Summary of probable economic effects—Addition

★ ★ ★ ★ ★ ★ ★

VI. Summary of probable economic effects--Addition

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
07121000Digest Title: Certain dried vegetables
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Spain.....	2,383	4,356	7,003	14,826	15,006
China.....	1,158	1,676	1,449	3,539	8,929
Switzerland.....	2,192	3,386	2,535	4,251	7,962
Morocco.....	1,566	2,158	2,950	3,493	7,567
Mexico.....	10	23	4	1,989	6,471
Portugal.....	2,350	2,386	2,071	2,381	2,767
Italy.....	76	65	71	1,099	2,128
Hungary.....	236	33	348	857	1,436
West Germany.....	16	89	57	82	456
Israel.....	1	1	1	317	444
Chile.....	0	0	25	266	428
Canada.....	530	617	907	979	384
Egypt.....	0	0	0	1	219
Yugoslavia.....	0	0	0	51	181
France.....	281	223	98	260	74
All other.....	668	433	516	524	392
Total.....	11,468	15,447	18,035	34,915	54,845
GSP Total.....	1,850	2,465	3,425	7,176	16,900
Percent					
Spain.....	20.8	28.2	38.8	42.5	27.4
China.....	10.1	10.8	8.0	10.1	16.3
Switzerland.....	19.1	21.9	14.1	12.2	14.5
Morocco.....	13.7	14.0	16.4	10.0	13.8
Mexico.....	.1	.2	1/	5.7	11.8
Portugal.....	20.5	15.4	11.5	6.8	5.0
Italy.....	.7	.4	.4	3.1	3.9
Hungary.....	2.1	.2	1.9	2.5	2.6
West Germany.....	.1	.6	.3	.2	.8
Israel.....	1/	1/	1/	.9	.8
Chile.....	.0	.0	.1	.8	.8
Canada.....	4.6	4.0	5.0	2.8	.7
Egypt.....	.0	.0	.0	1/	.4
Yugoslavia.....	.0	.0	.0	.1	.3
France.....	2.5	1.4	.5	.7	.1
All other.....	5.8	2.8	2.9	1.5	.7
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	16.1	16.0	19.0	20.6	30.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
07121000
HTS No.
07121000

Digest Title: Certain dried vegetables
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	520	611	895	960	347
Spain.....	0	0	0	0	107
Peru.....	15	10	6	32	48
West Germany.....	2	0	0	15	19
Korea.....	3	1	2	16	18
Netherlands.....	18	2	9	35	8
Taiwan.....	1	1	1	1	3
Japan.....	1	0	1	1	3
China.....	9	7	14	5	3
Hungary.....	0	0	0	0	1
Mexico.....	1	0	0	0	0
Colombia.....	0	1	1	0	0
United Kingdom...	145	16	0	0	0
Portugal.....	0	0	1	0	0
Israel.....	1	1	1	43	0
All other.....	1	1	10	10	0
Total.....	715	651	942	1,119	557
GSP Total.....	17	12	11	76	49
Percent					
Canada.....	72.7	93.8	95.0	85.8	62.4
Spain.....	.0	.0	.0	.0	19.2
Peru.....	2.1	1.6	.7	2.9	8.6
West Germany.....	.2	.0	.0	1.3	3.3
Korea.....	.4	.2	.2	1.4	3.3
Netherlands.....	2.5	.3	1.0	3.1	1.4
Taiwan.....	.1	.1	.2	.1	.6
Japan.....	.1	.0	.1	.1	.6
China.....	1.3	1.1	1.5	.5	.5
Hungary.....	.0	.0	.0	.0	.2
Mexico.....	.1	.0	.0	.0	.0
Colombia.....	.0	.1	.1	.0	.0
United Kingdom...	20.3	2.4	.0	.0	.0
Portugal.....	.0	.0	.1	.0	.0
Israel.....	.1	.2	.1	3.9	.0
All other.....	.2	.1	1.1	.9	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	2.4	1.9	1.1	6.8	8.8

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
07121000
HTS No.
07122020

Digest Title: Certain dried vegetables.
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	0	0	0	717	2,953
Egypt.....	0	0	0	0	148
China.....	5	3	0	0	59
West Germany.....	0	0	0	0	56
France.....	0	0	0	34	40
Taiwan.....	0	5	43	33	20
Chile.....	0	0	0	0	18
Argentina.....	0	0	0	0	6
Australia.....	0	0	0	0	4
Netherlands.....	0	0	0	0	3
Dominican Rep....	0	1	0	0	0
Italy.....	3	0	0	0	0
Total.....	8	9	43	783	3,307
GSP Total.....	0	1	0	717	3,125
Percent					
Mexico.....	.0	.0	.0	91.5	89.3
Egypt.....	.0	.0	.0	.0	4.5
China.....	60.4	28.8	.0	.0	1.8
West Germany.....	.0	.0	.0	.0	1.7
France.....	.0	.0	.0	4.3	1.2
Taiwan.....	.0	57.5	100.0	4.2	.6
Chile.....	.0	.0	.0	.0	.5
Argentina.....	.0	.0	.0	.0	.2
Australia.....	.0	.0	.0	.0	.1
Netherlands.....	.0	.0	.0	.0	.1
Dominican Rep....	.0	13.7	.0	.0	.0
Italy.....	39.6	.0	.0	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	.0	13.7	.0	91.5	94.5

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
07121000
HTS No.
07122040

Digest Title: Certain dried vegetables
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (\$1,000 dollars)					
Mexico.....	8	0	0	855	2,803
Switzerland.....	0	0	12	20	269
Yugoslavia.....	0	0	0	51	181
West Germany.....	2	0	17	30	66
China.....	0	0	2	1	58
Egypt.....	0	0	0	0	52
Poland.....	0	0	5	0	47
Netherlands.....	0	0	0	0	21
France.....	0	0	0	0	17
Taiwan.....	2	16	0	1	15
Argentina.....	0	0	0	0	15
Chile.....	0	0	0	0	8
Canada.....	6	1	11	0	0
Colombia.....	0	172	0	0	0
Hungary.....	0	0	0	146	0
All other.....	2	1	7	10	0
Total.....	19	190	53	1,115	3,553
GSP Total.....	8	173	11	1,056	3,106
Percent					
Mexico.....	39.2	.0	.0	76.6	78.9
Switzerland.....	.0	.0	22.4	1.8	7.6
Yugoslavia.....	.0	.0	.0	4.6	5.1
West Germany.....	9.2	.0	31.6	2.7	1.9
China.....	.0	.0	3.1	.1	1.6
Egypt.....	.0	.0	.0	.0	1.5
Poland.....	.0	.0	8.5	.0	1.3
Netherlands.....	.0	.0	.0	.0	.6
France.....	.0	.0	.0	.0	.5
Taiwan.....	8.4	8.4	.0	.1	.4
Argentina.....	.0	.0	.0	.0	.4
Chile.....	.0	.0	.0	.0	.2
Canada.....	30.5	.6	21.3	.0	.0
Colombia.....	.0	90.3	.0	.0	.0
Hungary.....	.0	.0	.0	13.1	.0
All other.....	12.7	.8	13.1	.9	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	39.2	91.0	21.6	94.7	87.4

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
07121000
MTS No.
07129040

Digest Title: Certain dried vegetables
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
China.....	1,143	1,666	1,433	3,528	8,810
Mexico.....	1	22	4	284	501
Chile.....	0	0	0	0	39
Hong Kong.....	58	70	43	108	35
Egypt.....	0	0	0	0	18
United Kingdom...	2	0	0	0	13
Canada.....	4	6	0	19	12
Taiwan.....	32	11	11	3	6
West Germany.....	9	1	0	0	6
Pakistan.....	0	0	3	4	4
Korea.....	0	4	0	0	2
Japan.....	16	16	9	4	1
India.....	8	3	2	3	1
Guatemala.....	9	28	1	79	0
Dominican Rep....	0	0	1	3	0
All other.....	47	61	60	124	0
Total.....	1,329	1,886	1,567	4,160	9,448
GSP Total.....	23	74	32	393	564
Percent					
China.....	86.0	88.3	91.5	84.8	93.2
Mexico.....	.1	1.2	.3	6.8	5.3
Chile.....	.0	.0	.0	.0	.4
Hong Kong.....	4.3	3.7	2.7	2.6	.4
Egypt.....	.0	.0	.0	.0	.2
United Kingdom...	.1	.0	.0	.0	.1
Canada.....	.3	.3	.0	.5	.1
Taiwan.....	2.4	.6	.7	.1	.1
West Germany.....	.7	.1	.0	.0	.1
Pakistan.....	.0	.0	.2	.1	1/
Korea.....	.0	.2	.0	.0	1/
Japan.....	1.2	.9	.5	.1	1/
India.....	.6	.2	.1	.1	1/
Guatemala.....	.7	1.5	.1	1.9	.0
Dominican Rep....	.0	.0	.1	.1	.0
All other.....	3.5	3.2	3.8	3.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	1.7	3.9	2.0	9.5	6.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
07121000
HTS No.
07129075

Digest Title: Certain dried vegetables
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Spain.....	2,383	4,324	7,003	14,825	14,899
Switzerland.....	2,183	3,386	2,523	4,230	7,693
Morocco.....	1,566	2,158	2,950	3,493	7,567
Portugal.....	2,350	2,386	2,070	2,381	2,767
Italy.....	65	62	71	1,099	2,128
Hungary.....	236	33	348	711	1,435
Israel.....	0	0	0	273	444
Chile.....	0	0	25	266	364
West Germany.....	4	87	41	37	308
Mexico.....	0	1	0	133	215
Austria.....	0	0	48	0	47
Netherlands.....	79	1	0	33	35
Argentina.....	0	0	0	24	27
Canada.....	0	0	0	0	25
France.....	256	223	96	124	17
All other.....	272	50	255	109	8
Total.....	9,396	12,711	15,429	27,738	37,980
GSP Total.....	1,802	2,205	3,371	4,934	10,057
Percent					
Spain.....	25.4	34.0	45.4	53.4	39.2
Switzerland.....	23.2	26.6	16.4	15.3	20.3
Morocco.....	16.7	17.0	19.1	12.6	19.9
Portugal.....	25.0	18.8	13.4	8.6	7.3
Italy.....	.7	.5	.5	4.0	5.6
Hungary.....	2.5	.3	2.3	2.6	3.8
Israel.....	.0	.0	.0	1.0	1.2
Chile.....	.0	.0	.2	1.0	1.0
West Germany.....	1/	.7	.3	.1	.8
Mexico.....	.0	1/	.0	.5	.6
Austria.....	.0	.0	.3	.0	.1
Netherlands.....	.8	1/	.0	.1	.1
Argentina.....	.0	.0	.0	.1	.1
Canada.....	.0	.0	.0	.0	.1
France.....	2.7	1.8	.6	.4	1/
All other.....	2.9	.4	1.7	.4	1/
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	19.2	17.3	21.8	17.8	26.5

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
07121000Digest Title: Certain dried vegetables
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	5,582	7,623	7,345	7,218	15,008
Japan.....	6,120	7,400	8,749	9,396	10,488
United Kingdom...	8,658	6,129	7,299	9,032	10,354
West Germany.....	4,798	5,782	6,193	6,730	7,811
Australia.....	3,806	3,702	4,217	4,858	5,483
Sweden.....	1,701	1,623	2,041	2,443	3,382
Netherlands.....	1,413	1,662	1,715	2,425	2,363
Finland.....	640	861	1,072	1,219	1,532
Mexico.....	175	343	225	572	1,319
Spain.....	883	1,106	1,102	1,211	1,278
Switzerland.....	1,014	1,308	1,231	1,295	1,132
Norway.....	705	863	833	866	905
Denmark.....	389	431	402	590	836
France.....	184	153	196	635	826
Philippines.....	170	267	143	711	789
All other.....	6,109	4,127	5,580	6,690	7,527
Total.....	42,346	43,378	48,342	55,892	71,033
GSP Total.....	4,115	2,871	3,677	5,381	6,606
Percent					
Canada.....	13.2	17.6	15.2	12.9	21.1
Japan.....	14.5	17.1	18.1	16.8	14.8
United Kingdom...	20.4	14.1	15.1	16.2	14.6
West Germany.....	11.3	13.3	12.8	12.0	11.0
Australia.....	9.0	8.5	8.7	8.7	7.7
Sweden.....	4.0	3.7	4.2	4.4	4.8
Netherlands.....	3.3	3.8	3.5	4.3	3.3
Finland.....	1.5	2.0	2.2	2.2	2.2
Mexico.....	.4	.8	.5	1.0	1.9
Spain.....	2.1	2.5	2.3	2.2	1.8
Switzerland.....	2.4	3.0	2.5	2.3	1.6
Norway.....	1.7	2.0	1.7	1.5	1.3
Denmark.....	.9	1.0	.8	1.1	1.2
France.....	.4	.4	.4	1.1	1.2
Philippines.....	.4	.6	.3	1.3	1.1
All other.....	14.4	9.5	11.5	12.0	10.6
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	9.7	6.6	7.6	9.6	9.3

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 0804.20.40

FIGS AND FIG PASTE

Figs and Fig Paste¹

I. Introduction

☒ Addition to GSP ☐ Removal from GSP ☐ Competitive-need-limit waiver

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0804.20.40	Whole figs in immediate containers weighing with their contents over 0.5 kg each.	4.4% AVE	Yes
0804.20.80	Other	11.7% AVE	Yes

Description and uses.--This digest includes whole dried figs and fig paste. Dried figs are eaten out of hand, processed into juice, used in cooking and baking, or ground into fig paste. Fig paste is used primarily in fig bars, a cookie with a filling made chiefly of fig paste. It is also used in similar items produced by the bakery industry.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number) ²	*697	*647	*600	*550	*500
Employment (1,000 employees) ³	(³)	(³)	(³)	(³)	(³)
Shipments (1,000 dollars) ⁴	17,334	19,715	21,600	20,460	16,280
Exports (1,000 dollars)	1,807	2,276	2,994	2,413	4,262
Imports (1,000 dollars)	858	1,594	1,700	2,765	4,104
Consumption (1,000 dollars)	16,385	19,033	20,306	20,812	16,122
Import-to-consumption ratio (percent)	5	8	8	13	25
Capacity utilization (percent) ⁵	(³)	(³)	(³)	(³)	(³)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Farms.

³Not available.

⁴Official statistics of the U.S. Department of Agriculture, NASS.

⁵Data are not meaningful in this agricultural industry.

Comment.-- Figs are produced in all 50 states; however, almost all commercial production of figs is concentrated in two counties of California. In 1990, there were approximately 100 producers and 4 processors that handle and pack all domestic output; down from nearly 400 growers and 14 processors in 1950.

The leading export markets for the period covered were Canada and Hong Kong, accounting for 53 and 21 percent of U.S. exports, respectively. Japan, United Kingdom and West Germany were also negligible export markets for most of the 5-year period.

¹ This digest includes the following HTS subheadings: 0804.20.40 and 0804.20.80.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	4,104	100	-	25
Imports from GSP countries:				
Total	2,326	57	100	14
Turkey	2,301	56	99	14
Mexico	19	(¹)	1	(¹)

¹Less than 0.5 percent.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--U.S. imports of figs and fig paste covered in this digest are subject to special duty treatment. Imports from countries designated as beneficiary countries for purposes of the Caribbean Basin Economic Recovery Act are eligible for duty-free treatment. Imports from Israel are eligible for duty-free treatment under the United States-Israel Free Trade Area Implementation Act of 1985. Imports from Canada are subject to staged duty reductions under the United States-Canada Free-Trade Agreement of 1988.

U.S. imports of dried figs and fig paste increased from \$858,000 in 1986 to \$4 million in 1990. For the 5-year period covered in this digest, the imports-to-consumption ratio has risen from 5 percent to 25 percent.

IV. Competitiveness profiles. GSP suppliers

Competitiveness indicators for Turkey for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted in the short term? Yes No X

Does the country have significant export markets besides the United States? Yes X No

Could exports from the country be readily redistributed among its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

 U.S. products. Above Equivalent Below X

 Other foreign products¹. Above Equivalent Below

Quality compared with--

 U.S. products. Above Equivalent Below X

 Other foreign products¹. Above Equivalent Below

¹Not available.

Comment.--Turkey will probably exceed the competitive need limits based on its past exports to the United States.

IV. Competitiveness profiles, GSP suppliers--Continued

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

Quality compared with--

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

¹Not available.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

Quality compared with--

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

¹Not available.

V. Position of interested parties

Opposition.--The California Fig Institute and the California Fig Advisory Board are opposed to granting GSP benefits for figs and fig paste because of the import-sensitive nature of the California dried fig industry, and because Mexico has failed to demonstrate how it intends to become a processor and shipper of edible figs and fig paste to this country. Presently, nearly all figs entering the United States from Mexico are under the HTS Classification 0812.90.30 "Provisionally preserved, but unsuitable in that state for immediate consumption". Mexico sells mainly low grade and quality inedible natural condition fruit to California processors who must upgrade the product to conform with FDA and buyer standards before it can be marketed in the United States.

In addition, the petitioning country sells only two varieties of figs, Mission and Tray Dried Kadota. The major tonnage surplus in the California fig industry is the Mission variety. Production of this type exceeds consumer demand. In recent years, it has frequently been necessary for the California fig industry to request the USDA to purchase substantial tonnage of surplus Mission figs for the school lunch program as a means of surplus removal.

The other variety imported from Mexico is the Tray Dried Kadota. This is a "specialty item" highly sulfured, with no consumer market for the product in the United States. Larger sizes of suitable quality Tray Dried Kadota figs are exported to the Orient. Figs not meeting the quality standards required for export must be used sparingly in fig paste. Fig bar manufacturers object to significant amounts of sulfur dioxide in their finished products. Mexico's inability to process a product of a quality to satisfy foreign buyer requirements has necessitated the sale of natural condition Tray Dried Kadota figs to California fig processors who are able to prepare an acceptable export product.

Both varieties listed in the Mexico petition have limited consumer and industrial user markets in this country.

VI. Summary of probable economic effects--Addition

★ ★ ★ ★ ★ ★ ★

Table I.

Digest Title: Figs and fig paste
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Turkey.....	239	635	447	639	2,301
Spain.....	550	667	723	1,818	1,706
Greece.....	32	253	110	56	58
Mexico.....	4	0	247	195	19
Italy.....	4	0	0	0	14
Pakistan.....	0	0	0	0	5
Canada.....	0	0	22	2	0
Brazil.....	0	0	1	0	0
Paraguay.....	0	0	7	0	0
West Germany.....	0	0	0	33	0
Hungary.....	0	0	0	4	0
Portugal.....	27	32	19	18	0
Israel.....	0	2	0	2	0
Australia.....	0	5	0	0	0
Tokelau Is.....	0	0	125	0	0
Total.....	858	1,594	1,700	2,765	4,104
GSP Total.....	244	637	827	839	2,326
Percent					
Turkey.....	27.9	39.8	26.3	23.1	56.1
Spain.....	64.1	41.9	42.5	65.7	41.6
Greece.....	3.7	15.9	6.5	2.0	1.4
Mexico.....	.5	.0	14.5	7.1	.5
Italy.....	.5	.0	.0	.0	.3
Pakistan.....	.0	.0	.0	.0	.1
Canada.....	.0	.0	1.3	.1	.0
Brazil.....	.0	.0	.1	.0	.0
Paraguay.....	.0	.0	.4	.0	.0
West Germany.....	.0	.0	.0	1.2	.0
Hungary.....	.0	.0	.0	.1	.0
Portugal.....	3.2	2.0	1.1	.6	.0
Israel.....	.0	.1	.0	.1	.0
Australia.....	.0	.3	.0	.0	.0
Tokelau Is.....	.0	.0	7.3	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	28.4	39.9	48.6	30.3	56.7

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
08042040
HTS No.
08042040

Digest Title: Figs and fig paste
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Turkey.....	134	175	178	226	151
Greece.....	32	133	110	14	58
Mexico.....	3	0	247	159	19
Pakistan.....	0	0	0	0	5
Canada.....	0	0	22	2	0
West Germany.....	0	0	0	33	0
Spain.....	0	0	0	24	0
Portugal.....	0	19	4	18	0
Italy.....	4	0	0	0	0
Australia.....	0	5	0	0	0
Tokelau Is.....	0	0	125	0	0
Total.....	174	332	685	476	234
GSP Total.....	138	175	549	385	176
Percent					
Turkey.....	77.3	52.6	25.9	47.4	64.6
Greece.....	18.4	40.0	16.0	3.0	24.8
Mexico.....	1.8	.0	36.0	33.4	8.2
Pakistan.....	.0	.0	.0	.0	2.3
Canada.....	.0	.0	3.2	.5	.0
West Germany.....	.0	.0	.0	7.0	.0
Spain.....	.0	.0	.0	5.0	.0
Portugal.....	.0	5.7	.5	3.7	.0
Italy.....	2.5	.0	.0	.0	.0
Australia.....	.0	1.6	.0	.0	.0
Tokelau Is.....	.0	.0	18.2	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	79.1	52.6	80.2	80.9	75.2

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
08042040
HTS No.
08042080

Digest Title: Figs and fig paste
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Turkey.....	105	460	270	413	2,149
Spain.....	550	667	723	1,794	1,706
Italy.....	0	0	0	0	14
Mexico.....	1	0	0	36	0
Brazil.....	0	0	1	0	0
Paraguay.....	0	0	7	0	0
Hungary.....	0	0	0	4	0
Portugal.....	27	13	15	0	0
Greece.....	0	120	0	41	0
Israel.....	0	2	0	2	0
Total.....	684	1,262	1,016	2,289	3,869
GSP Total.....	106	462	278	454	2,149
Percent					
Turkey.....	15.4	36.5	26.6	18.0	55.5
Spain.....	80.4	52.9	71.2	78.4	44.1
Italy.....	.0	.0	.0	.0	.4
Mexico.....	.2	.0	.0	1.6	.0
Brazil.....	.0	.0	.1	.0	.0
Paraguay.....	.0	.0	.7	.0	.0
Hungary.....	.0	.0	.0	.2	.0
Portugal.....	4.0	1.0	1.5	.0	.0
Greece.....	.0	9.5	.0	1.8	.0
Israel.....	.0	.1	.0	.1	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	15.5	36.6	27.4	19.8	55.5

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
08042040Digest Title: Figs and fig paste
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	402	339	704	773	2,260
Hong Kong.....	519	604	646	526	902
Japan.....	175	258	333	124	317
United Kingdom...	61	143	214	65	266
West Germany.....	47	13	3	173	186
Australia.....	9	11	44	224	58
New Zealand.....	5	14	45	77	44
France.....	55	43	41	2	34
Netherlands.....	78	199	361	3	32
Mexico.....	1	2	15	25	28
Switzerland.....	7	63	104	123	22
Venezuela.....	0	0	0	0	19
Singapore.....	46	81	101	49	18
Denmark.....	1/	3	0	0	18
Italy.....	1/	1	0	6	15
All other.....	402	502	383	243	42
Total.....	1,807	2,276	2,994	2,413	4,262
GSP Total.....	138	100	125	183	59
Percent					
Canada.....	22.2	14.9	23.5	32.0	53.0
Hong Kong.....	28.7	26.5	21.6	21.8	21.2
Japan.....	9.7	11.3	11.1	5.2	7.4
United Kingdom...	3.4	6.3	7.2	2.7	6.2
West Germany.....	2.6	.6	.1	7.2	4.4
Australia.....	.5	.5	1.5	9.3	1.4
New Zealand.....	.3	.6	1.5	3.2	1.0
France.....	3.0	1.9	1.4	.1	.8
Netherlands.....	4.3	8.8	12.1	.1	.7
Mexico.....	1/	.1	.5	1.0	.7
Switzerland.....	.4	2.8	3.5	5.1	.5
Venezuela.....	.0	.0	.0	.0	.5
Singapore.....	2.5	3.6	3.4	2.0	.4
Denmark.....	1/	.1	.0	.0	.4
Italy.....	1/	1/	.0	.2	.3
All other.....	22.2	22.1	12.8	10.1	1.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	7.6	4.4	4.2	7.6	1.4

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 0806.10.60

GRAPES, FRESH

Grapes, Fresh

I. Introduction

X Addition to GSP Removal from GSP Competitive-need-limit waiver

HTS subheading(s)	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0806.10.60	Grapes, fresh, if entered during July 1-February 14.	0.6% AVE	Yes

Description and uses.--Grapes are the fruit of large woody deciduous vines, which in commercial practice are trained on wires or grown freestanding on erect stumps, depending on the variety. The many varieties of grapes, which vary greatly in size, color, and flavor, are divided into two basic types--European (vinifera-type) which are grown in California, and American (lubrusca, or slip-skin-type), which are grown mostly in the Eastern and Central States (chiefly New York and Michigan). Grapes are used to produce wine, grape juice, and raisins. Those included here are used mainly for eating out of hand or in salads. Virtually all of the U.S. production of grapes occurs during the seasonal duty-rate period covered in this digest.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number) ²	*6,000	*6,000	*6,000	*6,000	*6,000
Employment (1,000 employees) ³	(³)	(³)	(³)	(³)	(³)
Shipments (1,000 dollars) ⁴	360,509	382,790	429,698	471,222	457,768
Exports (1,000 dollars)	85,029	89,647	107,450	109,655	179,221
Imports (1,000 dollars)	44,520	57,264	77,200	70,833	94,638
Consumption (1,000 dollars)	320,000	350,407	399,448	432,400	373,185
Import-to-consumption ratio (percent)	14	16	19	16	25
Capacity utilization (percent) ⁵	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Farms.

³Not available.

⁴Official statistics of the U.S. Department of Agriculture, NASS. Fresh-market grapes only.

⁵Data are not meaningful in this agricultural industry.

Comment.--Approximately 90 percent of U.S. fresh-market grapes are grown in California on about 1,000 farms. The leading areas of production are: Delano, (about 25 miles north of Bakersville); the Arvin Valley, in the southern most district of the San Joaquin Valley; Coachella Valley near Palm Springs; and in Fresno county.

Fresh-market grapes are a highly perishable crop which must be refrigerated or marketed soon after harvest. The U.S. industry has a competitive advantage in its proximity to the market, its storage capacity, and in its transportation infrastructure. Production is seasonal and foreign producers in the Southern Hemisphere (particularly Chile) have developed a fresh-market grape industry principally to serve the U.S. market. The July 1-February 14 seasonal duty-rate period covered by this digest includes the time in which virtually the entire U.S. crop is marketed.

III GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	94,638	100	-	25
Imports from GSP countries:				
Total	93,470	99	100	25
Chile	91,188	96	98	24
Mexico	2,282	2	2	(1)

Note.--Because of rounding, figures may not add to the totals shown.
1 Less than 0.5 percent.

Comment.--U.S. imports of grapes covered in this digest are subject to special duty treatment. Imports from countries designated as beneficiary countries for purposes of the Caribbean Basin Economic Recovery Act are eligible for duty-free treatment. Imports from Israel are eligible for duty-free treatment under the United States-Israel Free Trade Area Implementation Act of 1985. Imports from Canada are subject to staged duty reductions under the United States-Canada Free-Trade Agreement of 1988.

U.S. imports of grapes are subject to certain size and grade requirements similar to domestic shipments under the federal marketing order for California Tokay grapes, and section 8e of the Agricultural Marketing Agreement Act of 1937, as amended.

U.S. imports of grapes from Peru are also subject to entry regulations by the Animal and Plant Health Inspection Service (APHIS) of the USDA. APHIS requires a cold treatment of 11-22 days prior to entry into the United States to prevent any "hitch hikers" into this country when a particular crop of a producer country is host to an unwanted pest.

In 1990, Chile was the leading GSP supplier of the imports of this digest, accounting for 96 percent of total imports.

IV. Competitiveness Profiles, GSP suppliers

Competitiveness indicators for Chile for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

Quality compared with--

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

¹Not available.

Comment.--Chile will probably exceed the competitive need limits based on its past exports to the United States.

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

Quality compared with--

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

¹Not available.

IV. Competitiveness profiles, GSP suppliers--Continued

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
What is the price elasticity of U.S. demand?	High	<input checked="" type="checkbox"/>	Moderate	<input type="checkbox"/>
Can production in the country be easily expanded or contracted				
in the short term?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the country have significant export markets besides the				
United States?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Could exports from the country be readily redistributed among				
its foreign export markets?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
What is the price elasticity of import supply?	High	<input checked="" type="checkbox"/>	Moderate	<input type="checkbox"/>
Price level compared with--				
U.S. products.	Above	<input type="checkbox"/>	Equivalent	<input type="checkbox"/>
Other foreign products ¹	Above	<input type="checkbox"/>	Equivalent	<input type="checkbox"/>
Quality compared with--				
U.S. products.	Above	<input type="checkbox"/>	Equivalent	<input type="checkbox"/>
Other foreign products ¹	Above	<input type="checkbox"/>	Equivalent	<input type="checkbox"/>

¹Not available.

Comment.--With the exception of Chile and Mexico, annual U.S. imports during this period have declined, for the most part, from all suppliers. During 1986-90, imports from Chile, the only significant supplier, rose 119 percent, from \$42 million to \$91 million. The majority of the imports from Chile enter during the latter part of the period covered by this digest when U.S. refrigerated inventories are nearly depleted.

V. Position of interested parties

Opposition.--The California Table Grape Commission is opposed to granting GSP benefits for fresh table grapes because granting this petition will provide duty-free treatment to all Southern Hemisphere nations, including Peru, Chile, Argentina, Brazil, Colombia, etc. They noted that since all other developed nations (such as EC and Japan) have a high tariff on table grapes, the Southern Hemisphere countries would direct their exports of fresh table grapes to the United States, duty free. This could lead to an over-supply in the United States, and an untenable situation for California table grapes.

The Association is predicting that for the period under scrutiny, the United States can expect an increase in imports of approximately 30 percent; this increase in shipments will be at the time when California grapes are being sold out of cold storage. This will decrease the price and consumption of domestic cold storage grapes, and ultimately force cold storage growers to leave the cold storage growing business or reduce their acreage.

In addition, the cost of production of table grapes is very labor-intensive, and higher in the United States than the Southern Hemisphere; considerably higher than in Peru or Chile. U.S. wages and other benefits are greater by tenfold than those in the Southern Hemisphere countries, making it extremely difficult to compete with their product.

Lastly, the California Table Grape Commission questions if Peru truly filed this petition for its own benefit because it will receive duty-free status through the Andean Initiative presently in Congress.

VI. Summary of probable economic effects--Addition

★ ★ ★ ★ ★ ★ ★

Table I.

Digest Title: Grapes, fresh
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Chile.....	41,678	53,304	70,617	69,175	91,188
Mexico.....	736	2,635	3,667	256	2,282
Canada.....	1,684	1,091	2,886	1,050	959
Italy.....	209	57	23	353	207
Netherlands.....	0	10	0	0	2
Dominican Rep....	1	0	0	0	0
Finland.....	0	0	6	0	0
Belgium.....	1	0	0	0	0
Spain.....	47	0	0	0	0
Philippines.....	0	0	1	0	0
Japan.....	150	0	0	0	0
New Zealand.....	0	2	0	0	0
Cook Is.....	0	164	0	0	0
Rep So Africa....	15	0	0	0	0
Total.....	44,520	57,264	77,200	70,833	94,638
GSP Total.....	42,414	56,104	74,285	69,430	93,470
Percent					
Chile.....	93.6	93.1	91.5	97.7	96.4
Mexico.....	1.7	4.6	4.7	.4	2.4
Canada.....	3.8	1.9	3.7	1.5	1.0
Italy.....	.5	.1	1/	.5	.2
Netherlands.....	.0	1/	.0	.0	1/
Dominican Rep....	1/	.0	.0	.0	.0
Finland.....	.0	.0	1/	.0	.0
Belgium.....	1/	.0	.0	.0	.0
Spain.....	.1	.0	.0	.0	.0
Philippines.....	.0	.0	1/	.0	.0
Japan.....	.3	.0	.0	.0	.0
New Zealand.....	.0	1/	.0	.0	.0
Cook Is.....	.0	.3	.0	.0	.0
Rep So Africa....	1/	.0	.0	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	95.3	98.0	96.2	98.0	98.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest Title: Grapes, fresh
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	37,553	42,523	53,248	49,122	103,792
Hong Kong.....	12,042	9,141	12,979	15,554	17,535
Taiwan.....	11,793	9,476	9,422	10,154	15,000
United Kingdom...	3,157	6,395	6,202	6,927	9,426
Singapore.....	4,553	3,472	4,578	4,529	5,352
Japan.....	4,962	5,553	5,995	4,982	5,309
New Zealand.....	1,830	2,913	3,410	2,590	2,736
Philippines.....	0	0	1,514	4,599	2,638
Malaysia.....	1,143	987	824	1,004	1,849
Panama.....	1,774	1,505	1,121	1,390	1,742
Mexico.....	604	452	638	946	1,322
Sweden.....	1,158	1,347	1,155	1,188	1,021
El Salvador.....	82	156	282	410	937
Venezuela.....	0	0	12	0	923
Netherlands.....	476	285	653	591	867
All other.....	3,903	5,440	5,417	5,671	8,771
Total.....	85,029	89,647	107,450	109,655	179,221
GSP Total.....	6,143	6,078	7,455	11,559	14,594
Percent					
Canada.....	44.2	47.4	49.6	44.8	57.9
Hong Kong.....	14.2	10.2	12.1	14.2	9.8
Taiwan.....	13.9	10.6	8.8	9.3	8.4
United Kingdom...	3.7	7.1	5.8	6.3	5.3
Singapore.....	5.4	3.9	4.3	4.1	3.0
Japan.....	5.8	6.2	5.6	4.5	3.0
New Zealand.....	2.2	3.2	3.2	2.4	1.5
Philippines.....	.0	.0	1.4	4.2	1.5
Malaysia.....	1.3	1.1	.8	.9	1.0
Panama.....	2.1	1.7	1.0	1.3	1.0
Mexico.....	.7	.5	.6	.9	.7
Sweden.....	1.4	1.5	1.1	1.1	.6
El Salvador.....	.1	.2	.3	.4	.5
Venezuela.....	.0	.0	1/	.0	.5
Netherlands.....	.6	.3	.6	.5	.5
All other.....	4.6	6.1	5.0	5.2	4.9
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	7.2	6.8	6.9	10.5	8.1

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 0806.20.20

OTHER RAISINS

Other raisins

I. Introduction

X Addition to GSP ___ Removal from GSP ___ Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0806.20.20	Other raisins, not from seedless grapes.	5.1% AVE	Yes

Description and uses.—Raisins are dried grapes that vary in size and range in color from greenish white or yellow to nearly black. Only a few varieties of grapes are used extensively for making raisins. They are: Thompson Seedless, Muscats, Sultanas, and Zante Currant. Raisins are used extensively for eating out-of-hand, in baked goods and confectionery, and in many other food preparations including breakfast cereals. The raisins included herein are not made from seedless grapes. They do not compete directly with the great bulk of raisins, which are made from seedless grapes.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number) ²	*5,000	*5,000	*5,000	*5,000	*5,000
Employment (1,000 employees)	(³)	(³)	(³)	(³)	(³)
Shipments (1,000 dollars) ⁴	761	491	696	414	303
Exports (1,000 dollars) ⁵	0	0	0	0	0
Imports (1,000 dollars)	30	67	30	17	78
Consumption (1,000 dollars)	791	558	726	431	381
Import-to-consumption ratio (percent)	⁶ / ₄	¹² / ₆	⁴ / ₆	⁴ / ₆	²⁰ / ₆
Capacity utilization (percent)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Farms.

³Not available.

⁴Estimated by the Raisin Administrative Committee, CA.

⁵Exports are not specifically reported but are believed to be negligible or nil.

⁶Data are not meaningful in this agricultural industry.

Comment.— In the United States, nearly all of the producers of all raisins are located in the San Joaquin Valley of California. In 1990, raisins were produced by approximately 5,000 growers of grapes for drying and 18 commercial processors, including a grower cooperative, for finishing the dried grapes into marketable raisins. Approximately 10-15 of these produce Other raisins, and for the five-year period covered in this digest, production declined 60 percent. Once the prime variety grape used for processing, they now are used mainly as a specialty item in the baking and confectionery industries.

During 1986-90, U.S. production of Other raisins averaged 355 tons; ranging from 507 tons to 202 tons over the period. U.S. exports of these raisins are not broken out but are believed to be small. Historically, most of the U.S. exports of all raisins have been from the so-called reserve pool (in which each producer holds a proportionate share) that is set up under the federal marketing order for raisins that are not needed to meet the normal requirements of the domestic market.

The leading export markets for the period covered were the United Kingdom, Japan, Canada, West Germany, and Sweden, respectively. Together, these countries accounted for approximately 60 percent of U.S. exports in 1990.

III GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	78	100	-	20
Imports from GSP countries:				
Total	78	100	100	20
Chile	73	94	94	19
Argentina	5	6	7	1

¹ Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—U.S. imports of raisins covered in this digest are subject to special duty treatment. Imports from countries designated as beneficiary countries for purposes of the Caribbean Recovery Act are eligible for duty-free treatment. Imports from Israel are eligible for duty-free treatment under the United States-Israel Free Trade Area Implementation Act of 1985. Imports from Canada are subject to staged duty reductions under the United States-Canada Free-Trade Agreement of 1988.

U.S. imports of raisins are also subject to certain size and grade requirements similar to domestic shipments under the federal marketing order for raisins and section 8e of the Agricultural Marketing Agreement Act of 1937, as amended. This requirement may act as a deterrent to imports of the product of this digest.

In 1990, Chile was the leading GSP supplier of the imports in this digest, accounting for 94 percent of total imports.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Chile for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

¹Not available.

Competitiveness indicators for Argentina for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

¹Not available.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No _
 What is the price elasticity of U.S. demand? High X Moderate _ Low _
 Can production in the country be easily expanded or contracted
 in the short term? Yes _ No X
 Does the country have significant export markets besides the
 United States? Yes X No _
 Could exports from the country be readily redistributed among
 its foreign export markets? Yes X No _
 What is the price elasticity of import supply? High X Moderate _ Low _

Price level compared with—

U.S. products. Above _ Equivalent _ Below X
 Other foreign products¹ Above _ Equivalent _ Below _

Quality compared with—

U.S. products. Above _ Equivalent _ Below X
 Other foreign products¹ Above _ Equivalent _ Below _

¹Not available.

Comment.—Annual U.S. imports of raisins are generally very small except in years following short domestic crops. With the increased demand, imports are still small relative to domestic production or consumption. During 1986–89, imports from Chile, the only consistent supplier, ranged from a low of \$17,000 to a high of \$73,000.

U.S. imports of raisins are subject to certain size and grade requirements similar to domestic shipments under the federal marketing order for raisins and section 8e of the Agricultural Marketing Agreement Act of 1937, as amended.

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects—Restoration (Mexico)

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
08071020Digest Title: Certain melons
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	36,480	45,525	39,783	70,819	67,669
Costa Rica.....	327	477	2,143	9,508	13,727
Honduras.....	2,783	6,749	5,548	9,487	8,394
Guatemala.....	3,950	3,277	5,307	5,499	6,253
El Salvador.....	1,578	2,623	1,522	2,151	2,777
Panama.....	2,497	6,372	5,235	2,909	1,826
Dominican Rep....	2,687	1,684	1,876	2,208	981
Brazil.....	34	25	195	642	547
Ecuador.....	618	73	408	237	523
Kiribati.....	2	5	2	5	77
Haiti.....	12	0	0	26	75
Mauritius.....	0	13	13	17	37
Antigua.....	12	5	18	29	18
Monaco.....	0	0	8	6	7
New Zealand.....	23	7	5	8	6
All other.....	4,858	1,312	639	324	11
Total.....	55,862	68,148	62,701	103,876	102,930
GSP Total.....	55,776	68,121	62,673	103,831	102,913
Percent					
Mexico.....	65.3	66.8	63.4	68.2	65.7
Costa Rica.....	.6	.7	3.4	9.2	13.3
Honduras.....	5.0	9.9	8.8	9.1	8.2
Guatemala.....	7.1	4.8	8.5	5.3	6.1
El Salvador.....	2.8	3.8	2.4	2.1	2.7
Panama.....	4.5	9.4	8.3	2.8	1.8
Dominican Rep....	4.8	2.5	3.0	2.1	1.0
Brazil.....	.1	1/	.3	.6	.5
Ecuador.....	1.1	.1	.7	.2	.5
Kiribati.....	1/	1/	1/	1/	.1
Haiti.....	1/	.0	.0	1/	.1
Mauritius.....	.0	1/	1/	1/	1/
Antigua.....	1/	1/	1/	1/	1/
Monaco.....	.0	.0	1/	1/	1/
New Zealand.....	1/	1/	1/	1/	1/
All other.....	8.7	1.9	1.0	.3	1/
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	99.8	100.0	100.0	100.0	100.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
08062020Digest Title: Other raisins
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
United Kingdom...	178	240	290	303	329
Japan.....	241	249	347	340	295
Canada.....	69	99	137	117	231
West Germany.....	96	139	140	126	179
Sweden.....	76	70	90	93	107
Denmark.....	69	84	98	77	91
Netherlands.....	54	59	64	54	72
Korea.....	25	39	46	45	57
Norway.....	34	37	49	47	51
Taiwan.....	29	47	44	46	39
Mexico.....	1/	1	2	6	34
Finland.....	34	40	41	47	34
Belgium.....	25	33	26	32	33
Singapore.....	17	15	21	23	26
New Zealand.....	20	19	19	23	24
All other.....	127	117	132	119	158
Total.....	1,093	1,287	1,546	1,500	1,762
GSP Total.....	79	65	68	64	110
Percent					
United Kingdom...	16.3	18.6	18.8	20.2	18.7
Japan.....	22.0	19.3	22.5	22.6	16.8
Canada.....	6.3	7.7	8.9	7.8	13.1
West Germany.....	8.7	10.8	9.0	8.4	10.2
Sweden.....	7.0	5.4	5.9	6.2	6.0
Denmark.....	6.3	6.5	6.4	5.1	5.1
Netherlands.....	4.9	4.6	4.1	3.6	4.1
Korea.....	2.3	3.0	3.0	3.0	3.3
Norway.....	3.1	2.8	3.1	3.2	2.9
Taiwan.....	2.7	3.7	2.8	3.1	2.2
Mexico.....	1/	1	1	4	2.0
Finland.....	3.1	3.1	2.7	3.1	1.9
Belgium.....	2.3	2.5	1.7	2.2	1.9
Singapore.....	1.5	1.2	1.4	1.5	1.5
New Zealand.....	1.9	1.5	1.2	1.6	1.4
All other.....	11.4	9.1	8.5	7.9	9.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	7.2	5.0	4.4	4.3	6.2

1/ Less than \$500 or less than 0.05 percent

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 0807.10.20

CERTAIN MELONS

Certain Melons¹

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Mexico²

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0807.10.20 ¹	Cantaloupes, entered during the period from September 16 to the following July 31.....	35% ²	Yes
0807.10.70 ¹	Melons, except cantaloupes and watermelons: Entered during the period from December 1 to the following May 31.....	8.5%	Yes

¹ Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheadings 0807.10.20 and 0807.10.70.

² Cantaloupes, if entered during the period from Jan. 1 to May 15, inclusive of any year (provided for in subheading 9902.08.07), are temporarily free of duty if imported before Dec. 31, 1992.

Description and uses.—Melons are the familiar fresh fruit which are grown as an annual crop in many parts of the United States; melons are sold as a fresh fruit throughout the United States and consumed in salads, and in dessert or snack items much as other leading fruits. The leading melon types are cantaloupes, watermelons, and honeydew melons. Watermelons are not included or discussed in this digest.

Cantaloupes are the leading type of melon marketed in the United States, and most cantaloupes are 5 to 6 inches in diameter, with salmon-orange colored flesh, and with a skin which is overlain with a heavy, sandy-tan colored surface netting. The honeydew is another leading melon: it is usually 6 to 9 inches in diameter, with a pale-green to white colored flesh, and a skin which is very smooth and greenish or cream colored. There are some other minor melons, such the Persian, Casaba, Crenshaw, Santa Claus, Ogen, and Galia. Ogen and Galia melons are excluded from consideration in this digest since they are separately provided for in the HTS.

Cantaloupes and honeydew melons are produced mostly during the period of April through December in the United States, but the heaviest production occurs during the period from May until the end of November. There are different tariffs for melons imported during various periods of the year.

With regard to cantaloupes, a tariff rate of 35 percent applies to imports entered during the period of September 16 to the following July 31 (HTS subheading 0807.10.20), and a tariff of 20 percent to imports entered during August 1 to September 15 (HTS subheading 0807.10.10). However, there is a temporary duty suspension for cantaloupes imported during the period from January 1 to May 15 under HTS subheading 9902.08.07.³ During the period of January until the end of April there is little U.S. cantaloupe production. About 75 percent of U.S. imports of cantaloupes from Mexico entered during the January-May period during 1990; thus, only about 25 percent of these cantaloupe imports were dutiable in 1990.

With regard to honeydews and other minor melons (except watermelons), a tariff of 35 percent applies to imports entered during the period of June 1 to November 30 (HTS subheading 0807.10.80), and a tariff of 8.5 percent to imports entered during the period from December 1 to the following May 31 (HTS subheading 0807.10.70).

¹ This digest includes HTS subheadings 0807.10.20 and 0807.10.70.

² Mexico has been found sufficiently competitive and is subject to lower competitive need limits. Advice is requested on restoring normal limits for Mexico as well as a waiver of all competitive need limits for HTS subheading 0807.10.70.

³ This temporary duty suspension has been in effect since Jan. 1, 1989; the duty had also been suspended prior to 1985 as well.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number) ²	*7,900	7,700	*7,500	*7,300	*7,100
Employment (1,000 employees)	(³)	(³)	(³)	(³)	(³)
Shipments (1,000 dollars)	301,000	256,000	278,000	274,000	*275,000
Exports (1,000 dollars)	16,472	18,504	22,413	20,016	45,719
Imports (1,000 dollars)	55,862	68,148	62,701	103,876	102,930
Consumption (1,000 dollars)	340,400	305,600	318,300	357,900	*332,200
Import-to-consumption ratio (percent)	16	22	20	29	*31
Capacity utilization (percent)	(³)	(³)	(³)	(³)	(³)

¹ Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

² Includes data for cantaloupes and honeydew melons; data for the other miscellaneous melons such as Casaba, Crenshaw, and Persian melons are not available.

³ Data are not meaningful in this agricultural industry.

Source: Imports and exports compiled from official statistics of the U.S. Department of Commerce; shipments for 1986-89, from official statistics of the U.S. Department of Agriculture; shipments for 1990, estimated by Commission staff.

Comment.—Melons were grown in 1990 on about *7,100 farms throughout the United States throughout most of the year. Three States produced over 80 percent of U.S. melon production: California accounted for 52 percent of the 156,000 acres planted in cantaloupes and honeydew melons in 1987, and was followed by Texas and Arizona with a 21-percent and a 10-percent share, respectively.⁴ In recent years, cantaloupes have accounted for about three-quarters of U.S. output; honeydew melons, about one-fifth; and the remaining minor melons such as casaba, crenshaw, and Persian melons, the remainder (less than 2 percent).

U.S. shipments of these fresh melons declined by about *9 percent during 1986-90 to about *\$275 million. On a volume basis, U.S. shipments of cantaloupes and honeydew melons remained relatively unchanged during 1986-89, averaging about 2.2 billion pounds annually, according to data of the U.S. Department of Agriculture. Domestic consumption has also remained relatively unchanged at an average *\$340 million annually during the period.

Imports grew by about 84 percent during 1986-90 to \$103 million; imports supplied *31 percent of estimated U.S. consumption of melons and honeydews, an increase from the 16-percent share in 1986. There are believed to be no significant qualitative differences between imported and domestic cantaloupes and honeydew melons.

⁴ U.S. Bureau of the Census, 1987 Census of Agriculture.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	102,930	100	—	*31
Imports from GSP countries:				
Total	102,913	100	100	*30
Mexico	67,669	66	66	*20
Costa Rica	13,727	13	13	*4
Honduras	8,394	8	8	*3
Guatemala	6,253	6	6	*2

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Mexico supplies about two-thirds of U.S. imports of cantaloupes and other melons (which include honeydews and the other minor melons) entering under HS subheading 0807.10.20 and 0807.10.70. Mexico is a large producer of melons of all types, and extremely competitive with U.S. melon growers. Mexico enjoys advantages in seasonality, producing during U.S. winter months, exporting to the U.S. market chiefly during January through May. Other GSP-eligible countries, particularly, Costa Rica, have proven to be competitive exporters of melons to the U.S. market in addition to Mexico, but Mexico's large volume of production and capacity to expand its output dwarf Costa Rica and the other smaller CBERA-eligible exporters such as Honduras and Guatemala.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No —

What is the price elasticity of U.S. demand? High X Moderate — Low —

Can production in the country be easily expanded or contracted
in the short term? Yes X No —

Does the country have significant export markets besides the
United States? Yes — No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes — No X

What is the price elasticity of import supply? High X Moderate — Low —

Price level compared with—

 U.S. products. Above — Equivalent X Below —

 Other foreign products Above — Equivalent X Below —

Quality compared with—

 U.S. products. Above — Equivalent X Below —

 Other foreign products Above — Equivalent X Below —

Comment.—Mexico is the leading U.S. supplier of melons to the United States. The Mexican melon industry is very competitive with U.S. producers. Mexico has a competitive advantage in labor and land costs, year around growing conditions, and proximity to the U.S. market.

V. Position of interested parties

Petitioner.—The petitioner, Asociacion Agricola Local de Productores de Nuez, Durazno Y Manzana de Sonora, a Mexican exporter of melons to the United States, testified and filed a brief in support of the waiver of the competitive need limits for cantaloupes and other melons; this group indicated that Mexican production of these products complements U.S. production, filling demand when U.S. growers have little product to sell. The waiver of the GSP limits would not adversely affect U.S. growers, and will benefit U.S. consumers by ensuring an adequate supply of product at reasonable prices, according to the petitioner's testimony and written statement.

Support.—The Rancho La Campana, a Mexican producer of melons, and Peninsula Vegetable Exchange, a related importer, located in Chula Vista, California, testified and filed a brief in support of the waiver of the competitive need limits for cantaloupes and other melons; this group indicated that the petitioners are small economically disadvantaged farmers in Mexico, whose livelihood is being threatened due to U.S. duty on cantaloupes and melons. According to this group, U.S. production of these products has increased over the past 10 years; and U.S. consumers would benefit from duty-free imports by having a larger and more stable selection of such fruits available during the year.

VI. Summary of probable economic effects—Waiver (Mexico)

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VI. Summary of probable economic effects—Restoration (Mexico)

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Table I.

Digest No.
08071020Digest Title: Certain melons
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	36,480	45,525	39,783	70,819	67,669
Costa Rica.....	327	477	2,143	9,508	13,727
Honduras.....	2,783	6,749	5,548	9,487	8,394
Guatemala.....	3,950	3,277	5,307	5,499	6,253
El Salvador.....	1,578	2,623	1,522	2,151	2,777
Panama.....	2,497	6,372	5,235	2,909	1,826
Dominican Rep....	2,687	1,684	1,876	2,208	981
Brazil.....	34	25	195	642	547
Ecuador.....	618	73	408	237	523
Kiribati.....	2	5	2	5	77
Haiti.....	12	0	0	26	75
Mauritius.....	0	13	13	17	37
Antigua.....	12	5	18	29	18
Monaco.....	0	0	8	6	7
New Zealand.....	23	7	5	8	6
All other.....	4,858	1,312	639	324	11
Total.....	55,862	68,148	62,701	103,876	102,930
GSP Total.....	55,776	68,121	62,673	103,831	102,913
Percent					
Mexico.....	65.3	66.8	63.4	68.2	65.7
Costa Rica.....	.6	.7	3.4	9.2	13.3
Honduras.....	5.0	9.9	8.8	9.1	8.2
Guatemala.....	7.1	4.8	8.5	5.3	6.1
El Salvador.....	2.8	3.8	2.4	2.1	2.7
Panama.....	4.5	9.4	8.3	2.8	1.8
Dominican Rep....	4.8	2.5	3.0	2.1	1.0
Brazil.....	.1	1/	.3	.6	.5
Ecuador.....	1.1	.1	.7	.2	.5
Kiribati.....	1/	1/	1/	1/	.1
Haiti.....	1/	.0	.0	1/	.1
Mauritius.....	.0	1/	1/	1/	1/
Antigua.....	1/	1/	1/	1/	1/
Monaco.....	.0	.0	1/	1/	1/
New Zealand.....	1/	1/	1/	1/	1/
All other.....	8.7	1.9	1.0	.3	1/
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	99.8	100.0	100.0	100.0	100.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
08071020
HTS No.
08071020

Digest Title: Certain melons
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	29,733	33,565	30,110	52,560	53,121
Costa Rica.....	203	256	993	4,944	10,260
Honduras.....	2,175	4,952	4,937	8,990	7,838
Guatemala.....	879	1,035	2,825	2,788	3,703
El Salvador.....	213	334	517	600	911
Dominican Rep....	1,899	1,485	1,713	1,598	834
Panama.....	1,203	150	208	8	88
Kiribati.....	0	5	0	5	77
Mauritius.....	0	0	7	6	37
Monaco.....	0	0	0	6	7
Antigua.....	10	0	0	16	6
Canada.....	0	2	3	11	0
Jamaica.....	169	30	0	0	0
Haiti.....	2	0	0	0	0
Montserrat.....	1	1	0	0	0
All other.....	460	376	85	35	0
Total.....	36,949	42,191	41,397	71,567	76,881
GSP Total.....	36,944	42,181	41,394	71,542	76,874
Percent					
Mexico.....	80.5	79.6	72.7	73.4	69.1
Costa Rica.....	.6	.6	2.4	6.9	13.3
Honduras.....	5.9	11.7	11.9	12.6	10.2
Guatemala.....	2.4	2.5	6.8	3.9	4.8
El Salvador.....	.6	.8	1.2	.8	1.2
Dominican Rep....	5.1	3.5	4.1	2.2	1.1
Panama.....	3.3	.4	.5	1/	.1
Kiribati.....	.0	1/	.0	1/	.1
Mauritius.....	.0	.0	1/	1/	1/
Monaco.....	.0	.0	.0	1/	1/
Antigua.....	1/	.0	.0	1/	1/
Canada.....	.0	1/	1/	1/	.0
Jamaica.....	.5	.1	.0	.0	.0
Haiti.....	1/	.0	.0	.0	.0
Montserrat.....	1/	1/	.0	.0	.0
All other.....	1.2	.9	.2	1/	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	100.0	100.0	100.0	100.0	100.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown: West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.

08071020

HTS No.

08071070

Digest Title: Certain melons

U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	6,746	11,960	9,673	18,260	14,548
Costa Rica.....	123	221	1,150	4,564	3,467
Guatemala.....	3,071	2,242	2,482	2,711	2,550
El Salvador.....	1,365	2,289	1,004	1,551	1,866
Panama.....	1,294	6,223	5,027	2,902	1,739
Honduras.....	608	1,797	611	497	557
Brazil.....	29	25	195	642	547
Ecuador.....	524	73	408	237	523
Dominican Rep....	788	199	163	609	148
Haiti.....	10	0	0	26	75
Antigua.....	2	5	18	13	11
New Zealand.....	23	7	5	8	6
Jamaica.....	452	0	0	0	4
Taiwan.....	0	5	0	2	4
Heard & McDn Is..	0	0	0	0	3
All other.....	3,877	910	567	286	0
Total.....	18,913	25,956	21,304	32,309	26,049
GSP Total.....	18,832	25,940	21,279	32,289	26,039
Percent					
Mexico.....	35.7	46.1	45.4	56.5	55.8
Costa Rica.....	.7	.9	5.4	14.1	13.3
Guatemala.....	16.2	8.6	11.7	8.4	9.8
El Salvador.....	7.2	8.8	4.7	4.8	7.2
Panama.....	6.8	24.0	23.6	9.0	6.7
Honduras.....	3.2	6.9	2.9	1.5	2.1
Brazil.....	.2	.1	.9	2.0	2.1
Ecuador.....	2.8	.3	1.9	.7	2.0
Dominican Rep....	4.2	.8	.8	1.9	.6
Haiti.....	.1	.0	.0	.1	.3
Antigua.....	1/	1/	.1	1/	1/
New Zealand.....	.1	1/	1/	1/	1/
Jamaica.....	2.4	.0	.0	.0	1/
Taiwan.....	.0	1/	.0	1/	1/
Heard & McDn Is..	.0	.0	.0	.0	1/
All other.....	20.5	3.5	2.7	.9	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	99.6	99.9	99.9	99.9	100.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
08071020

Digest Title: Certain melons

U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	6,064	6,367	9,294	10,820	33,966
Japan.....	5,456	7,670	9,425	5,589	5,535
Hong Kong.....	4,192	4,221	3,509	2,935	4,363
Thailand.....	0	0	0	0	576
Singapore.....	46	9	10	0	216
Mexico.....	27	33	16	154	142
Colombia.....	0	0	0	0	136
Taiwan.....	17	14	24	60	127
Costa Rica.....	0	0	0	37	120
Malaysia.....	0	2	8	0	120
United Kingdom...	62	53	20	175	112
France.....	0	0	0	50	49
Philippines.....	0	0	0	0	45
Spain.....	0	0	0	0	44
Netherlands.....	489	21	0	33	35
All other.....	119	114	108	163	134
Total.....	16,472	18,504	22,413	20,016	45,719
GSP Total.....	85	58	50	234	1,176
Percent					
Canada.....	36.8	34.4	41.5	54.1	74.3
Japan.....	33.1	41.4	42.1	27.9	12.1
Hong Kong.....	25.5	22.8	15.7	14.7	9.5
Thailand.....	.0	.0	.0	.0	1.3
Singapore.....	.3	.1	1/	.0	.5
Mexico.....	.2	.2	.1	.8	.3
Colombia.....	.0	.0	.0	.0	.3
Taiwan.....	.1	.1	.1	.3	.3
Costa Rica.....	.0	.0	.0	.2	.3
Malaysia.....	.0	1/	1/	.0	.3
United Kingdom...	.4	.3	.1	.9	.2
France.....	.0	.0	.0	.2	.1
Philippines.....	.0	.0	.0	.0	.1
Spain.....	.0	.0	.0	.0	.1
Netherlands.....	3.0	.1	.0	.2	.1
All other.....	.7	.6	.5	.8	.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	.5	.3	.2	1.2	2.6

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 0810.90.40(pt)

PRICKLY PEARS, FRESH

Prickly Pears, Fresh

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Mexico¹

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0810.90.40(pt.) ¹	Prickly pears, fresh.....	3.4%	Yes

¹ Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheadings 0810.90.40.

Description and uses.—The prickly pear (also called a "cactus fig" or "tuna fruit") is the fruit of a cactus plant which is grown in arid conditions largely in the Southwestern United States and in Mexico. The prickly pear is a red-colored fruit with spots, and is sold in the United States in Hispanic food stores as well as to other ethnic markets on the East Coast of the United States. The prickly pear is a specialty fruit which sells at a relatively high price as compared to the more common fruits, such as apples, oranges, or bananas. Leaves of the cactus plant (called "nopalitas") are sold as vegetables, and fried and eaten as a vegetable. Nopalitos are not herein considered.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	(2)	(2)	(2)	(2)	(2)
Employment (1,000 employees)	(3)	(3)	(3)	(3)	(3)
Shipments (1,000 dollars)	***	***	***	***	***
Exports (1,000 dollars)	**0	**0	**0	**0	**0
Imports (1,000 dollars) ⁴	4,039	4,430	4,831	5,034	7,032
Consumption (1,000 dollars)	***	***	***	***	***
Import-to-consumption ratio (percent)	***	***	***	***	***
Capacity utilization (percent)	(3)	(3)	(3)	(3)	(3)

¹ Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

² Data are not available.

³ Data are not meaningful in this agricultural industry.

⁴ Imports reported under HTS subheading 0810.90.40, which includes items other than the digest product.

Comment.—There are little public data available on domestic production or trade of prickly (cactus) pears. There are believed to be fewer than **one dozen commercially sized growers of prickly pears in the United States, and most of this occurs in California, Arizona, and Texas.

¹ Mexico has been found sufficiently competitive and is subject to lower competitive need limits. Advice is requested on restoring normal limits for Mexico as well as a waiver of all competitive need limits for HTS subheading 0810.90.40.

The increasing popularity of Mexican style food has boosted consumption of this fruit although a sizable number of the fruit are used in non-Mexican foods. The U.S. market for this fruit is very small and specialized.

The leading grower of cactus pears in the United States, *** is believed to account for *** of U.S. shipments of prickly pears. The estimated value of sales of domestic prickly pears *** during 1986-90 from about *** to ***.

Imports increased by 75 percent during 1986-90 to \$7 million; imports supplied an estimated *** percent of U.S. consumption of prickly pears, *** from the *** percent share in 1986. There are believed to be no significant qualitative differences between imported and domestic prickly pears.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports ¹ 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	7,032	100	-	***
Imports from GSP countries:				
Total	6,342	90	100	***
Mexico	5,066	72	80	***
Thailand	825	12	13	***
Israel ²	373	5	6	***
Chile	35	1	1	***

¹ Data include all imports under HTS subheading 0810.90.40; however, only Mexico is believed to export prickly (cactus) pears to the United States.

² Although imports of prickly pears from Israel are eligible for duty-free entry under the GSP, imports of this item during 1990 from Israel entered duty-free under the provisions of the United States-Israel Free Trade Area Implementation Act of 1985.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—U.S. imports from all GSP countries are already duty-free except those from Mexico. Mexico supplies all but a small fraction of U.S. imports of prickly pears (which enter under HS subheading 0810.90.40). Mexico is a large producer of these specialized fruits, which are popular with Hispanic and other ethnic (Italian) groups in the United States. Mexican exporters of prickly pears have been extremely competitive with U.S. growers over the past several years, generally putting price pressure on domestic producers and increasing their share of the U.S. market. Mexico enjoys advantages in lower costs of production (land and labor costs).

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent X Below

Other foreign products ¹. Above Equivalent Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products ¹. Above Equivalent Below

¹ Not available.

Comment.—Mexico is the leading U.S. supplier, and very competitive with U.S. producers. Mexico has a competitive advantage in labor and land costs, year-around growing conditions, and proximity to the U.S. market.

V. Position of interested parties

Petitioners.—The petitioners, the Union de Ejidos de Axapusco, and the Union de Ejidos de Tamascalapa (both Mexican producer association and exporters of prickly pears to the United States) supported in testimony and written statements the waiver of the competitive need limits for imports of prickly pears from Mexico. The petitioners indicated that this product is not produced in the United States, and that U.S. imports of prickly pears are included in a basket category under the HTS. The GSP waiver would assist these Mexican small farmers who produce this fruit, according to the petitioners' brief and testimony.

Opposition.—D'Arrigo Brothers Company of Salinas, California, a domestic producer of prickly pears, indicated in a written submission that if Mexico is granted GSP benefits, this company would "be negatively impacted." The company indicated that prices have already dropped due to the existing competition and increasing supplies from Mexican producers of prickly pears, and that duty-free access for Mexican products will worsen the economic situation for this company, putting U.S. workers out of work, and eliminating or reducing the company's profits. The company also indicated that contrary to the petitioners assertion there is U.S. production of prickly pears.

VI. Summary of probable economic effects—Waiver (Mexico)

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VI. Summary of probable economic effects—Restoration (Mexico)

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Table I.

Digest No.
08109040(pt)Digest Title: Prickly pears, fresh
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	1,991	2,174	2,466	3,930	5,066
Thailand.....	538	608	419	99	825
New Zealand.....	888	839	661	646	655
Israel.....	42	85	134	171	373
Chile.....	392	594	1,056	54	35
Canada.....	9	0	0	5	24
Mauritius.....	0	0	0	0	11
Grenada.....	0	0	0	3	10
Italy.....	16	3	0	0	9
Jamaica.....	3	0	1	0	7
Costa Rica.....	3	9	33	8	6
Colombia.....	3	1/	0	10	5
Philippines.....	1	0	1	10	3
Taiwan.....	0	44	0	0	2
Barbados.....	0	0	0	0	1
All other.....	154	74	61	98	0
Total.....	4,039	4,430	4,831	5,034	7,032
GSP Total.....	3,069	3,506	4,160	4,376	6,342
Percent					
Mexico.....	49.3	49.1	51.0	78.1	72.1
Thailand.....	13.3	13.7	8.7	2.0	11.7
New Zealand.....	22.0	18.9	13.7	12.8	9.3
Israel.....	1.0	1.9	2.8	3.4	5.3
Chile.....	9.7	13.4	21.8	1.1	.5
Canada.....	.2	.0	.0	.1	.3
Mauritius.....	.0	.0	.0	.0	.2
Grenada.....	.0	.0	.0	.1	.1
Italy.....	.4	.1	.0	.0	.1
Jamaica.....	.1	.0	1/	.0	.1
Costa Rica.....	.1	.2	.7	.2	.1
Colombia.....	.1	1/	.0	.2	.1
Philippines.....	1/	.0	1/	.2	1/
Taiwan.....	.0	1.0	.0	.0	1/
Barbados.....	.0	.0	.0	.0	1/
All other.....	3.8	1.7	1.3	1.9	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	76.0	79.1	86.1	86.9	90.2

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990. Imports include all items reported under HTS subheading 0810.90.40.

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

DIGEST NO. 0814.00.90(pt)

LIME PEEL

Lime Peel

I. Introduction

X Addition to GSP Removal from GSP Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
0814.00.90(pt)	Peel of citrus fruit or melons, fresh, frozen, dried or provisionally preserved: Lime peel.....	2% AVE	Yes

Description and uses.—Limes are a citrus fruit similar in appearance and use to lemons; the two leading type of limes are the Persian lime, the primary type grown in the United States, and the Key lime. Most limes are used in the fresh state for beverages; small amounts are used for flavoring ice cream, pies, and other food preparations, and for the production of essential oils and chemicals. In recent years, about 60 percent of the U.S. fresh lime crop was sold in the fresh form; most of the remainder was sold to make frozen concentrate for limeade. Only a very small portion of the remaining crop has been used to produce such items as lime peel.

Lime peel can be used for the extraction of essential oils and chemicals, and for food use to make glace, candied, and crystallized fruit peels which are used chiefly in baking. The primary glace fruit peels are orange and citron peels; these products are excluded from consideration in this digest and covered under separate HTS subheadings.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	(2)	(2)	(2)	(2)	(2)
Employment (1,000 employees).	(2)	(2)	(2)	(2)	(2)
Shipments (1,000 dollars)	(2)	(2)	(2)	(2)	(2)
Exports (1,000 dollars) ³	(2)	(2)	(2)	(2)	(2)
Imports (1,000 dollars) ⁴	255	156	248	191	187
Consumption (1,000 dollars)	(2)	(2)	(2)	(2)	(2)
Import-to-consumption ratio (percent)	(2)	(2)	(2)	(2)	(2)
Capacity utilization (percent).	(2)	(2)	(2)	(2)	(2)

¹ Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

² Not available.

³ Data on U.S. exports are not specially provided for.

⁴ Imports include all items reported under HTS subheading 0814.00.90, not just the digest products.

II. U.S. market profile—Continued

Comment.—No specific data on U.S. production of lime peel are available. Florida and California produced all but a small fraction of commercial fresh limes in the United States. U.S. production of fresh limes has exceeded \$20 million annually during recent years. Processors in these two States also produced nearly all U.S. production of citrus fruit peel; there are probably fewer than one dozen firms which produce citrus fruit peel of all types in the United States, but even fewer produce lime peel.

More than one half of U.S. consumption of citrus peel consists of orange peel, with most of the balance being grapefruit and lemon peels, with only a very small amount consisting of lime peel. U.S. production of all types of citrus peel have amounted to an estimated 25 million pounds annually in recent years. U.S. production of all types of glace, candied, and crystallized fruits, fruit peel (including lime), nuts and other vegetable substances was valued at \$52 million in 1987, according to the U.S. Department of Commerce.

Imports of all fruit peel entering under HTS subheading 0814.00.90 amounted to about \$200,000 annually during 1986-90.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports ¹ 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	187	100	-	(²)
Imports from GSP countries:				
Total	114	61	100	(²)
Brazil	101	54	89	(²)
Dominican Republic	11	6	10	(²)
Mexico	3	2	3	(²)

¹ All imports reported under HTS subheading 0814.00.90.

² Not available.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Brazil supplies over half of U.S. imports of fruit peel (which includes lime and other citrus peels). Brazil is the world's leading producer and exporter of citrus products (mainly orange juice); the Dominican Republic is a relatively small grower of citrus fruit while Mexico is a large citrus grower and exporter. Peru, the petitioner in this GSP request, is not known to be a citrus product exporter of any significance.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Brazil for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.—Brazil is the leading world and U.S. supplier of citrus products (mainly fresh concentrated orange juice) to the United States. Brazil produces a large volume of the various citrus fruits including limes.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.—There is little lime peel traded either internationally or domestically. The large GSP eligible beneficiary countries which are the leading citrus producers, Brazil and Mexico, would likely receive the overwhelming majority of benefits from increased lime peel trade.

V. Position of interested parties

Opposition.—The California-Arizona Citrus League and the Processors Council of the California-Arizona Citrus League, a trade association composed of processors and marketers of California and Arizona processed citrus fruits, opposed the granting of GSP status to any citrus product including lime peel. The league indicated that the petitioner Peru indicated it did not currently produce lime peel; and that any benefits granted to Peru would negate benefits granted to eligible countries under the Caribbean Basin Initiative, and to Mexico under the proposed North American Free Trade Agreement. The league indicated that since Peru does not currently commercially produce this product, there can be no reason to grant the petition.

VI. Summary of probable economic effects--Addition

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
08140090(pt)Digest Title: Lime peel
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Brazil.....	0	0	0	0	101
Spain.....	227	120	157	88	45
West Germany.....	2	1	3	0	12
Korea.....	0	0	0	0	12
Dominican Rep....	0	0	4	17	11
United Kingdom...	0	9	0	0	3
Mexico.....	15	3	0	0	3
Guatemala.....	0	0	0	11	0
Haiti.....	0	6	0	0	0
Peru.....	0	0	2	0	0
Switzerland.....	0	0	0	1	0
Greece.....	1	0	0	0	0
Israel.....	0	0	23	40	0
Oman.....	0	0	0	20	0
India.....	0	6	0	0	0
All other.....	10	11	59	14	0
Total.....	255	156	248	191	187
GSP Total.....	23	17	50	97	114
Percent					
Brazil.....	.0	.0	.0	.0	53.7
Spain.....	89.0	76.9	63.3	46.0	24.2
West Germany.....	.6	.7	1.4	.0	6.5
Korea.....	.0	.0	.0	.0	6.4
Dominican Rep....	.0	.0	1.5	8.7	5.6
United Kingdom...	.0	5.7	.0	.0	1.9
Mexico.....	6.0	1.8	.0	.0	1.7
Guatemala.....	.0	.0	.0	5.9	.0
Haiti.....	.0	3.6	.0	.0	.0
Peru.....	.0	.0	.8	.0	.0
Switzerland.....	.0	.0	.0	.6	.0
Greece.....	.4	.0	.0	.0	.0
Israel.....	.0	.0	9.2	20.9	.0
Oman.....	.0	.0	.0	10.4	.0
India.....	.0	4.0	.0	.0	.0
All other.....	3.9	7.3	23.8	7.5	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	8.9	11.1	20.0	50.7	61.0

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990. Imports include all items reported under HTS subheading 0814.00.90.

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

DIGEST NO. 1210.20.00

HOP CONES AND LUPULIN

Hop Cones and Lupulin

I. Introduction

x Addition to GSP Removal from GSP Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
1210.20.00	Hop cones and lupulin	3% AVE	Yes

Description and uses.—Hop cones are the scaly cone-like catkins or flowers of the hop plant (*Humulus lupulus*). Hops are grown on a trellis. There is no production in the first year after planting. Hops are used mainly in the brewing industry to give flavor to the beer. They are also used for medicinal purposes. Hop cones are classified in HTS heading 1210.20.00 whether or not ground or powdered or in the form of pellets. According to the Hops Growers of America, hops lose their aroma "signature" once pelletized.

Lupulin is a yellow resinous powder which covers the hop cones and contains the bitter aromatic principle which gives hops their characteristic properties. It is used in brewing as a partial substitute for hops, and in medicine. It may be separated from the hops mechanically after drying.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	*110	*110	*110	*110	*110
Employment (employees) ²	*1,650	*1,650	*1,650	*1,650	*1,650
Production (1,000 dollars)	*100,000	*100,000	*100,000	*100,000	*100,000
Exports (1,000 dollars)	30,157	35,335	39,305	50,654	33,122
Imports (1,000 dollars)	2,253	1,366	771	5,254	8,572
Consumption (1,000 dollars)	*72,095	*66,031	*61,466	*54,600	*75,450
Import-to-consumption ratio (percent)	$\frac{3}{100}$	$\frac{2}{100}$	$\frac{1}{100}$	$\frac{10}{100}$	$\frac{11}{100}$
Capacity utilization (percent)	(3)	(3)	(3)	(3)	(3)

¹ Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90. The number of producers, employment, and the value of production are industry estimates.

² The hops harvest takes one month, during this period employment may increase to 50-60 employees per farm, or to 5,500 to 6,600 employees.

³ Data are not meaningful in this agricultural industry.

Comment.—U.S. hops are primarily grown under contract with prices set 3 or 4 years in advance. All U.S. Department of Agriculture official hops statistics are in quantity terms, thus all production figures are estimated from acreage harvested by the Oregon Agricultural Statistical Service and Hops Growers of America. Hops prices generally range from about \$1.50 per pound for forward contracted hops, to \$3.00 per pound for spot purchases.

Hops are grown primarily in Oregon and Washington State, especially in the Yakima Valley. Oregon accounts for about 20 percent of production. Hop yields are in the range of 1,450 to 1,650 pounds per acre.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	8,572	100	-	*11
Imports from GSP countries:				
Total	547	6	100	*1
Yugoslavia.	541	6	99	*1
Czechoslovakia.	6	(¹)	1	*(¹)

Note.—Because of rounding, figures may not add to the totals shown.

¹ Less than 0.5 percent.

Comment.—Yugoslavia is the only GSP country exporting hops to the United States on a regular basis. Imports from Czechoslovakia were valued at \$6,000 in 1990, down from \$445,000 in 1986. Non GSP sources include the European Community (especially Germany).

Yugoslavia's share of total imports in 1990, 6 percent, is down sharply from the high of 31 percent in 1988 and 21 percent in 1986. The United States imported no hops from Yugoslavia in 1987.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Yugoslavia for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☒ No ☐

What is the price elasticity of U.S. demand? High ☐ Moderate ☒ Low ☐

Can production in the country be easily expanded or contracted
in the short term? Yes ☐ No ☒

Does the country have significant export markets besides the
United States? Yes ☒ No ☐

Could exports from the country be readily redistributed among
its foreign export markets? Yes ☒ No ☐

What is the price elasticity of import supply? High ☐ Moderate ☒ Low ☐

Price level compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Quality compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Comment.—Yugoslavia is the only GSP-eligible supplier of hops to the United States on a regular basis. The two varieties of hops produced in Yugoslavia are Styrian Golding and Super Styrian; according to industry sources both have unique flavor characteristics. "Short term" means one year or less, therefore no production of an agricultural product can be increased in less than the medium term (1 to 5 years). Hops are not a homogeneous product, different varieties are grown in different parts of the world, each having certain unique aroma and acid content characteristics, therefore quality is not truly a comparable variable. The aroma "signature" of hops is lost when the hops are pelletized.

The present ethnic unrest and democratization processes in that part of the world may affect supplier reliability.

Competitiveness indicators for Czechoslovakia for all digest products

Ranking as a U.S. import supplier, 1990. 5

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☒ No ☐

What is the price elasticity of U.S. demand? High ☐ Moderate ☒ Low ☐

Can production in the country be easily expanded or contracted
in the short term? Yes ☐ No ☒

Does the country have significant export markets besides the
United States? Yes ☒ No ☐

Could exports from the country be readily redistributed among
its foreign export markets? Yes ☒ No ☐

What is the price elasticity of import supply? High ☐ Moderate ☒ Low ☐

Price level compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Quality compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Comment.—In 1990 Czechoslovakia exported \$6,000 of processed hops to the United States, down sharply from \$445,000 in 1986 or \$115,000 in 1987. Imports from Yugoslavia fell to zero in 1989.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No
 What is the price elasticity of U.S. demand? High Moderate x Low
 Can production in the country be easily expanded or contracted
 in the short term? Yes No x
 Does the country have significant export markets besides the
 United States? Yes x No
 Could exports from the country be readily redistributed among
 its foreign export markets? Yes x No
 What is the price elasticity of import supply? High Moderate x Low
 Price level compared with—
 U.S. products. Above Equivalent x Below
 Other foreign products Above Equivalent x Below
 Quality compared with—
 U.S. products. Above Equivalent x Below
 Other foreign products Above Equivalent x Below

Comment.—Yugoslavia and Czechoslovakia are the only known potential GSP suppliers.

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects—Addition

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
12102000Digest Title: Hop cones and lupulin
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
West Germany.....	1,293	1,135	389	4,222	6,928
Yugoslavia.....	480	0	242	461	541
Australia.....	0	4	6	0	405
France.....	0	0	0	366	379
New Zealand.....	0	40	54	116	185
China.....	0	0	0	0	114
United Kingdom...	0	5	5	2	14
Czechoslovakia...	445	119	11	0	6
Canada.....	22	1	0	0	0
Costa Rica.....	0	3	0	0	0
Dominica.....	0	0	19	0	0
Colombia.....	0	2	0	0	0
Belgium.....	0	57	0	0	0
Thailand.....	0	0	41	0	0
Korea.....	13	0	0	0	0
All other.....	0	0	5	88	0
Total.....	2,253	1,366	771	5,254	8,572
GSP Total.....	925	124	313	461	547
Percent					
West Germany.....	57.4	83.1	50.4	80.4	80.8
Yugoslavia.....	21.3	.0	31.4	8.8	6.3
Australia.....	.0	.3	.7	.0	4.7
France.....	.0	.0	.0	7.0	4.4
New Zealand.....	.0	3.0	7.0	2.2	2.2
China.....	.0	.0	.0	.0	1.3
United Kingdom...	.0	.3	.7	1/	.2
Czechoslovakia...	19.8	8.7	1.4	.0	.1
Canada.....	1.0	.1	.0	.0	.0
Costa Rica.....	.0	.3	.0	.0	.0
Dominica.....	.0	.0	2.5	.0	.0
Colombia.....	.0	.2	.0	.0	.0
Belgium.....	.0	4.1	.0	.0	.0
Thailand.....	.0	.0	5.3	.0	.0
Korea.....	.6	.0	.0	.0	.0
All other.....	.0	.0	.7	1.7	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	41.1	9.1	40.5	8.8	6.4

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
12102000Digest Title: Hop cones and lupulin
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Brazil.....	5,116	6,739	6,028	14,627	7,675
West Germany.....	644	869	1,883	3,008	7,088
Canada.....	5,136	4,791	8,781	12,731	5,292
Mexico.....	6,976	7,372	7,491	3,105	2,083
Soviet Union.....	0	0	0	566	1,998
Colombia.....	3,187	3,116	3,120	10,025	1,788
United Kingdom....	244	680	604	665	1,312
Japan.....	1,440	822	1,128	942	749
Philippines.....	335	1,131	1,836	18	512
Dominican Rep....	81	126	504	194	496
Malaysia.....	191	111	235	170	442
Cameroon.....	0	246	356	129	425
Netherlands.....	778	1,154	1,213	785	360
Belgium.....	182	513	309	269	340
Ireland.....	67	509	635	19	298
All other.....	5,779	7,156	5,180	3,400	2,265
Total.....	30,157	35,335	39,304	50,654	33,122
GSP Total.....	20,069	23,980	22,815	29,065	14,522
Percent					
Brazil.....	17.0	19.1	15.3	28.9	23.2
West Germany.....	2.1	2.5	4.8	5.9	21.4
Canada.....	17.0	13.6	22.3	25.1	16.0
Mexico.....	23.1	20.9	19.1	6.1	6.3
Soviet Union.....	.0	.0	.0	1.1	6.0
Colombia.....	10.6	8.8	7.9	19.8	5.4
United Kingdom....	.8	1.9	1.5	1.3	4.0
Japan.....	4.8	2.3	2.9	1.9	2.3
Philippines.....	1.1	3.2	4.7	1/	1.5
Dominican Rep....	.3	.4	1.3	.4	1.5
Malaysia.....	.6	.3	.6	.3	1.3
Cameroon.....	.0	.7	.9	.3	1.3
Netherlands.....	2.6	3.3	3.1	1.5	1.1
Belgium.....	.6	1.5	.8	.5	1.0
Ireland.....	.2	1.4	1.6	1/	.9
All other.....	19.2	20.3	13.2	6.7	6.8
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	66.5	67.9	58.0	57.4	43.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 1604.13.30

CERTAIN PREPARED FISH, IN OIL

Certain prepared fish, in oil¹

I. Introduction

X Addition to GSP ___ Removal from GSP ___ Competitive-need-limit waiver

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
1604.13.30	Sardines, in oil, in airtight containers, skinned or boned, valued not more than \$1 per kilogram in tinsplate containers or \$1.10 per kilogram in other containers. . . .	20%	Yes
1604.19.25 ¹	Bonito, yellowtail, and pollock, in oil, in airtight containers.	7.5%	No

¹ Based on 1990 trade data, Peru exceeds the competitive-need limits for articles included under HTS subheading 1604.19.25 and would be non-eligible for GSP treatment of such articles.

Description and uses.--These articles are canned seafoods intended for human consumption.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	10	10	9	8	8
Employment (1,000 employees).	12	11	10	8	7
Shipments (1,000 dollars).	15,000	14,000	13,000	12,000	12,000
Exports (1,000 dollars).	315	593	5,657	5,188	6,344
Imports (1,000 dollars).	4,584	5,505	4,870	5,346	4,048
Consumption (1,000 dollars).	19,269	18,912	12,213	12,158	9,704
Import-to-consumption ratio (percent).	24	29	40	44	42
Capacity utilization (percent).	80	80	75	80	80

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.--The U.S. industry producing canned sardines is based exclusively in Maine, whose waters contain commercially significant herring stocks. The primary product of this industry is sardines, not skinned or boned, which is highly substitutable for, but not identical to, the article under HTS subheading 1604.13.30. The principal foreign competitors with the U.S. industry are Canada, Scandinavia, and Iberia, with somewhat lesser competition from north Africa and Latin America (including Peru). The U.S. market is highly price sensitive, and the domestic industry has declined in recent years because of increased foreign competition, herring resource fluctuations, and reduced domestic demand (registered in a decline in per capita consumption of canned sardines from 0.4 pounds in 1981 to 0.3 pounds in 1990).

¹ This digest includes the following HTS subheadings: 1604.13.30 and 1604.19.25.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	4,048	100	-	42
Imports from GSP countries:				
Total	661	16	100	10
Morocco	516	13	78	8
Yugoslavia	52	1	8	1
Venezuela	49	1	7	1
Peru	44	1	7	1

Note.--Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Morocco for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☒ No ☐

What is the price elasticity of U.S. demand? High ☐ Moderate ☒ Low ☐

Can production in the country be easily expanded or contracted
in the short term? Yes ☐ No ☒

Does the country have significant export markets besides the
United States? Yes ☒ No ☐

Could exports from the country be readily redistributed among
its foreign export markets? Yes ☒ No ☐

What is the price elasticity of import supply? High ☐ Moderate ☒ Low ☐

Price level compared with--

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Quality compared with--

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Competitiveness indicators for all GSP suppliers for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☒ No ☐

What is the price elasticity of U.S. demand? High ☐ Moderate ☒ Low ☐

Can production in the countries be easily expanded or contracted
in the short term? Yes ☐ No ☒

Do the countries have significant export markets besides the
United States? Yes ☒ No ☐

Could exports from the countries be readily redistributed among
their foreign export markets? Yes ☒ No ☐

What is the price elasticity of import supply? High ☐ Moderate ☒ Low ☐

Price level compared with--

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Quality compared with--

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects--Addition

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Table I.

Digest No.
16041330Digest Title: Certain prepared fish, in oil
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Portugal.....	3,390	4,287	4,334	4,392	3,238
Morocco.....	79	168	198	463	516
Spain.....	100	215	100	62	61
Yugoslavia.....	62	80	1	20	52
Venezuela.....	0	1	0	0	49
Peru.....	0	19	83	54	44
Korea.....	0	4	0	71	38
Norway.....	350	227	0	152	20
Greece.....	4	0	1	6	15
Netherlands.....	91	135	18	0	11
Italy.....	2	19	10	2	3
France.....	18	57	45	63	1
Canada.....	7	0	0	0	0
Jamaica.....	328	0	0	0	0
Sweden.....	0	0	10	0	0
All other.....	152	292	70	61	0
Total.....	4,584	5,505	4,870	5,346	4,048
GSP Total.....	523	318	282	575	661
Percent					
Portugal.....	74.0	77.9	89.0	82.2	80.0
Morocco.....	1.7	3.1	4.1	8.7	12.7
Spain.....	2.2	3.9	2.1	1.2	1.5
Yugoslavia.....	1.4	1.5	1/	.4	1.3
Venezuela.....	.0	1/	.0	.0	1.2
Peru.....	.0	.3	1.7	1.0	1.1
Korea.....	.0	.1	.0	1.3	.9
Norway.....	7.6	4.1	.0	2.8	.5
Greece.....	.1	.0	1/	.1	.4
Netherlands.....	2.0	2.5	.4	.0	.3
Italy.....	.1	.3	.2	1/	.1
France.....	.4	1.0	.9	1.2	1/
Canada.....	.2	.0	.0	.0	.0
Jamaica.....	7.2	.0	.0	.0	.0
Sweden.....	.0	.0	.2	.0	.0
All other.....	3.3	5.3	1.4	1.1	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	11.4	5.8	5.8	10.8	16.3

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
16041330
HTS No.
16041330

Digest Title: Certain prepared fish, in oil
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Portugal.....	3,390	4,287	4,334	4,391	3,238
Morocco.....	79	168	198	463	516
Spain.....	100	215	100	62	61
Yugoslavia.....	62	80	1	20	52
Venezuela.....	0	1	0	0	49
Korea.....	0	0	0	71	38
Norway.....	350	227	0	152	20
Greece.....	4	0	1	6	15
Netherlands.....	91	135	18	0	11
Italy.....	2	19	10	2	3
France.....	18	57	45	63	1
Canada.....	7	0	0	0	0
Jamaica.....	328	0	0	0	0
Peru.....	0	19	83	0	0
Denmark.....	81	53	3	4	0
All other.....	61	236	63	39	0
Total.....	4,574	5,498	4,856	5,272	4,004
GSP Total.....	523	318	282	521	616
Percent					
Portugal.....	74.1	78.0	89.2	83.3	80.9
Morocco.....	1.7	3.1	4.1	8.8	12.9
Spain.....	2.2	3.9	2.1	1.2	1.5
Yugoslavia.....	1.4	1.5	1/	.4	1.3
Venezuela.....	.0	1/	.0	.0	1.2
Korea.....	.0	.0	.0	1.4	.9
Norway.....	7.6	4.1	.0	2.9	.5
Greece.....	.1	.0	1/	.1	.4
Netherlands.....	2.0	2.5	.4	.0	.3
Italy.....	.1	.3	.2	1/	.1
France.....	.4	1.0	.9	1.2	1/
Canada.....	.2	.0	.0	.0	.0
Jamaica.....	7.2	.0	.0	.0	.0
Peru.....	.0	.4	1.7	.0	.0
Denmark.....	1.8	1.0	.1	.1	.0
All other.....	1.3	4.3	1.3	.7	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	11.4	5.8	5.8	9.9	15.4

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
16041330
HTS No.
16041925

Digest Title: Certain prepared fish, in oil
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Peru.....	0	0	0	54	44
Sweden.....	0	0	10	0	0
West Germany.....	10	3	1	13	0
Portugal.....	0	0	0	1	0
China.....	0	0	3	0	0
Korea.....	0	4	0	0	0
Japan.....	0	0	0	6	0
Total.....	10	7	14	74	44
GSP Total.....	0	0	0	54	44
Percent					
Peru.....	.0	.0	.0	72.5	100.0
Sweden.....	.0	.0	71.2	.0	.0
West Germany.....	100.0	43.8	7.7	17.3	.0
Portugal.....	.0	.0	.0	1.8	.0
China.....	.0	.0	21.1	.0	.0
Korea.....	.0	56.2	.0	.0	.0
Japan.....	.0	.0	.0	8.4	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	.0	.0	.0	72.5	100.0

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
16041330Digest Title: Certain prepared fish, in oil
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	20	239	4,501	4,552	5,287
Mexico.....	43	3	86	154	476
France.....	2	1/	1	1/	159
West Germany.....	2	1	1	9	43
Panama.....	11	17	31	43	36
Korea.....	1/	1	74	3	33
Trin & Tobago....	10	3	17	15	27
Bahamas.....	10	14	14	40	22
Colombia.....	10	10	7	7	21
El Salvador.....	5	3	7	5	20
Aruba.....	10	32	32	0	17
Netherlands.....	1/	20	5	27	17
Antigua.....	0	0	1	1	17
Costa Rica.....	0	3	15	11	15
Netherlands Ant..	0	0	7	17	14
All other.....	192	246	856	304	138
Total.....	315	593	5,657	5,188	6,344
GSP Total.....	256	237	497	491	748
Percent					
Canada.....	6.3	40.4	79.6	87.7	83.3
Mexico.....	13.8	.5	1.5	3.0	7.5
France.....	.5	1/	1/	1/	2.5
West Germany.....	.6	.1	1/	.2	.7
Panama.....	3.4	2.9	.5	.8	.6
Korea.....	1/	.3	1.3	.1	.5
Trin & Tobago....	3.3	.6	.3	.3	.4
Bahamas.....	3.2	2.3	.3	.8	.3
Colombia.....	3.1	1.7	.1	.1	.3
El Salvador.....	1.5	.5	.1	.1	.3
Aruba.....	3.2	5.4	.6	.0	.3
Netherlands.....	1/	3.4	.1	.5	.3
Antigua.....	.0	.0	1/	1/	.3
Costa Rica.....	.0	.6	.3	.2	.2
Netherlands Ant..	.0	.0	.1	.3	.2
All other.....	61.0	41.4	15.1	5.9	2.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	81.5	40.0	8.8	9.5	11.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 1901.90.30(pt)

CAJETA

Cajeta

I. Introduction

X Addition to GSP ___ Removal from GSP ___ Competitive-need-limit waiver _____

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
1901.90.30(pt) ¹	Cajeta	17.5%	Yes

¹Item 1901.90.30 includes malted milk and articles of milk or cream not specially provided for; cajeta is one of these articles.

Description and uses.--Cajeta is a sweet-tasting milk based or milk caramel spread manufactured in Mexico. The product is to be imported in 360-gram jars and is said to contain milk, sugar, and baking soda. Cajeta is used as a sweet condiment on foods such as bread or toast or consumed as an ice cream topping.

II. U.S. market profile

There is no U.S. production, imports, or exports of cajeta.

¹ In a U.S. Customs Service classification ruling dated December 21, 1989, (CLA-2-21-L:C28d847855), a sample of cajeta manufactured in Mexico was examined by Customs and disposed of and cajeta was classified in HTS subheading 1901.90.30.40; the product was determined to be subject to the quota quantity restrictions listed in subchapter IV of Chapter 99 in HTS subheading 9904.10.60. This quota, which also includes malted milk and a number of other articles of milk and cream, limits the amount of imports under that subheading which may be imported from all countries (including Mexico) to an annual quota quantity of 2,721 kilograms. Additionally, an import license, issued to the importer by the United States Department of Agriculture (USDA), will be required at the time such merchandise is entered for consumption into the United States. The USDA has not issued any licenses to import cajeta from Mexico.

III. GSP import situation, 1990

There are no U.S. imports of cajeta.

IV. Competitiveness profiles, GSP suppliers¹

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☒ No ☐
 What is the price elasticity of U.S. demand? High ☐ Moderate ☒ Low ☐
 Can production in the country be easily expanded or contracted
 in the short term? Yes ☒ No ☐
 Does the country have significant export markets besides the
 United States? Yes ☐ No ☒
 Could exports from the country be readily redistributed among
 its foreign export markets? Yes ☒ No ☐
 What is the price elasticity of import supply? High ☐ Moderate ☒ Low ☐

Price level compared with--

U.S. products. Above ☐ Equivalent ☐ Below ☐
 Other foreign products². Above ☐ Equivalent ☐ Below ☐

Quality compared with--

U.S. products. Above ☐ Equivalent ☐ Below ☐
 Other foreign products². Above ☐ Equivalent ☐ Below ☐

¹There is no U.S. production of cajeta.

²Mexico is the only producer of cajeta.

V. Position of interested parties

Petitioner.--The Government of Mexico and a Mexican firm, Lacteos Cedral, S.A. de C.V., Mexico, petitioned to add cajeta to the list of eligible articles for the Generalized System of Preferences. Mr. Rolando Segovia, testifying on behalf of the Embassy of Mexico, pointed out that there is no industry producing cajeta in the United States. Accordingly, he contended that no U.S. industry will suffer injury as a result of cajeta being added to the list of GSP eligible items. In addition, he asserts that granting GSP eligibility to cajeta will supply a candy-type product desired by the 20 million Mexicans living in the United States, while furnishing employment directly to some 150 people and indirectly to 400 families in Mexico. In response to questioning, Mr. Arturo Jessel of the Embassy of Mexico answered that U.S. imports of cajeta from Mexico are subject to a section 22 quota of 2,700 kilos.

VI. Summary of probable economic effects--Addition

DIGEST NO. 1905.90.90(pt)

CORN CHIPS AND TACO SHELLS

Corn Chips and Taco Shells

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Mexico

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
1905.90.90(pt) ¹	Corn chips and taco shells	10%	Yes

¹ Mexico was proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 1905.90.90, during July 1, 1990-June 30, 1991.

Description and uses.--The products covered in this digest are corn chips and taco shells. These products are corn-based food products normally used by themselves as such or together with meat, vegetable, and/or cheese preparations.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	*61	*61	*61	*61	*61
Employment (1,000 employees)	NA	NA	NA	NA	NA
Shipments (1,000 dollars)	**1,455,740	**1,615,500	**1,775,260	**1,935,020	**2,094,780
Exports (1,000 dollars) ²	4,756	5,612	5,942	7,453	8,767
Imports (1,000 dollars) ²	2,957	2,402	2,753	6,133	7,766
Consumption (1,000 dollars)	**1,453,941	**1,612,290	**1,772,071	**1,933,700	**2,093,779
Import-to-consumption ratio (percent)	(3)	(3)	(3)	(3)	(3)
Capacity utilization (percent)	(4)	(4)	(4)	(4)	(4)

¹ Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

² Data are for HTS 1905.90.90 and include products other than the digest products.

³ Less than 0.5 percent.

⁴ Not available.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	7,766	100	-	** ⁽¹⁾
Imports from GSP countries:				
Total	5,421	70	100	** ⁽¹⁾
Mexico	3,439	44	63	** ⁽¹⁾
Thailand	550	7	10	** ⁽¹⁾
Israel	351	4	6	** ⁽¹⁾
Costa Rica	130	2	2	** ⁽¹⁾

¹ Less than one percent.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--Mexico is the principal supplier of corn chips and taco shells to the United States. In 1989, Mexico supplied 57.4 percent of total imports, resulting in suspension of GSP treatment from July 1, 1990, until July 1, 1991. In 1990, Mexico supplied 44 percent of total imports. Because total imports of this item are comparatively small, Mexico, as the principal supplier, risks exceeding the limit again in the future.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High Moderate X Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.--Domestic corn chip products are sold under highly advertised brand names; imported products are generic or institutional use products.

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects--competitive-need-limit waiver (Mexico)

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Table I.

Digest No.
19059090 (pt)Digest Title: Corn chips and taco shells
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (\$1,000 dollars)					
Mexico.....	169	208	166	3,525	3,439
Japan.....	394	394	401	278	863
Thailand.....	76	132	115	175	550
Canada.....	889	500	500	212	409
Philippines.....	33	40	79	404	359
Israel.....	14	15	17	235	351
Taiwan.....	100	101	185	170	335
Korea.....	106	135	232	366	305
India.....	10	47	19	46	135
Costa Rica.....	11	4	4	63	130
Trin & Tobago....	2	4	27	75	110
Hong Kong.....	25	32	38	50	93
Venezuela.....	1	1	1/	9	87
Indonesia.....	1	1	9	47	81
Singapore.....	13	19	31	38	70
All other.....	1,113	771	929	439	450
Total.....	2,957	2,404	2,753	6,133	7,766
GSP Total.....	501	618	605	4,638	5,421
Percent					
Mexico.....	5.7	8.7	6.0	57.5	44.3
Japan.....	13.3	16.4	14.6	4.5	11.1
Thailand.....	2.6	5.5	4.2	2.9	7.1
Canada.....	30.1	20.8	18.2	3.5	5.3
Philippines.....	1.1	1.7	2.9	6.6	4.6
Israel.....	.5	.6	.6	3.8	4.5
Taiwan.....	3.4	4.2	6.7	2.8	4.3
Korea.....	3.6	5.6	8.4	6.0	3.9
India.....	.3	2.0	.7	.8	1.7
Costa Rica.....	.4	.2	.1	1.0	1.7
Trin & Tobago....	.1	.2	1.0	1.2	1.4
Hong Kong.....	.8	1.3	1.4	.8	1.2
Venezuela.....	1/	1/	1/	.2	1.1
Indonesia.....	1/	1/	.3	.8	1.0
Singapore.....	.4	.8	1.1	.6	.9
All other.....	37.6	32.1	33.7	7.2	5.8
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	17.0	25.7	22.0	75.6	69.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
19059090 (pt)Digest Title: Corn chips and taco shells
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	1,927	2,147	2,103	2,527	2,713
Philippines.....	103	216	376	491	689
Bahamas.....	13	4	20	201	505
Denmark.....	78	130	111	285	437
United Kingdom...	118	159	117	189	375
Mexico.....	33	129	63	171	353
Netherlands.....	32	152	349	677	347
Saudi Arabia.....	442	359	204	225	327
Japan.....	164	213	319	425	323
Australia.....	230	145	254	88	291
Panama.....	132	102	145	268	219
Taiwan.....	21	67	40	110	187
Italy.....	56	93	99	59	145
Sweden.....	62	121	148	129	137
Fr Polynesia.....	139	62	91	102	133
All other.....	1,207	1,512	1,501	1,506	1,588
Total.....	4,756	5,612	5,942	7,453	8,767
GSP Total.....	1,097	1,040	1,486	2,061	2,719
Percent					
Canada.....	40.5	38.3	35.4	33.9	30.9
Philippines.....	2.2	3.8	6.3	6.6	7.9
Bahamas.....	.3	.1	.3	2.7	5.8
Denmark.....	1.6	2.3	1.9	3.8	5.0
United Kingdom...	2.5	2.8	2.0	2.5	4.3
Mexico.....	.7	2.3	1.1	2.3	4.0
Netherlands.....	.7	2.7	5.9	9.1	4.0
Saudi Arabia.....	9.3	6.4	3.4	3.0	3.7
Japan.....	3.4	3.8	5.4	5.7	3.7
Australia.....	4.8	2.6	4.3	1.2	3.3
Panama.....	2.8	1.8	2.4	3.6	2.5
Taiwan.....	.5	1.2	.7	1.5	2.1
Italy.....	1.2	1.7	1.7	.8	1.7
Sweden.....	1.3	2.2	2.5	1.7	1.6
Fr Polynesia.....	2.9	1.1	1.5	1.4	1.5
All other.....	25.4	26.9	25.3	20.2	18.1
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	23.1	18.5	25.0	27.7	31.0

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 2001.90.39(pt)

JALAPENO AND SERRANO PEPPERS, IN VINEGAR OR ACETIC ACID

Jalapeno and Serrano Peppers, in Vinegar or Acetic Acid

I. Introduction

 Addition to GSP Removal from GSP X Competitive-need-limit waiver Mexico

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
2001.90.39(pt) ¹	Jalapeno and Serrano peppers, in vinegar or acetic acid.....	12%	Yes

¹ Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 2001.90.39.

Description and uses.—The jalapeno and the Serrano peppers are vegetables commonly used in Mexican style food to impart a hot flavoring to the food; such peppers are consumed fresh and a large proportion are processed, typically by being prepared or preserved in vinegar or acetic acid, and then canned or bottled. There are two general types of peppers: sweet and "hot" (also called "chiles"); the peppers considered herein are hot. There are a number of varieties of hot peppers, including the jalapeno, the Serrano, the Hungarian Yellow Wax, the Yellow Wax, and the Green Anaheim peppers, all of which vary in their degree of pungency or spiciness. The jalapeno chile is oblong shaped, small, usually green but sometimes red, but hot in flavor. The Serrano chile is the tiniest and hottest of all the chile peppers, from 1 to 2 inches long, either red or green in color, but very hot in flavor.

This digest is concerned with the already fully processed jalapeno pepper, ready for retail sale or direct consumption rather than the fresh (raw) jalapeno pepper or Serrano pepper which are classified elsewhere (HTS subheading 0709.60.00), or with jalapeno or Serrano peppers which are provisionally preserved in vinegar or acetic acid, but unsuited for direct consumption in that form, needing to be repacked domestically before retail sale (HTS subheading 0711.90.60).¹

¹ Both of these subheadings are designated for GSP, however Mexico has been excluded from GSP treatment for HTS subheading 0709.60.00 on the basis of competitive need.

DIGEST NO. 2001.90.39(pt)

JALAPENO AND SERRANO PEPPERS, IN VINEGAR OR ACETIC ACID

Jalapeno and Serrano Peppers, in Vinegar or Acetic Acid

I. Introduction

 Addition to GSP Removal from GSP X Competitive-need-limit waiver Mexico

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
2001.90.39(pt) ¹	Jalapeno and Serrano peppers, in vinegar or acetic acid.....	12%	Yes

¹ Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 2001.90.39.

Description and uses.—The jalapeno and the Serrano peppers are vegetables commonly used in Mexican style food to impart a hot flavoring to the food; such peppers are consumed fresh and a large proportion are processed, typically by being prepared or preserved in vinegar or acetic acid, and then canned or bottled. There are two general types of peppers: sweet and "hot" (also called "chiles"); the peppers considered herein are hot. There are a number of varieties of hot peppers, including the jalapeno, the Serrano, the Hungarian Yellow Wax, the Yellow Wax, and the Green Anaheim peppers, all of which vary in their degree of pungency or spiciness. The jalapeno chile is oblong shaped, small, usually green but sometimes red, but hot in flavor. The Serrano chile is the tiniest and hottest of all the chile peppers, from 1 to 2 inches long, either red or green in color, but very hot in flavor.

This digest is concerned with the already fully processed jalapeno pepper, ready for retail sale or direct consumption rather than the fresh (raw) jalapeno pepper or Serrano pepper which are classified elsewhere (HTS subheading 0709.60.00), or with jalapeno or Serrano peppers which are provisionally preserved in vinegar or acetic acid, but unsuited for direct consumption in that form, needing to be repacked domestically before retail sale (HTS subheading 0711.90.60).

¹ Both of these subheadings are designated for GSP, however Mexico has been excluded from GSP treatment for HTS subheading 0709.60.00 on the basis of competitive need.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number) ²	*10	*10	*10	*10	*10
Employment (1,000 employees)	(³)	(³)	(³)	(³)	(³)
Shipments (1,000 dollars)	***	***	***	***	***
Exports (1,000 dollars) ⁴	1,005	875	1,131	2,462	4,211
Imports (1,000 dollars) ⁵	27,336	34,496	36,624	36,845	42,423
Consumption (1,000 dollars)	***	***	***	***	***
Import-to-consumption ratio (percent)	***	***	***	***	***
Capacity utilization (percent)	(³)	(³)	(³)	(³)	(³)

¹ Trade data for 1986-89 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

² Includes processors which pack principally from the fresh product. A large number of other firms reprocess (i.e. repack) provisionally preserved domestic and imported product. In recent years, hot peppers were grown on an estimated 2,000 farms, many of which grow other types of peppers as well.

³ Not available.

⁴ Export data are for HS subheading 2001.90.00 which includes products other than jalapeno peppers.

⁵ Imports which were reported under the prior HTS subheading 2001.90.40 are included. Prior to 1990, HTS subheading 2001.90.40 included jalapeno and Serrano peppers, and U.S. imports were also reported during 1990 under this subheading as well.

Comment.—The hot pepper processing industry (which includes the jalapeno or Serrano pepper as well as the green or red chile peppers) is made up of an estimated 20 firms of which half pack hot pepper from the raw product, and half repack already processed hot peppers. Four large firms account for an estimated 80 percent of total production; these firms typically produce a variety of Mexican-style foods and a variety of other food products as well. The large firms generally pack these products for private labels as well as their own, nationally advertised brands, with the added advantages of services, brand name recognition, and non-price purchasing incentives. The smaller firms process few items other than peppers, selling their product mainly on a price basis. These latter smaller firms are the ones most impacted by competition with the lower priced imports which also are sold mainly on the basis of price rather than brand name or marketing factors.

The U.S. Department of Commerce indicated that in 1987 hot peppers of all types were grown in the United States on about 28,000 acres; New Mexico and California together produced about 75 percent of all hot peppers. Arrivals into 18 leading U.S. cities of fresh hot peppers (including the jalapeno and the Serrano) of both domestic and foreign origin were reported by the U.S. Department of Agriculture as follows (in thousand hundredweight (cwt)):

Year	Domestic	Imported	Total
1986	412	685	794
1987	329	778	1,097
1988	332	881	1,107
1989	406	883	1,213
1990	440	1,050	1,289

The value of domestic shipments of all types of processed hot peppers including jalapeno, Serrano, and other types of processed chiles in 1990 was an estimated *** of about *** the estimated *** of domestic shipments in 1986. These shipments include the value of imported jalapeno or Serrano peppers which were repackaged or processed domestically before being sold domestically.

² USDA, ERS, Vegetables and Specialties, November 1990, and April 1991.

II. U.S. market profile—Continued

Domestic consumption of these hot peppers *** by about *** percent during 1986-90 or by about ***. This *** the increased popularity of Mexican style foods, both at-home and in Mexican restaurants throughout the United States.

U.S. imports of these prepared hot peppers rose from about \$27 million to \$42 million during 1986-90, an increase of about 56 percent. Imports supplied about *** of domestic consumption of hot peppers in 1990; this is *** that imports supplied in 1986.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports ¹ 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	42,423	100	-	***
Imports from GSP countries: ²				
Total	31,035	73	100	***
Mexico	28,998	68	93	***
Thailand	900	2	3	***
Israel	273	1	1	***
India	127	(⁴)	(⁴)	***

¹ Data include imports reported in 1990 under HS subheadings 2001.90.39 and 2001.90.40.

² Imports are duty-free under GSP from all GSP-eligible countries except Mexico, which has been declared ineligible for GSP benefits for this HTS subheading.

³ Imports of jalapeno or Serrano peppers from Israel are also eligible for duty-free entry under the provisions of the United States-Israel Free Trade Area Implementation Act of 1985.

⁴ Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Mexico has supplied about 90 percent of U.S. imports of these canned hot peppers (which include imports reported in 1990 under both HS subheadings 2001.90.39 and 2001.90.40). Mexico is a large producer of hot peppers of all types, and extremely competitive with U.S. processors. Mexico enjoys advantages in lower land and labor costs than U.S. growers and U.S. processors. Mexico exports other forms of hot peppers to the United States, not considered herein, including fresh hot peppers and provisionally preserved hot peppers, not suitable for retail sale.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products¹ Above Equivalent Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products¹ Above Equivalent Below

¹ Not available.

Comment.—Mexico is the leading supplier of U.S. hot and sweet peppers, fresh or processed to the United States. The Mexican vegetable industry is very competitive with U.S. producers, having lower costs of production than U.S. hot pepper producers. Mexican products tend to sell at prices below those of the leading U.S. brand name products, competing on the basis of price rather than other non-price factors. The smaller U.S. producers, which produce the lower priced domestic products, are the ones most impacted by competition with the lower-priced imports which also are sold mainly on the basis of price rather than brand name or non-price factors.

V. Position of interested parties

Petitioners.—The Camara Nacional de la Industria de Conservas Alimenticias and Empacadora del Noreste of Mexico indicated in testimony and in written statement that a waiver of the competitive need limits for these jalapeno and Serrano peppers would have no adverse economic effect on any U.S. industry since it is strong and consists mostly of large multinational corporations that would not be injured by granting a waiver. The petitioners indicated that the U.S. market is strong and growing as is the U.S. industry. Given the great strength of the U.S. vegetable processing industry and the small production and installed capacity of Petitioners' member companies compared to the U.S. industry, the granting of a GSP waiver would have a negligible impact on the U.S. industry.

/1. Summary of probable economic effects—competitive need-limit waiver (Mexico)

* * * * *

Table I.

Digest No.
20019039(pt)Digest Title: Jalapeno and serrano peppers, in vinegar or acetic acid
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	15,957	18,594	19,833	24,518	28,998
Greece.....	2,912	5,465	6,564	6,646	7,166
Spain.....	432	545	475	417	1,587
Japan.....	1,052	1,129	1,394	1,073	1,053
Thailand.....	688	765	1,794	1,276	900
Korea.....	271	266	301	226	349
Israel.....	601	608	313	174	273
Canada.....	557	756	576	609	234
Italy.....	335	315	294	360	206
West Germany.....	148	261	121	187	196
Taiwan.....	687	1,039	939	243	177
Hungary.....	131	112	74	34	170
India.....	86	201	203	171	127
France.....	432	438	328	98	117
China.....	70	67	403	119	98
All other.....	2,978	3,935	3,013	691	771
Total.....	27,336	34,496	36,624	36,845	42,423
GSP Total.....	19,809	23,806	24,828	26,705	31,035
Percent					
Mexico.....	58.4	53.9	54.2	66.5	68.4
Greece.....	10.7	15.8	17.9	18.0	16.9
Spain.....	1.6	1.6	1.3	1.1	3.7
Japan.....	3.8	3.3	3.8	2.9	2.5
Thailand.....	2.5	2.2	4.9	3.5	2.1
Korea.....	1.0	.8	.8	.6	.8
Israel.....	2.2	1.8	.9	.5	.6
Canada.....	2.0	2.2	1.6	1.7	.6
Italy.....	1.2	.9	.8	1.0	.5
West Germany.....	.5	.8	.3	.5	.5
Taiwan.....	2.5	3.0	2.6	.7	.4
Hungary.....	.5	.3	.2	.1	.4
India.....	.3	.6	.6	.5	.3
France.....	1.6	1.3	.9	.3	.3
China.....	.3	.2	1.1	.3	.2
All other.....	10.9	11.4	8.2	1.9	1.8
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	72.5	69.0	67.8	72.5	73.2

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990. Imports include all items reported under HTS subheading 2001.90.39.

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

Table II.

Digest No.
20019039(PL)Digest Title: Jalapeno and serrano peppers, in vinegar or acetic acid
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	80	144	209	372	2,405
Australia.....	5	15	108	147	300
Japan.....	117	84	136	185	268
Korea.....	27	12	49	50	186
France.....	14	1	5	103	138
Panama.....	86	60	30	97	127
New Zealand.....	3	9	5	111	96
Mexico.....	12	6	130	604	87
Philippines.....	1	1	3	43	77
Sweden.....	10	2	11	150	71
Spain.....	7	6	8	0	62
Saudi Arabia.....	164	33	101	56	55
Hong Kong.....	108	117	78	75	37
Br Virgin Is.....	0	0	2	0	31
Fr Polynesia.....	23	51	29	46	27
All other.....	349	335	229	422	244
Total.....	1,005	875	1,131	2,462	4,211
GSP Total.....	312	264	299	1,034	459
Percent					
Canada.....	8.0	16.4	18.4	15.1	57.1
Australia.....	.5	1.7	9.5	6.0	7.1
Japan.....	11.7	9.6	12.0	7.5	6.4
Korea.....	2.6	1.4	4.3	2.0	4.4
France.....	1.4	.1	.4	4.2	3.3
Panama.....	8.6	6.8	2.6	3.9	3.0
New Zealand.....	.3	1.0	.5	4.5	2.3
Mexico.....	1.2	.7	11.5	24.5	2.1
Philippines.....	.1	.1	.3	1.8	1.8
Sweden.....	1.0	.2	.9	6.1	1.7
Spain.....	.7	.7	.7	.0	1.5
Saudi Arabia.....	16.3	3.7	8.9	2.3	1.3
Hong Kong.....	10.7	13.4	6.9	3.1	.9
Br Virgin Is.....	.0	.0	.1	.0	.7
Fr Polynesia.....	2.3	5.8	2.6	1.9	.6
All other.....	34.7	38.3	20.2	17.1	5.8
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	31.0	30.2	26.4	42.0	10.9

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990. Exports include all items reported under HTS subheading 2001.90.39.

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

DIGEST NO. 2005.70.11

OLIVES

Olives¹

I. Introduction

X Addition to GSP Removal from GSP Competitive-need-limit waiver

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
2005.70.11	Green olives, not pitted, in containers each holding less than 13 kg, drained weight, entered under quota.	3.8% AVE	Yes
2005.70.13	Green olives, not pitted, other, discussed in additional U.S. note 4 to chapter 20.	3.0% AVE	Yes
2005.70.15	Green olives, not pitted, other.	4.4% AVE	Yes
2005.70.21	Pitted or stuffed green olives, place packed, weighing 1 kg or less.	1.0% AVE	Yes
2005.70.22	Pitted or stuffed green olives, place packed, weighing over 1 kg.	4.6% AVE	Yes
2005.70.25	Pitted or stuffed green olives, packed, other than place packed.	4.8% AVE	Yes
2005.70.50	Olives, not green in color, canned, not pitted.	6.0% AVE	Yes
2005.70.75	Olives, not green in color, pitted, other than canned, in airtight containers other than glass or metal.	3.0% AVE	Yes
2005.70.83	Otherwise prepared or preserved olives, not green in color; or green in color, in containers holding 13 kg or more.	6.5% AVE	Yes

Description and uses.—Processed olives for table use are consumed almost entirely as appetizers, condiments, or in salads or pizzas to add color and/or seasoning. Consumers prefer different styles (color and flavor) of olives; such styles are primarily dependent upon the maturity of the fruit when harvested and the type of processing undertaken.

Spanish-style olives (supplied in the U.S. markets almost entirely from foreign sources) and California-style olives (supplied predominantly by domestic processors) are the principal styles consumed in the United States; small quantities of Greek, Sicilian, and other styles, all of which are produced domestically to some extent, are also consumed.

Spanish-style olives are prepared from fully developed (but not ripe) fruit, which is green to straw yellow in color when picked. The olives are treated with a weak caustic solution of sodium or potassium hydroxide to remove most of the bitter flavor, packed in casks, barrels, or vats, covered with salt brine, fermented for a period extending from 2 to 12 months, and then packaged for sale. Spanish-style olives are always greenish in color when marketed. The great majority of the imported Spanish-style olives are pitted, or pitted and stuffed with pimentos or other ingredients such as anchovies or almonds.

California-style olives, like Spanish-style olives, are prepared from fully developed (but not ripe) olives, which are green to straw yellow in color when picked. The fruit is treated with a caustic solution to remove the bitter flavor, aerated (most of them) to develop a dark color, packed in a mild salt solution, and heat processed to destroy or inactivate microorganisms that could cause spoilage in hermetically sealed airtight containers (canned). Such olives are deep brown or black in color when marketed and are generally known in the trade as canned ripe black olives.

Greek-style olives are usually prepared from fully developed (but not ripe) olives, which are picked when reddish in color, packed in vats or barrels with salt, and then packed in kegs or in airtight containers. Greek-style olives are somewhat bitter; their color ranges from black (the

¹ This digest includes the following HTS subheadings: 2005.70.11, 2005.70.13, 2005.70.15, 2005.70.21, 2005.70.22, 2005.70.25, 2005.70.50, 2005.70.75, and 2005.70.83.

most characteristic) to pale pink, depending on the extent of oxidation during processing. The bulk of U.S. imports of Greek-style olives are not in airtight containers. Such olives are often marketed as "ripe olives," whether they have been prepared from ripe fruit or not ripe fruit.

Sicilian-style olives are prepared from fully developed (but not ripe) olives which are prepared in a manner similar to that of Spanish-style olives. They are green in color when marketed and have a somewhat bitter flavor. Sicilian-style olives are of far less commercial importance than Spanish-style olives.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	7	7	7	7	6
Employment (1,000 employees)	2	2	2	2	2
Shipments (1,000 dollars)	13,109	11,082	11,413	5,935	4,983
Exports (1,000 dollars)	1,014	1,231	1,390	1,979	1,757
Imports (1,000 dollars)	96,060	101,311	118,118	119,077	111,400
Consumption (1,000 dollars)	108,155	111,162	128,141	123,033	114,626
Import-to-consumption ratio (percent)	89	91	92	97	97
Capacity utilization (percent)	(²)	(²)	(²)	(²)	(²)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Data are not meaningful in this agricultural industry.

Comment.—Shipments of whole (unpitted) California style olives, which are believed to have accounted for over 90 percent of the domestic production of olives covered by this digest, declined from over \$13 million in 1986 to \$5 million in 1990. Pitted California style olives are not included in this digest. U.S. producer prices for all olives during 1986-90, according to data from the U.S. Bureau of Labor Statistics (BLS), declined by 12 percent.

Two types of producers account for the majority of the olives produced in the United States—namely, processors of California style olives from domestically grown olives and importer-repackers who have investments in plant and equipment for preparing imported bulk olives, primarily Spanish style olives, for distribution.

A number of importer-repackers (U.S. food companies, supermarket chains, and food wholesalers) have close marketing ties with or in some cases direct financial interest in Spanish olive processors. These close marketing relationships have enabled such firms to package, label, and distribute their products very competitively in the United States.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	111,400	100	-	97
Imports from GSP countries:				
Total	1,972	2	100	2
Morocco	1,078	1	57	1
Israel	628	1	33	1
Chile	79	(²)	(²)	(²)
Lebanon	71	(²)	(²)	(²)

¹ Imports of the olive products covered by this digest were not eligible for duty-free entry from Israel in 1990 under the provisions of the United States-Israel Free Trade Area Implementation Act of 1985.

² Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—U.S. imports of Spanish style olives accounted for 92 percent of the imports covered by this digest in 1990. Spain is the principal supplier of such imports. Imports from GSP countries were insignificant during 1986-90, and accounted for 2 percent of U.S. olive imports in 1990. Imports from GSP suppliers in 1990 consisted primarily of Spanish style olives.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Morocco for all digest products

Ranking as a U.S. import supplier, 1990. 3

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

V. Position of interested parties

Support.—IGEME—Export Promotion Center of Turkey—supports the designation of all varieties of processed olives as GSP eligible products. IGEME stated that because the U.S. market for olives is well established, granting GSP eligibility to the products under review would likely redirect some U.S. imports from developed countries to products from developing countries. IGEME stated that because olives from Spain and Greece have gained widespread acceptance in the U.S. market, GSP duty-free treatment is necessary in order for olives from developing countries to have the price advantage needed to gain consumer recognition and, thereby, establish a presence in the U.S. market.

IGEME noted that GSP duty-free benefits would provide assistance to growers and processors of olives in Turkey and other developing countries to gain a share of the U.S. import market for Spanish-style green olives and for unpitted California-style black olives. IGEME asserts that an increase in imports from GSP-eligible countries of the olive categories under review will not impact negatively on U.S. olive growers or processors.

Opposition.—The California Olive Association, representing canners who commercially process substantially all of the California canned ripe olives, opposes GSP duty-free treatment on olives. The Association stated that the olive products accepted for review include California-style canned ripe olives as well as green olives in almost every style of pack—including whole, pitted, pitted and stuffed, and place packed. The Association asserts that the U.S. consumer demand for olives is relatively inelastic and that imports do not increase olive consumption. They stated that olives are highly import sensitive products because of their relative price inelasticity and because olive trees bear fruit for hundreds of years whereas production cannot be turned on and off, and, therefore, olives should not be subjected to GSP duty-free treatment (citing section 501(b)(10) of the Trade Act of 1975, as amended). The Association asserts that GSP duty-free treatment on olives would have serious adverse economic impacts on U.S. olive growers, growers' employees, canners, and cannery workers.

In addition, the California Olive Association provided the following reasons (summarized briefly) for not granting GSP status to the olive products covered by this digest: GSP treatment would impair the value to the European Community of the 1988 trade agreement that resolved the citrus/pasta dispute and established the tariff quotas on olives; GSP treatment would give Israel an uncompensated concession incompatible with the U.S.-Israel FTA agreement because olives are one of a handful of commodities for which the duties for Israel were frozen until 1995; and all of the member canners of the Association are located in California counties designated by the U.S. Department of Labor's Employment and Training Administration as "Labor Surplus Area" counties, and thousands of independent growers and cannery workers would be adversely affected by the loss of their jobs and income to increased imports.

VI. Summary of probable economic effects--Addition

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VI. Summary of probable economic effects—Addition

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Table I.

Digest No.
20057011

Digest Title: Olives

U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Spain.....	87,673	93,589	108,662	108,584	101,254
Greece.....	4,869	4,760	5,855	5,736	6,014
Morocco.....	286	212	809	1,462	1,078
Italy.....	648	327	547	859	790
Portugal.....	221	309	384	519	654
Israel.....	1,057	832	536	868	628
France.....	140	120	218	346	466
Canada.....	144	234	227	88	86
Chile.....	79	108	14	59	79
Lebanon.....	0	9	14	51	71
Netherlands.....	277	17	81	0	70
Turkey.....	7	12	62	131	36
Japan.....	21	1	16	3	31
Argentina.....	0	0	15	101	27
Peru.....	19	7	0	18	24
All other.....	619	776	679	253	90
Total.....	96,060	101,311	118,118	119,077	111,400
GSP Total.....	1,922	1,800	1,988	2,711	1,972
Percent					
Spain.....	91.3	92.4	92.0	91.2	90.9
Greece.....	5.1	4.7	5.0	4.8	5.4
Morocco.....	.3	.2	.7	1.2	1.0
Italy.....	.7	.3	.5	.7	.7
Portugal.....	.2	.3	.3	.4	.6
Israel.....	1.1	.8	.5	.7	.6
France.....	.1	.1	.2	.3	.4
Canada.....	.1	.2	.2	.1	.1
Chile.....	.1	.1	1/	1/	.1
Lebanon.....	.0	1/	1/	1/	.1
Netherlands.....	.3	1/	.1	.0	.1
Turkey.....	1/	1/	.1	.1	1/
Japan.....	1/	1/	1/	1/	1/
Argentina.....	.0	.0	1/	.1	1/
Peru.....	1/	1/	.0	1/	1/
All other.....	.6	.8	.6	.2	.1
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	2.0	1.8	1.7	2.3	1.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20057011
HTS No.
20057011

Digest Title: Olives

U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Spain.....	0	0	0	837	473
Greece.....	0	0	0	836	96
Israel.....	0	0	0	94	32
Portugal.....	0	0	0	8	19
Lebanon.....	0	0	0	8	19
Italy.....	0	0	0	54	16
France.....	0	0	0	28	6
Brazil.....	0	0	0	0	2
Canada.....	0	0	0	2	0
United Kingdom...	0	0	0	4	0
Turkey.....	0	0	0	6	0
Tokelau Is.....	0	0	0	3	0
Total.....	0	0	0	1,880	662
GSP Total.....	0	0	0	111	53
Percent					
Spain.....	.0	.0	.0	44.5	71.4
Greece.....	.0	.0	.0	44.5	14.4
Israel.....	.0	.0	.0	5.0	4.9
Portugal.....	.0	.0	.0	.4	2.9
Lebanon.....	.0	.0	.0	.4	2.8
Italy.....	.0	.0	.0	2.9	2.4
France.....	.0	.0	.0	1.5	.9
Brazil.....	.0	.0	.0	.0	.2
Canada.....	.0	.0	.0	.1	.0
United Kingdom...	.0	.0	.0	.2	.0
Turkey.....	.0	.0	.0	.3	.0
Tokelau Is.....	.0	.0	.0	.2	.0
Total.....	.0	.0	.0	100.0	100.0
GSP Total.....	.0	.0	.0	5.9	7.9

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20057011
HTS No.
20057013

Digest Title: Olives

U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Spain.....	0	0	0	533	947
Greece.....	0	0	0	26	257
Lebanon.....	0	0	0	0	27
Portugal.....	0	0	0	16	25
Argentina.....	0	0	0	60	18
Italy.....	0	0	0	0	11
France.....	0	0	0	2	7
Chile.....	0	0	0	25	0
Turkey.....	0	0	0	2	0
Israel.....	0	0	0	14	0
Total.....	0	0	0	679	1,292
GSP Total.....	0	0	0	102	46
Percent					
Spain.....	.0	.0	.0	78.5	73.3
Greece.....	.0	.0	.0	3.9	19.9
Lebanon.....	.0	.0	.0	.0	2.1
Portugal.....	.0	.0	.0	2.3	1.9
Argentina.....	.0	.0	.0	8.9	1.4
Italy.....	.0	.0	.0	.0	.8
France.....	.0	.0	.0	.3	.5
Chile.....	.0	.0	.0	3.7	.0
Turkey.....	.0	.0	.0	.3	.0
Israel.....	.0	.0	.0	2.1	.0
Total.....	.0	.0	.0	100.0	100.0
GSP Total.....	.0	.0	.0	15.0	3.6

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20057011
HTS No.
20057015

Digest Title: Olives
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Spain.....	3,305	3,633	4,604	2,375	2,249
Greece.....	373	575	513	327	244
Israel.....	56	71	44	105	120
Italy.....	162	100	84	2	108
France.....	20	29	41	9	43
Turkey.....	2	1/	7	26	19
Portugal.....	140	122	113	1	17
Thailand.....	0	1	1	0	1
Canada.....	5	27	9	0	0
Mexico.....	70	494	462	2	0
Chile.....	0	0	9	0	0
Sweden.....	0	1	1/	0	0
United Kingdom...	2	13	1	2	0
Ireland.....	1	0	0	0	0
Netherlands.....	9	1/	2	0	0
All other.....	17	23	20	6	0
Total.....	4,162	5,089	5,911	2,853	2,800
GSP Total.....	136	580	541	134	140
Percent					
Spain.....	79.4	71.4	77.9	83.2	80.3
Greece.....	9.0	11.3	8.7	11.5	8.7
Israel.....	1.3	1.4	.7	3.7	4.3
Italy.....	3.9	2.0	1.4	.1	3.8
France.....	.5	.6	.7	.3	1.5
Turkey.....	.1	1/	.1	.9	.7
Portugal.....	3.4	2.4	1.9	1/	.6
Thailand.....	.0	1/	1/	.0	1/
Canada.....	.1	.5	.2	.0	.0
Mexico.....	1.7	9.7	7.8	.1	.0
Chile.....	.0	.0	.1	.0	.0
Sweden.....	.0	1/	1/	.0	.0
United Kingdom...	1/	.3	1/	.1	.0
Ireland.....	1/	.0	.0	.0	.0
Netherlands.....	.2	1/	1/	.0	.0
All other.....	.4	.5	.3	.2	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	3.3	11.4	9.1	4.7	5.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.

20057011

HTS No.

20057021

Digest Title: Olives

U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Spain.....	0	0	0	7,596	6,919
Italy.....	0	0	0	32	48
Portugal.....	0	0	0	7	29
Israel.....	0	0	0	2	0
Australia.....	0	0	0	2	0
Total.....	0	0	0	7,639	6,995
GSP Total.....	0	0	0	2	0
Percent					
Spain.....	.0	.0	.0	99.4	98.9
Italy.....	.0	.0	.0	.4	.7
Portugal.....	.0	.0	.0	.1	.4
Israel.....	.0	.0	.0	1/	.0
Australia.....	.0	.0	.0	1/	.0
Total.....	.0	.0	.0	100.0	100.0
GSP Total.....	.0	.0	.0	1/	.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20057011
HTS No.
20057022

Digest Title: Olives
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Spain.....	7,004	6,357	8,013	1,271	896
Morocco.....	5	0	1	96	47
Israel.....	5	1	2	19	20
Greece.....	1/	0	0	0	20
Italy.....	18	13	42	30	4
Canada.....	0	13	1/	0	0
Mexico.....	0	7	0	0	0
Sweden.....	0	1/	0	0	0
Netherlands.....	11	0	0	0	0
France.....	2	1/	1	2	0
West Germany.....	1/	0	0	0	0
Portugal.....	0	0	0	15	0
Turkey.....	0	0	1/	0	0
China.....	0	3	0	0	0
Hong Kong.....	1/	0	0	0	0
All other.....	0	18	0	0	0
Total.....	7,044	6,415	8,059	1,434	986
GSP Total.....	9	9	4	115	47
Percent					
Spain.....	99.4	99.1	99.4	88.7	90.8
Morocco.....	.1	.0	1/	6.7	4.8
Israel.....	.1	1/	1/	1.3	2.0
Greece.....	1/	.0	.0	.0	2.0
Italy.....	.3	.2	.5	2.1	.4
Canada.....	.0	.2	1/	.0	.0
Mexico.....	.0	.1	.0	.0	.0
Sweden.....	.0	1/	.0	.0	.0
Netherlands.....	.2	.0	.0	.0	.0
France.....	1/	1/	1/	.1	.0
West Germany.....	1/	.0	.0	.0	.0
Portugal.....	.0	.0	.0	1.0	.0
Turkey.....	.0	.0	1/	.0	.0
China.....	.0	.1	.0	.0	.0
Hong Kong.....	1/	.0	.0	.0	.0
All other.....	.0	.3	.0	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	.1	.1	1/	8.0	6.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20057011
HTS No.
20057025

Digest Title: Olives
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Spain.....	75,995	79,950	91,163	94,149	88,821
Israel.....	864	662	413	598	435
Morocco.....	155	105	142	431	363
Greece.....	90	22	132	44	161
Portugal.....	56	131	193	117	136
Canada.....	27	174	203	40	76
Netherlands.....	256	7	76	0	70
Italy.....	156	16	94	296	57
Japan.....	21	0	16	0	31
France.....	42	9	66	53	18
Taiwan.....	0	21	13	0	17
Belgium.....	12	0	0	0	15
Argentina.....	0	0	15	40	8
Lebanon.....	0	1	0	7	3
Mexico.....	180	72	0	0	0
All other.....	283	54	100	187	0
Total.....	78,137	81,225	92,625	95,963	90,213
GSP Total.....	1,411	868	623	1,133	810
Percent					
Spain.....	97.3	98.4	98.4	98.1	98.5
Israel.....	1.1	.8	.4	.6	.5
Morocco.....	.2	.1	.2	.4	.4
Greece.....	.1	1/	.1	1/	.2
Portugal.....	.1	.2	.2	.1	.2
Canada.....	1/	.2	.2	1/	.1
Netherlands.....	.3	1/	.1	.0	.1
Italy.....	.2	1/	.1	.3	.1
Japan.....	1/	.0	1/	.0	1/
France.....	.1	1/	.1	.1	1/
Taiwan.....	.0	1/	1/	.0	1/
Belgium.....	1/	.0	.0	.0	1/
Argentina.....	.0	.0	1/	1/	1/
Lebanon.....	.0	1/	.0	1/	1/
Mexico.....	.2	.1	.0	.0	.0
All other.....	.4	.1	.1	.2	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	1.8	1.1	.7	1.2	.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20057011
HTS No.
20057050

Digest Title: Olives

U.S. imports for consumption, principal sources, 1986-90.

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Spain.....	783	829	1,196	288	245
France.....	21	22	33	125	210
Greece.....	46	85	71	257	171
Portugal.....	2	6	4	38	50
Morocco.....	6	1	4	5	30
Turkey.....	5	1	2	26	18
Italy.....	3	4	12	26	11
Israel.....	6	10	12	26	7
Canada.....	0	6	2	0	0
Mexico.....	1/	0	0	0	0
Sweden.....	0	3	1/	0	0
United Kingdom...	0	0	3	0	0
Ireland.....	1	0	0	0	0
Netherlands.....	1	1	1	0	0
Lebanon.....	0	2	1/	0	0
All other.....	7	2	1	0	0
Total.....	882	971	1,341	791	742
GSP Total.....	18	14	20	58	55
Percent					
Spain.....	88.7	85.3	89.2	36.4	33.1
France.....	2.4	2.3	2.4	15.7	28.3
Greece.....	5.3	8.8	5.3	32.5	23.1
Portugal.....	.3	.7	.3	4.8	6.8
Morocco.....	.7	.1	.3	.7	4.1
Turkey.....	.5	.1	.2	3.3	2.4
Italy.....	.3	.5	.9	3.3	1.4
Israel.....	.6	1.0	.9	3.3	.9
Canada.....	.0	.6	.2	.0	.0
Mexico.....	1/	.0	.0	.0	.0
Sweden.....	.0	.3	1/	.0	.0
United Kingdom...	.0	.0	.2	.0	.0
Ireland.....	.1	.0	.0	.0	.0
Netherlands.....	.1	.1	.1	.0	.0
Lebanon.....	.0	.2	1/	.0	.0
All other.....	.8	.2	.1	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	2.0	1.5	1.5	7.3	7.4

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20057011
HTS No.
20057075

Digest Title: Olives

U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Greece.....	3,456	3,167	3,549	3,181	4,421
Italy.....	11	56	97	219	403
Portugal.....	15	49	74	316	374
Morocco.....	116	97	12	233	209
France.....	9	10	7	65	106
Spain.....	72	2,111	1,832	210	62
Chile.....	64	76	6	34	61
Lebanon.....	0	0	0	34	22
Brazil.....	0	0	0	0	17
Peru.....	19	7	0	16	15
Israel.....	0	0	0	8	14
Canada.....	7	6	5	10	9
Thailand.....	0	0	0	0	1
Mexico.....	0	0	11	0	0
Costa Rica.....	0	0	0	13	0
All other.....	34	42	33	59	0
Total.....	3,803	5,622	5,623	4,396	5,713
GSP Total.....	199	180	34	343	338
Percent					
Greece.....	90.9	56.3	63.1	72.4	77.4
Italy.....	.3	1.0	1.7	5.0	7.1
Portugal.....	.4	.9	1.3	7.2	6.5
Morocco.....	3.1	1.7	.2	5.3	3.7
France.....	.2	.2	.1	1.5	1.9
Spain.....	1.9	37.6	32.6	4.8	1.1
Chile.....	1.7	1.4	.1	.8	1.1
Lebanon.....	.0	.0	.0	.8	.4
Brazil.....	.0	.0	.0	.0	.3
Peru.....	.5	.1	.0	.4	.3
Israel.....	.0	.0	.0	.2	.2
Canada.....	.2	.1	.1	.2	.2
Thailand.....	.0	.0	.0	.0	1/
Mexico.....	.0	.0	.2	.0	.0
Costa Rica.....	.0	.0	.0	.3	.0
All other.....	.9	.7	.6	1.3	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	5.2	3.2	.6	7.8	5.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20057011
HTS No.
20057083

Digest Title: Olives
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Greece.....	904	911	1,590	1,064	645
Spain.....	515	708	1,854	1,325	642
Morocco.....	0	0	648	696	429
Italy.....	297	137	218	201	133
France.....	46	49	71	63	76
Singapore.....	0	0	2	3	20
Chile.....	15	31	0	0	18
Peru.....	0	0	0	3	10
China.....	6	4	16	13	8
Venezuela.....	0	0	0	0	5
Portugal.....	8	0	0	0	4
Hong Kong.....	2	7	10	3	2
Pakistan.....	0	0	0	0	1
Canada.....	104	8	8	35	0
United Kingdom...	0	2	16	15	0
All other.....	134	132	125	21	0
Total.....	2,031	1,989	4,559	3,442	1,996
GSP Total.....	148	148	767	714	464
Percent					
Greece.....	44.5	45.8	34.9	30.9	32.3
Spain.....	25.4	35.6	40.7	38.5	32.2
Morocco.....	.0	.0	14.2	20.2	21.5
Italy.....	14.6	6.9	4.8	5.8	6.7
France.....	2.3	2.5	1.6	1.8	3.8
Singapore.....	.0	.0	.1	.1	1.0
Chile.....	.7	1.6	.0	.0	.9
Peru.....	.0	.0	.0	.1	.5
China.....	.3	.2	.3	.4	.4
Venezuela.....	.0	.0	.0	.0	.3
Portugal.....	.4	.0	.0	.0	.2
Hong Kong.....	.1	.3	.2	.1	.1
Pakistan.....	.0	.0	.0	.0	.1
Canada.....	5.1	.4	.2	1.0	.0
United Kingdom...	.0	.1	.4	.4	.0
All other.....	6.6	6.6	2.7	.6	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	7.3	7.4	16.8	20.8	23.2

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest Title: Olives
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	550	621	478	576	879
Japan.....	187	331	514	625	553
Singapore.....	34	19	45	52	81
Spain.....	0	28	21	49	32
Hong Kong.....	13	41	32	36	28
Philippines.....	16	6	31	18	26
Sweden.....	25	48	53	39	24
Mexico.....	1	2	13	95	16
Korea.....	33	15	26	9	14
Aruba.....	2	0	0	44	13
Panama.....	18	25	1	10	13
Trin & Tobago....	6	5	0	3	12
Thailand.....	5	9	1	20	9
Venezuela.....	1/	0	0	0	9
Taiwan.....	14	14	22	1	9
All other.....	110	67	152	400	39
Total.....	1,014	1,231	1,390	1,979	1,757
GSP Total.....	96	75	76	487	104
Percent					
Canada.....	54.2	50.5	34.4	29.1	50.0
Japan.....	18.5	26.9	37.0	31.6	31.5
Singapore.....	3.4	1.6	3.3	2.7	4.6
Spain.....	0	2.3	1.5	2.5	1.8
Hong Kong.....	1.3	3.3	2.3	1.8	1.6
Philippines.....	1.5	.4	2.2	.9	1.5
Sweden.....	2.5	3.9	3.8	2.0	1.4
Mexico.....	1	.1	.9	4.8	.9
Korea.....	3.2	1.2	1.9	.4	.8
Aruba.....	.2	.0	.0	2.2	.7
Panama.....	1.7	2.0	.1	.5	.7
Trin & Tobago....	.6	.4	.0	.2	.7
Thailand.....	.5	.8	.1	1.0	.5
Venezuela.....	1/	.0	.0	.0	.5
Taiwan.....	1.3	1.2	1.6	.1	.5
All other.....	10.8	5.4	10.9	20.2	2.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	9.5	6.1	5.5	24.6	5.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
20057011

Digest Title: Olives

U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	550	621	478	576	879
Japan.....	187	331	514	625	553
Singapore.....	34	19	45	52	81
Spain.....	0	28	21	49	32
Hong Kong.....	13	41	32	36	28
Philippines.....	16	6	31	18	26
Sweden.....	25	48	53	39	24
Mexico.....	1	2	13	95	16
Korea.....	33	15	26	9	14
Aruba.....	2	0	0	44	13
Panama.....	18	25	1	10	13
Trin & Tobago....	6	5	0	3	12
Thailand.....	5	9	1	20	9
Venezuela.....	1/	0	0	0	9
Taiwan.....	14	14	22	1	9
All other.....	110	67	152	400	39
Total.....	1,014	1,231	1,390	1,979	1,757
GSP Total.....	96	75	76	487	104
Percent					
Canada.....	54.2	50.5	34.4	29.1	50.0
Japan.....	18.5	26.9	37.0	31.6	31.5
Singapore.....	3.4	1.6	3.3	2.7	4.6
Spain.....	0	2.3	1.5	2.5	1.8
Hong Kong.....	1.3	3.3	2.3	1.8	1.6
Philippines.....	1.5	.4	2.2	.9	1.5
Sweden.....	2.5	3.9	3.8	2.0	1.4
Mexico.....	1	.1	.9	4.8	.9
Korea.....	3.2	1.2	1.9	.4	.8
Aruba.....	.2	.0	.0	2.2	.7
Panama.....	1.7	2.0	.1	.5	.7
Trin & Tobago....	.6	.4	.0	.2	.7
Thailand.....	.5	.8	.1	1.0	.5
Venezuela.....	1/	.0	.0	.0	.5
Taiwan.....	1.3	1.2	1.6	.1	.5
All other.....	10.8	5.4	10.9	20.2	2.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	9.5	6.1	5.5	24.6	5.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 2008.40.00

CERTAIN PREPARED OR PRESERVED FRUITS

Certain Prepared or Preserved Fruits¹

I. Introduction

X Addition to GSP Removal from GSP X Competitive-need-limit waiver Thailand²

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
2008.40.00	Prepared pears	18%	Yes
2008.50.20	Apricot pulp	12.5%	Yes
2008.92.10	Prepared fruit mixtures, in airtight containers and not containing apricots, citrus fruits, peaches, or pears	7%	Yes

Description and uses.--The products covered in this digest are fruits that are otherwise prepared or preserved, whether or not containing added sugar or other sweetening materials, not elsewhere classified. The prepared pears and fruit mixtures are canned fruits in water or syrup (heavy or light). The pears can be whole, halved, sliced or diced; they are generally canned in retail-size containers. The fruit mixtures are usually a tropical fruit salad, a canned mixture of tropical fruits consisting of pineapples, red and yellow papayas, guavas, and bananas. Apricot pulp is made as a coproduct of apricot canning. The apricot is a soft fruit that is very susceptible to damage in handling. Damaged fruit are sorted out in the canning line and made into pulp. Approximately 40 percent of the fruit entering the canning line is processed into pulp. Apricot pulp is used to make juice beverages and in baking.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	*31	*31	*31	*31	*31
Employment (1,000 employees)	(²)	(²)	(²)	(²)	(²)
Shipments (1,000 dollars)	**466,500	**489,000	**511,500	**534,000	**556,500
Exports (1,000 dollars)	3,043	3,401	3,626	3,396	5,641
Imports (1,000 dollars)	7,847	4,228	5,789	7,539	11,375
Consumption (1,000 dollars)	**471,304	**489,827	**513,663	**538,143	**562,234
Import-to-consumption ratio (percent)	**2	**1	**1	**1	**2
Capacity utilization (percent)	(²)	(²)	(²)	(²)	(²)

¹ Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

² Data not available.

Comment.--The U.S. industry is made up of a few large national and multinational companies and the remainder being regional canners. For all of these producers, the articles included here are only a small part of their production of prepared or preserved fruits. Consumer brand loyalty is significant.

¹ This digest includes the following HTS subheadings: 2008.40.00, 2008.50.20, and 2008.92.10.

² Advice is also requested on a waiver of competitive-need limit for Thailand with respect to HTS subheading 2008.92.10.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	11,375	100	-	**2
Imports from GSP countries:				
Total	10,384	91	100	**2
Thailand	8,915	78	86	**2
Philippines	881	8	8	**(1)
Argentina	353	3	3	**(1)
Chile	199	2	2	**(1)

¹ Less than 0.5 percent.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--Prior to 1989, the Philippines was the largest supplier of the digest products. Thailand became the single largest in 1989.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Thailand for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Competitiveness indicators for the Philippines for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

IV. Competitiveness profiles, GSP suppliers--Continued

Competitiveness indicators for Argentina for all digest products

Ranking as a U.S. import supplier, 1990. 3

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes No X

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

V. Position of interested parties

Petitioner.--Argentine Federation of Industrialized Vegetables (FAVI), a private national association, requests the designation of 2008.40.00 (prepared pears) and 2008.50.00 (prepared apricots) for GSP status. FAVI states that granting GSP status to these products will increase production in already working facilities, prompt further improvements in technology, and cause more economic activity--thus more jobs. In addition, other countries of the Southern Hemisphere will also benefit from the granting of GSP status.

Dole Packaged Foods Company (Dole), in a written statement and at the hearing, is asking for GSP status for 2008.92.10 (prepared mixed fruit). According to Dole's petition, "granting GSP treatment to Dole's tropical fruit salad will benefit U.S. consumers through cost savings and enhanced market development." Since all of the tropical fruits used in the fruit salad are grown, cut, processed and canned in Thailand, Dole requests that Thailand be granted a waiver from the competitive need limit as permitted by the GSP statute if GSP status is granted. Dole states that Thailand should receive a waiver since there are no like or directly competitive products produced in the United States and since the total imports from Thailand in 1990 were valued at \$10.48 million (slightly below the de minimis level of \$10.9 million).

Opposition.--Congressman Don Edwards of California, on behalf of Del Monte Foods, wrote in opposition to the petition for a GSP waiver for tropical fruit salad requested by Dole Foods. Dole Foods stated that tropical fruit salad is "unique and not produced in the United States." However, Del Monte Foods feels that tropical fruit salad competes directly with other blended canned fruit products such as fruit cocktail and chunky mixed fruit which may be produced domestically.

Congressman Sid Morrison of Washington wrote in opposition to the petition for GSP duty-free treatment on canned pear products. The Congressman stated that the domestic pear industry is struggling to maintain a delicate balance between supply and demand, that the pear industries in GSP-eligible countries are thriving and growing, and that granting the duty-free treatment would result in an influx of low-priced canned pear imports. The Congressman further stated that the United States should not give away bargaining chips that we now hold prior to entering negotiations on the North American Free Trade Agreement.

California Pear Growers (CPG) submitted a written statement strongly objecting to the proposal to grant GSP status to Argentina on canned pear products. CPG asserts that the canned pear industry is extremely import-sensitive, and that the U.S. duty of 18 percent is the only protection U.S. growers currently have. CPG also states that Argentina already dominates the U.S. market for imported fresh pears and pear concentrate, and its share of imports would only increase if granted GSP status. CPG further claims that Argentina's canned pear market is already price competitive without GSP treatment (approximately 80 cents below the price of domestic products), and eliminating the tariff would give Argentine fruit a \$3.61 price advantage. CPG also states that the Argentine pear producers benefit from incentives in the form of rebates on tin and sugar, and that canned pears bear less of a tax burden than other pear products. CPG concludes by stating that granting benefits under the GSP to Argentina on canned pears may irrevocably damage U.S. domestic producers. Ms. Jean-Mari Peltier, president, testified at the hearing where she reiterated the above statements.

The California Apricot Advisory Board, in testimony at the hearing, strongly objected to the granting of GSP status to Argentina of apricot pulp. They stated that U.S. domestic producers would be unable to compete with the GSP-producers if GSP status were granted on apricot pulp.

VI. Summary of probable economic effects--Addition

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VI. Summary of probable economic effects--competitive-need-limit waiver (Thailand)--continued

* * * * *

Table I.

Digest No.
20084000Digest Title: Certain prepared or preserved fruits
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Thailand.....	111	93	610	4,287	8,915
Philippines.....	3,381	2,101	2,584	1,551	881
Argentina.....	240	587	1,056	246	353
New Zealand.....	0	98	60	142	279
Hong Kong.....	40	24	43	87	244
Chile.....	106	357	531	296	199
Australia.....	328	485	241	268	138
France.....	137	68	156	118	136
Taiwan.....	1	16	1	13	58
Canada.....	4	0	3	10	35
Spain.....	2,076	209	8	7	28
Greece.....	33	0	2	175	24
Korea.....	0	0	0	27	23
Syria.....	27	31	2	0	18
India.....	0	4	0	0	8
All other.....	1,362	155	493	311	35
Total.....	7,847	4,228	5,789	7,539	11,375
GSP Total.....	3,997	3,197	4,913	6,447	10,384
Percent					
Thailand.....	1.4	2.2	10.5	56.9	78.4
Philippines.....	43.1	49.7	44.6	20.6	7.7
Argentina.....	3.1	13.9	18.2	3.3	3.1
New Zealand.....	.0	2.3	1.0	1.9	2.5
Hong Kong.....	.5	.6	.7	1.2	2.1
Chile.....	1.4	8.4	9.2	3.9	1.7
Australia.....	4.2	11.5	4.2	3.6	1.2
France.....	1.7	1.6	2.7	1.6	1.2
Taiwan.....	1/	.4	1/	.2	.5
Canada.....	1/	.0	.1	.1	.3
Spain.....	26.5	4.9	.1	.1	.2
Greece.....	.4	.0	1/	2.3	.2
Korea.....	.0	.0	.0	.4	.2
Syria.....	.3	.7	1/	.0	.2
India.....	.0	.1	.0	.0	.1
All other.....	17.4	3.7	8.5	4.1	.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	50.9	75.6	84.9	85.5	91.3

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20084000
HTS No.
20084000

Digest Title: Certain prepared or preserved fruits
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
New Zealand.....	0	98	60	142	279
Argentina.....	56	172	129	75	243
Australia.....	316	485	241	268	114
Spain.....	2,059	200	8	5	28
France.....	18	3	7	2	9
Yugoslavia.....	10	4	0	13	6
Portugal.....	3	0	3	3	5
Thailand.....	0	0	0	0	3
Turkey.....	0	0	3	0	2
Italy.....	161	2	0	2	2
Colombia.....	0	0	0	0	2
Chile.....	72	90	81	157	2
Canada.....	4	0	1	0	1
Taiwan.....	1	0	0	0	1
Guatemala.....	0	0	0	1	0
All other.....	1,015	84	60	129	0
Total.....	3,717	1,139	593	795	698
GSP Total.....	243	277	214	245	258
Percent					
New Zealand.....	.0	8.6	10.1	17.8	40.0
Argentina.....	1.5	15.1	21.8	9.4	34.9
Australia.....	8.5	42.6	40.6	33.7	16.3
Spain.....	55.4	17.6	1.3	.7	4.0
France.....	.5	.3	1.2	.3	1.3
Yugoslavia.....	.3	.4	.0	1.6	.8
Portugal.....	.1	.0	.4	.4	.7
Thailand.....	.0	.0	.0	.0	.5
Turkey.....	.0	.0	.6	.0	.3
Italy.....	4.3	.2	.0	.2	.3
Colombia.....	.0	.0	.0	.0	.3
Chile.....	1.9	7.9	13.7	19.7	.2
Canada.....	.1	.0	.2	.0	.2
Taiwan.....	1/	.0	.0	.0	.2
Guatemala.....	.0	.0	.0	.2	.0
All other.....	27.3	7.4	10.1	16.2	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	6.5	24.3	36.1	30.8	37.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20084000
HTS No.
20085020

Digest Title: Certain prepared or preserved fruits
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Argentina.....	184	414	926	172	110
Australia.....	0	0	0	0	25
France.....	1	4	0	50	20
Syria.....	27	31	2	0	18
Chile.....	34	254	345	108	17
China.....	0	0	0	0	5
Austria.....	0	0	0	5	4
Japan.....	0	0	0	0	2
Canada.....	0	0	2	0	0
United Kingdom...	1	0	0	0	0
Netherlands.....	0	0	51	36	0
Belgium.....	1	0	0	0	0
West Germany.....	0	0	1	0	0
Hungary.....	0	5	8	0	0
Switzerland.....	0	20	3	0	0
All other.....	209	11	1	15	0
Total.....	458	739	1,338	386	200
GSP Total.....	249	706	1,282	280	145
Percent					
Argentina.....	40.2	56.1	69.2	44.5	54.8
Australia.....	.0	.0	.0	.0	12.4
France.....	.3	.5	.0	12.9	9.8
Syria.....	6.0	4.2	.1	.0	9.2
Chile.....	7.4	34.3	25.8	28.0	8.3
China.....	.0	.0	.0	.0	2.7
Austria.....	.0	.0	.0	1.4	1.8
Japan.....	.0	.0	.0	.0	.9
Canada.....	.0	.0	.1	.0	.0
United Kingdom...	.2	.0	.0	.0	.0
Netherlands.....	.0	.0	3.8	9.3	.0
Belgium.....	.3	.0	.0	.0	.0
West Germany.....	.0	.0	.1	.0	.0
Hungary.....	.0	.7	.6	.0	.0
Switzerland.....	.0	2.7	.2	.0	.0
All other.....	45.6	1.5	.1	4.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	54.5	95.6	95.8	72.5	72.4

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
20084000
HTS No.
20089210

Digest Title: Certain prepared or preserved fruits
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (\$1,000 dollars)					
Thailand.....	111	93	610	4,287	8,912
Philippines.....	3,381	2,101	2,584	1,551	881
Hong Kong.....	2	24	42	87	244
Chile.....	0	14	105	31	181
France.....	117	61	149	66	107
Taiwan.....	0	16	1	13	56
Canada.....	0	0	0	10	34
Greece.....	0	0	0	147	24
Korea.....	0	0	0	27	23
India.....	0	4	0	0	8
Japan.....	1	0	0	11	3
Austria.....	0	0	0	7	3
West Germany.....	0	7	18	3	2
Guatemala.....	0	0	0	2	0
Costa Rica.....	0	0	117	13	0
All other.....	60	30	232	101	0
Total.....	3,672	2,350	3,858	6,357	10,478
GSP Total.....	3,505	2,214	3,416	5,922	9,981
Percent					
Thailand.....	3.0	3.9	15.8	67.4	85.1
Philippines.....	92.1	89.4	67.0	24.4	8.4
Hong Kong.....	1/	1.0	1.1	1.4	2.3
Chile.....	.0	.6	2.7	.5	1.7
France.....	3.2	2.6	3.9	1.0	1.0
Taiwan.....	.0	.7	1/	.2	.5
Canada.....	.0	.0	.0	.2	.3
Greece.....	.0	.0	.0	2.3	.2
Korea.....	.0	.0	.0	.4	.2
India.....	.0	.2	.0	.0	.1
Japan.....	1/	.0	.0	.2	1/
Austria.....	.0	.0	.0	.1	1/
West Germany.....	.0	.3	.5	.1	1/
Guatemala.....	.0	.0	.0	1/	.0
Costa Rica.....	.0	.0	3.0	.2	.0
All other.....	1.6	1.3	6.0	1.6	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	95.5	94.2	88.6	93.1	95.3

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
20084000Digest Title: Certain prepared or preserved fruits
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	519	678	971	963	1,583
Canada.....	416	675	683	385	1,123
Mexico.....	54	24	77	280	391
Philippines.....	110	134	134	235	366
Sweden.....	244	56	123	64	300
Singapore.....	142	212	211	211	297
Saudi Arabia.....	166	177	167	186	220
Panama.....	164	124	84	214	219
Taiwan.....	44	32	43	60	146
Korea.....	46	31	30	56	138
Trin & Tobago....	56	35	1	0	91
Netherlands.....	77	87	98	79	84
Hong Kong.....	339	462	163	89	77
Costa Rica.....	6	10	29	24	61
Fr Polynesia.....	48	47	74	64	57
All other.....	611	616	739	487	488
Total.....	3,043	3,401	3,626	3,396	5,641
GSP Total.....	631	584	744	1,112	1,483
Percent					
Japan.....	17.1	19.9	26.8	28.3	28.1
Canada.....	13.7	19.8	18.8	11.3	19.9
Mexico.....	1.8	.7	2.1	8.2	6.9
Philippines.....	3.6	4.0	3.7	6.9	6.5
Sweden.....	8.0	1.7	3.4	1.9	5.3
Singapore.....	4.7	6.2	5.8	6.2	5.3
Saudi Arabia.....	5.5	5.2	4.6	5.5	3.9
Panama.....	5.4	3.7	2.3	6.3	3.9
Taiwan.....	1.4	1.0	1.2	1.8	2.6
Korea.....	1.5	.9	.8	1.7	2.4
Trin & Tobago....	1.8	1.0	1/	.0	1.6
Netherlands.....	2.5	2.6	2.7	2.3	1.5
Hong Kong.....	11.2	13.6	4.5	2.6	1.4
Costa Rica.....	.2	.3	.8	.7	1.1
Fr Polynesia.....	1.6	1.4	2.0	1.9	1.0
All other.....	20.1	18.1	20.4	14.3	8.6
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	20.7	17.2	20.5	32.7	26.3

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 2204.30.00

GRAPE MUST

Grape Must

I. Introduction

X Addition to GSP Removal from GSP Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem ¹	Like or directly competitive article produced in the United States on Jan. 3, 1985?
2204.30.00	Grape must, nesi, in fermentation or with fermentation arrested otherwise than by addition of alcohol.	29% AVE	Yes

¹Digest products are subject to a specific duty of 6.9¢/liter + 49¢/proof liter. Because there were no imports in 1989 and 1990, an ad valorem equivalent (AVE) rate of duty is not available. An estimated AVE is shown above. This estimate is the AVE for grape juice, including grape must, HTS subheading 2009.60.00.

Description and uses.--Grape must is a greenish yellow cloudy liquid with a sweet flavor obtained from pressing fresh grapes. It contains a mixture of sugar, acids, and other substances. Unless fermentation is prevented, grape must ferments spontaneously, producing wine as the end product. The sugars in the must are converted into alcohol during fermentation. Fermentation can be inhibited by refrigeration, by adding alcohol, or by adding certain chemicals. This item includes grape must of an alcoholic strength by volume exceeding 0.5%. Products of an alcoholic strength less than 0.5% are classified under HTS heading 2009. The grape must classified herein can be unfermented with fermentation arrested by the addition of alcohol, or partially fermented.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	(²)	(²)	(²)	(²)	(²)
Employment (1,000 employees).	(²)	(²)	(²)	(²)	(²)
Shipments (1,000 dollars)	**6,500	**7,500	**9,000	**6,500	**7,000
Exports (1,000 dollars)	349	733	1,144	815	894
Imports (1,000 dollars)	17	5	54	0	0
Consumption (1,000 dollars)	**6,168	**6,772	**7,910	**5,685	**6,106
Import-to-consumption ratio (percent)	(³)	(³)	(³)	(³)	(³)
Capacity utilization (percent).	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)

¹ Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

² Not available.

³ Less than 0.5 percent.

⁴ Data are not meaningful in this agricultural industry.

Comment.--Grape must is not produced as an end product in its own right; its sole use is for production of wine. Some U.S. grape growers market grape must in bulk form, to be blended with juice from other types or qualities of grapes and converted into wine. Generally, large U.S. wineries purchase the grape must. In recent years, the market for such products has become increasingly focused on certain specialty varieties of grapes, such as chardonnay or zinfandel.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	0	100	-	-
Imports from GSP countries:				
Total	0	0	100	0

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--U.S. imports of grape must were nil in 1990 and in 1989. While estimated trade data available to the U.S. International Trade Commission indicate that Honduras, Argentina, and Mexico were GSP suppliers of grape must in earlier years, it is believed that such products currently are classified under HTS heading 2009.

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects--Addition

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Table I.

Digest No.
22043000Digest Title: Grape must
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	2	0	1	0	0
Mexico.....	8	0	7	0	0
Honduras.....	0	0	31	0	0
Chile.....	1	2	9	0	0
Argentina.....	0	1	0	0	0
France.....	3	0	1/	0	0
West Germany.....	0	0	4	0	0
Spain.....	0	0	1	0	0
Italy.....	1	0	0	0	0
Greece.....	1/	1/	1/	0	0
Turkey.....	1/	0	1/	0	0
Thailand.....	0	0	1/	0	0
Korea.....	1/	1	1	0	0
Taiwan.....	1	0	0	0	0
Japan.....	0	1	0	0	0
Total.....	17	5	54	0	0
GSP Total.....	9	3	47	0	0
Percent					
Canada.....	14.5	.0	1.1	.0	.0
Mexico.....	50.4	.0	12.9	.0	.0
Honduras.....	.0	.0	56.8	.0	.0
Chile.....	4.0	47.8	16.5	.0	.0
Argentina.....	.0	16.3	.0	.0	.0
France.....	17.8	.0	1/	.0	.0
West Germany.....	.0	.0	7.1	.0	.0
Spain.....	.0	.0	1.8	.0	.0
Italy.....	4.2	.0	.0	.0	.0
Greece.....	1/	1/	1/	.0	.0
Turkey.....	1/	.0	1/	.0	.0
Thailand.....	.0	.0	1/	.0	.0
Korea.....	1/	15.1	1.5	.0	.0
Taiwan.....	3.3	.0	.0	.0	.0
Japan.....	.0	12.2	.0	.0	.0
Total.....	100.0	100.0	100.0	.0	.0
GSP Total.....	55.9	64.1	87.0	.0	.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
22043000

Digest Title: Grape must

U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	136	339	507	465	598
Australia.....	0	0	0	0	89
Denmark.....	0	4	0	13	46
Belgium.....	0	3	0	0	35
Bahamas.....	6	8	7	0	27
Bermuda.....	51	24	13	0	22
New Zealand.....	0	0	0	0	17
Austria.....	0	0	0	0	15
Ecuador.....	0	0	10	0	11
Dominican Rep....	3	2	3	0	9
France.....	15	2	9	0	6
Turks & Caic Is..	0	0	0	0	4
Nicaragua.....	0	0	0	0	3
Panama.....	4	5	0	23	3
United Kingdom...	1	17	18	178	3
All other.....	135	330	577	136	5
Total.....	349	733	1,144	815	894
GSP Total.....	90	211	371	103	57
Percent					
Japan.....	38.9	46.2	44.4	57.1	66.9
Australia.....	.0	.0	.0	.0	10.0
Denmark.....	.0	.5	.0	1.6	5.2
Belgium.....	.0	.4	.0	.0	4.0
Bahamas.....	1.8	1.1	.6	.0	3.0
Bermuda.....	14.6	3.3	1.2	.0	2.4
New Zealand.....	.0	.0	.0	.0	1.9
Austria.....	.0	.0	.0	.0	1.7
Ecuador.....	.0	.0	.9	.0	1.2
Dominican Rep....	.7	.3	.2	.0	1.0
France.....	4.2	.2	.8	.0	.7
Turks & Caic Is..	.0	.0	.0	.0	.4
Nicaragua.....	.0	.0	.0	.0	.4
Panama.....	1.0	.6	.0	2.8	.3
United Kingdom...	.2	2.3	1.5	21.8	.3
All other.....	38.5	45.0	50.5	16.7	.6
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	25.6	28.8	32.5	12.6	6.3

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 2401.10.40

ORIENTAL OR TURKISH CIGARETTE LEAF TOBACCO

Oriental or Turkish Cigarette Leaf Tobacco

I. Introduction

X Addition to GSP Removal from GSP X Competitive-need-limit waiver Turkey¹

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem ¹	Like or directly competitive article produced in the United States on Jan. 3, 1985?
2401.10.40	Oriental or turkish type cigarette leaf, tobacco, not over 21.6 centimeters in length	6.4% AVE	No

¹Digest products are subject to a specific rate of duty of 25.4 cents/kg. The ad valorem equivalent rate of duty for 1990 is shown above.

Description and uses.--Oriental tobacco is sun-cured tobacco having small leaves and a tan-to-light-yellow color. Oriental tobacco has a sweet aroma, mild taste, low nicotine content, and good burning quality. In the United States, oriental tobacco is blended with U.S.-grown types of tobacco and used in the manufacture of cigarettes. Because of the different tastes and other characteristics of oriental tobacco, it is not considered a substitute for U.S.-grown cigarette leaf.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	0	0	0	0	0
Employment (1,000 employees)	0	0	0	0	0
Shipments (1,000 dollars)	0	0	0	0	0
Exports (1,000 dollars)	0	0	0	0	0
Imports (1,000 dollars)	281,846	290,782	260,954	305,810	340,659
Consumption (1,000 dollars)	281,846	290,782	260,954	305,810	340,659
Import-to-consumption ratio (percent)	100	100	100	100	100
Capacity utilization (percent)	(²)	(²)	(²)	(²)	(²)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Not applicable.

Comment.--Oriental tobacco is blended with U.S.-grown types of tobacco and used to make cigarettes. Oriental leaf accounts for about 15 percent of the tobacco used in cigarettes manufactured in the United States.

¹ Advice on waiving the competitive-need limit for Turkey was also requested.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990.

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	340,659	100	-	100
Imports from GSP countries:				
Total	257,681	76	100	76
Turkey	223,647	66	87	66
Yugoslavia	24,122	7	9	7
Thailand	6,293	2	2	2
Lebanon	2,844	1	1	1

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--Mexico was a supplier of oriental tobacco in 1989 and, depending on quality and domestic supply constraints, may be a beneficiary of GSP status.

IV. Competitiveness profiles. GSP suppliers

Competitiveness indicators for Turkey for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☐ No ☒

What is the price elasticity of U.S. demand? High ☐ Moderate ☒ Low ☐

Can production in the country be easily expanded or contracted
in the short term? Yes ☒ No ☐

Does the country have significant export markets besides the
United States? Yes ☒ No ☐

Could exports from the country be readily redistributed among
its foreign export markets? Yes ☒ No ☐

What is the price elasticity of import supply? High ☐ Moderate ☒ Low ☐

Price level compared with--

U.S. products¹ Above ☐ Equivalent ☐ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Quality compared with--

U.S. products¹ Above ☐ Equivalent ☐ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

¹There is no U.S. production of oriental tobacco.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☐ No ☒

What is the price elasticity of U.S. demand? High ☐ Moderate ☒ Low ☐

Can production in the country be easily expanded or contracted
in the short term? Yes ☒ No ☐

Does the country have significant export markets besides the
United States? Yes ☒ No ☐

Could exports from the country be readily redistributed among
its foreign export markets? Yes ☒ No ☐

What is the price elasticity of import supply? High ☐ Moderate ☒ Low ☐

Price level compared with--

U.S. products¹ Above ☐ Equivalent ☐ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Quality compared with--

U.S. products¹ Above ☐ Equivalent ☐ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

¹ There is no U.S. production of oriental tobacco.

V. Position of interested parties

Petitioner.--In testimony, the Government of Turkey, representing the Tobacco Exporters Association of the Aegean Region and IGEHE, the Export Promotion Center of Turkey, stated that under GSP oriental leaf tobacco exports will increase, thus furthering the economic development of Turkey. There will be no adverse effect on a U.S. industry, the petitioners state, and the waiver of competitive need limits is appropriate considering the benefits of GSP to bilateral trade and investment opportunities.

VI. Summary of probable economic effects--Addition

★ ★ ★ ★ ★ ★ ★

VI. Summary of probable economic effects--Competitive-need-limit waiver (Turkey)

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
24011040Digest Title: Oriental or Turkish cigarette leaf tobacco
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Turkey.....	180,710	179,553	161,088	187,687	223,647
Greece.....	46,511	52,109	43,437	55,157	61,940
Yugoslavia.....	25,624	23,854	13,995	15,443	24,122
Bulgaria.....	17,803	19,970	18,757	18,422	17,483
Thailand.....	5,862	5,001	5,008	5,705	6,293
Lebanon.....	3,025	6,631	5,835	5,337	2,844
Rep So Africa....	0	0	1,304	0	1,709
United Kingdom...	1,192	1,888	8,850	772	1,670
Burkina.....	0	0	0	0	550
Colombia.....	0	0	0	0	195
France.....	0	0	69	0	176
Cyprus.....	53	82	67	22	30
Canada.....	1	0	0	1,468	0
Mexico.....	0	0	0	7,638	0
Guatemala.....	0	0	0	54	0
All other.....	1,064	1,695	2,542	8,104	0
Total.....	281,846	290,782	260,954	305,810	340,659
GSP Total.....	216,339	216,816	188,536	227,139	257,681
Percent					
Turkey.....	64.1	61.7	61.7	61.4	65.7
Greece.....	16.5	17.9	16.6	18.0	18.2
Yugoslavia.....	9.1	8.2	5.4	5.0	7.1
Bulgaria.....	6.3	6.9	7.2	6.0	5.1
Thailand.....	2.1	1.7	1.9	1.9	1.8
Lebanon.....	1.1	2.3	2.2	1.7	.8
Rep So Africa....	.0	.0	.5	.0	.5
United Kingdom...	.4	.6	3.4	.3	.5
Burkina.....	.0	.0	.0	.0	.2
Colombia.....	.0	.0	.0	.0	.1
France.....	.0	.0	1/	.0	.1
Cyprus.....	1/	1/	1/	1/	1/
Canada.....	1/	.0	.0	.5	.0
Mexico.....	.0	.0	.0	2.5	.0
Guatemala.....	.0	.0	.0	1/	.0
All other.....	.4	.6	1.0	2.7	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	76.8	74.6	72.2	74.3	75.6

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 2603.00.00

COPPER ORES, CONCENTRATES, MATTES AND
UNREFINED COPPER

Copper Ores, Concentrates, Mattes and
Unrefined Copper¹

I. Introduction

☐ Addition to GSP ☐ Removal from GSP ☒ Competitive-need-limit waiver Mexico²

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
2603.00.00 ¹	Copper ores and concentrates	0.1% AVE	Yes
7401.10.00 ¹	Copper mattes	0.3% AVE	Yes
7402.00.00 ²	Unrefined copper	1% AVE	Yes

¹Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheadings 2603.00.00 and 7401.10.00.

²Mexico and Chile have been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 7402.00.00.

Description and uses.—This digest includes copper ores and concentrates, copper mattes (an intermediate smelter product), and unrefined copper. Copper ores are mined, processed by physical separation into copper concentrates, then smelted into unrefined copper, which is usually upgraded to pure copper at a refinery. Refined copper is typically further fabricated into copper and copper alloy products, including wire, flat-rolled products (i.e., plate, sheet, and strip), tube and pipe, and rods and bars. Major end-use sectors include building construction (41 percent), electrical and electronic products (22 percent), and industrial machinery and equipment (14 percent).

¹ This digest includes the following HTS subheadings: 2603.00.00, 7401.10.00, and 7402.00.00.

² Mexico has been found sufficiently competitive and is subject to a lower competitive-need-limit for articles included under HTS subheading 7402.00.00. Advice is requested on restoring normal limits for Mexico for HTS subheading 7402.00.00 as well as a waiver of all competitive-need-limits.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number) ²	103	66	78	82	**85
Employment (1,000 employees)	*14	*15	*15	*16	*16
Shipments (million dollars)	*1,900	*2,400	*4,000	*4,800	*4,500
Exports (million dollars)	194	162	419	590	468
Imports (million dollars)	85	56	244	294	275
Consumption (million dollars)	*1,791	*2,294	*3,825	*4,504	*4,307
Import-to-consumption ratio (percent)	*5	*2	*6	*7	*6
Capacity utilization (percent)	*80	*83	*83	*83	**85

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²These figures represent the number of establishments.

Comment.—The U.S. primary copper industry (which produces copper from mined materials) is dominated by 5 producers that own mines, concentrators, smelters, and refineries, most of which are located near ore deposits in Arizona, New Mexico, and Utah. Copper ores and concentrates are produced at copper mines and at other mines as a byproduct. There were about 71 mine complexes producing copper ores and concentrates in 1990, although the top 20 establishments accounted for over 90 percent of production. Copper mattes and unrefined copper were produced at 9 primary smelters in 1990. Copper mattes were also produced as a byproduct at other smelters (e.g., lead smelters) in 1990. Unrefined copper was also produced by the secondary copper industry (which produces copper from copper-bearing waste and scrap) at 5 secondary smelters, the largest of which are located in Illinois and Georgia.

All digest products are internationally traded, fungible items and quality differences between domestic and foreign products are minimal. Foreign copper producers generally enjoy higher grade copper deposits, lower labor costs, lower environmental compliance costs, and higher byproduct credits compared with U.S. copper producers. During the early to mid 1980s, world over-production and an economic slowdown caused many U.S. companies to curtail production because costs were significantly above those of most major foreign producers. Since that time, U.S. copper companies have been among the most aggressive in the world in modernizing operations, adopting low-cost production techniques, and closing high-cost operations. As a result, U.S. production costs declined to the world average by 1989 and U.S. production of copper has returned to the early 1980s level.

The increase in shipments in 1987-1989 reflects both an increase in U.S. production and an increase in the price of copper, which rose from an average of \$0.66 per pound in 1986 to \$1.31 per pound in 1989. The price increase is attributed to a world economic expansion which caused demand for copper to increase at a time when there were significant supply disruptions. These supply disruptions affected several of the major copper producing countries and included the closure of a mine in Papua New Guinea due to terrorist activity, labor strikes in Peru and Canada, mine cave-ins and declining ore grades in Chile, and transportation problems in Zambia and Zaire. The decrease in 1990 shipments reflects a decrease in the price of copper, which declined to \$1.23 per pound in 1990 because of a weakening U.S. economy.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	274,528	100	-	*6
Imports from GSP countries:				
Total	250,388	91	100	*6
Mexico	188,460	69	75	*4
Chile	35,539	13	14	*1
Zaire	17,915	7	7	*(¹)
Peru	8,473	3	3	*(¹)

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No

What is the price elasticity of U.S. demand? High x Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes x No

Does the country have significant export markets besides the
United States? Yes x No

Could exports from the country be readily redistributed among
its foreign export markets? Yes x No

What is the price elasticity of import supply? High x Moderate Low

Price level compared with—

U.S. products. Above Equivalent x Below

Other foreign products Above Equivalent x Below

Quality compared with—

U.S. products. Above Equivalent x Below

Other foreign products Above Equivalent x Below

Comment.—Two mine complexes produce 90–95 percent of Mexico's copper ores and concentrates. Current production of concentrates is approximately 250,000 metric tons of contained copper, compared to U.S. production of 1.6 million metric tons. Mexico cannot consume all its concentrates because of a lack of smelting capacity and in 1989 exported about 50,000 metric tons of copper in concentrates. In 1988, main export markets included Canada (22 percent), Japan (21 percent), the United States (14 percent), North Korea (14 percent), and Brazil (8 percent). Mexico's exports of copper concentrates to the world have decreased over the last several years because of new smelter capacity in Mexico.

Two smelters produce virtually all of Mexico's unrefined copper. Production in 1989 was 176,000 metric tons, compared to U.S. production of 1.5 million metric tons. Because of insufficient refining capacity, Mexico exports unrefined copper, mostly to the United States. One plant refines copper in Mexico and 1989 production was 144,000 metric tons, compared with U.S. production of almost 2 million metric tons. Mexican exports of unrefined copper will likely decline in the future because of additional refining capacity that is reportedly under construction.

Mexican ore grades and byproduct content are roughly equivalent to U.S. mines. Considerably lower Mexican labor rates are offset by higher U.S. productivity, which has increased significantly over the last five years because of an aggressive modernization effort. Mexican productivity may improve in the future because both mine complexes have recently been privatized. Generally, Mexico has less strict environmental constraints, however, a bilateral agreement requires Mexican smelters that are located near the U.S. border to limit sulphur dioxide emissions. Mexico's newest smelter, which accounts for 80 percent of capacity, reportedly recovers 98 percent of the sulphur emissions, which is comparable with U.S. smelter recovery.

V. Position of interested parties

Petitioner.—Industrial Minera Mexico, S.A. de C.V., Mexicana de Cobre, S.A. de C.V., and Mexicana de Cananea, S.A. de C.V., Mexican companies that mine, smelt, and refine nonferrous metals, petitioned for a competitive-need-limit waiver for Mexico for HTS subheadings 2603.00.00, 7401.10.00, and 7402.00.00. These companies claim that the U.S. industry needs these products as supplemental feed material and, therefore, the waiver will benefit both the Mexican and U.S. industries. Furthermore, the companies claim that the Nonferrous Metals Producers Committee, a trade organization representing U.S. copper producers, supports a competitive-need-limit waiver for HTS subheadings 7401.10.00 and 7402.00.00.

VI. Summary of probable economic effects—Competitive-need-limit waiver (Mexico)

★ ★ ★ ★ ★ ★ ★ ★

VI. Summary of probable economic effects—Restoration (Mexico)

★ ★ ★ ★ ★ ★ ★ ★

Table I.

Digest Title: Copper ores, concentrates, mattes and unrefined copper
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	59,869	24,952	14,482	71,064	188,460
Chile.....	18,632	10,195	89,832	101,410	35,539
Zaire.....	0	0	6,879	24,672	17,915
Japan.....	271	5,161	84,858	79,301	16,776
Peru.....	685	5,100	7,569	8,258	8,473
Portugal.....	0	0	0	0	6,790
Namibia.....	0	0	0	0	285
West Germany.....	617	225	0	9	222
United Kingdom...	4	0	0	29	30
Canada.....	3,426	2,072	150	1,122	30
Sweden.....	0	0	0	3,887	7
Honduras.....	0	0	20	0	0
Bolivia.....	417	0	0	0	0
Argentina.....	7	0	0	0	0
Netherlands.....	0	0	0	3	0
All other.....	733	8,781	40,123	4,727	0
Total.....	84,662	56,486	243,914	294,482	274,528
GSP Total.....	79,688	40,247	137,360	209,957	250,673
Percent					
Mexico.....	70.7	44.2	5.9	24.1	68.6
Chile.....	22.0	18.0	36.8	34.4	12.9
Zaire.....	.0	.0	2.8	8.4	6.5
Japan.....	.3	9.1	34.8	26.9	6.1
Peru.....	.8	9.0	3.1	2.8	3.1
Portugal.....	.0	.0	.0	.0	2.5
Namibia.....	.0	.0	.0	.0	.1
West Germany.....	.7	.4	.0	1/	.1
United Kingdom...	1/	.0	.0	1/	1/
Canada.....	4.0	3.7	.1	.4	1/
Sweden.....	.0	.0	.0	1.3	1/
Honduras.....	.0	.0	1/	.0	.0
Bolivia.....	.5	.0	.0	.0	.0
Argentina.....	1/	.0	.0	.0	.0
Netherlands.....	.0	.0	.0	1/	.0
All other.....	.9	15.5	16.4	1.6	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	94.1	71.3	56.3	71.3	91.3

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
26030000
KTS No.
26030000

Digest Title: Copper ores, concentrates, mattes and unrefined copper
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	21	41	3,026	40,970	126,792
Portugal.....	0	0	0	0	6,790
Peru.....	673	0	156	0	136
Canada.....	862	2,031	146	0	0
Honduras.....	0	0	20	0	0
Bolivia.....	417	0	0	0	0
Chile.....	82	0	0	8,283	0
Argentina.....	7	0	0	0	0
Sweden.....	0	0	0	3,881	0
Monaco.....	0	0	0	172	0
Japan.....	271	0	0	0	0
Australia.....	641	0	70	0	0
Norfolk Is.....	8	0	0	0	0
Papua New Guin...	0	0	10,954	0	0
Total.....	2,983	2,072	14,372	53,305	133,718
GSP Total.....	1,208	41	14,156	49,253	126,928
Percent					
Mexico.....	.7	2.0	21.1	76.9	94.8
Portugal.....	.0	.0	.0	.0	5.1
Peru.....	22.6	.0	1.1	.0	.1
Canada.....	28.9	98.0	1.0	.0	.0
Honduras.....	.0	.0	.1	.0	.0
Bolivia.....	14.0	.0	.0	.0	.0
Chile.....	2.8	.0	.0	15.5	.0
Argentina.....	.2	.0	.0	.0	.0
Sweden.....	.0	.0	.0	7.3	.0
Monaco.....	.0	.0	.0	.3	.0
Japan.....	9.1	.0	.0	.0	.0
Australia.....	21.5	.0	.5	.0	.0
Norfolk Is.....	.3	.0	.0	.0	.0
Papua New Guin...	.0	.0	76.2	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	40.5	2.0	98.5	92.4	94.9

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
26030000
MTS No.
74011000

Digest Title: Copper ores, concentrates, mattes and unrefined copper
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	0	436	496	5,192	17,802
Canada.....	12	15	4	0	0
Peru.....	12	10	10	0	0
Chile.....	2	0	3	0	0
United Kingdom...	0	0	0	19	0
Japan.....	0	1/	0	0	0
Australia.....	0	0	3	0	0
Mozambique.....	0	0	0	21	0
Total.....	27	461	516	5,232	17,802
GSP Total.....	15	446	509	5,213	17,802
Percent					
Mexico.....	.0	94.5	96.2	99.2	100.0
Canada.....	45.7	3.2	.8	.0	.0
Peru.....	46.1	2.3	2.0	.0	.0
Chile.....	8.2	.0	.5	.0	.0
United Kingdom...	.0	.0	.0	.4	.0
Japan.....	.0	1/	.0	.0	.0
Australia.....	.0	.0	.5	.0	.0
Mozambique.....	.0	.0	.0	.4	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	54.3	96.8	98.6	99.6	100.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
26030000
HTS No.
74020000

Digest Title: Copper ores, concentrates, mattes and unrefined copper
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	59,848	24,475	10,960	24,902	43,866
Chile.....	18,547	10,195	89,830	93,127	35,539
Zaire.....	0	0	6,879	24,672	17,915
Japan.....	0	5,161	84,858	79,301	16,776
Peru.....	0	5,090	7,403	8,258	8,338
Namibia.....	0	0	0	0	285
West Germany.....	617	225	0	9	222
United Kingdom....	4	0	0	10	30
Canada.....	2,551	26	0	1,122	30
Sweden.....	0	0	0	6	7
Netherlands.....	0	0	0	3	0
Switzerland.....	14	0	2	0	0
Italy.....	0	0	0	3	0
Korea.....	0	0	2	0	0
Taiwan.....	0	0	11	0	0
All other.....	70	8,781	29,081	4,531	0
Total.....	81,652	53,953	229,027	235,945	123,008
GSP Total.....	78,465	39,760	122,696	155,491	105,943
Percent					
Mexico.....	73.3	45.4	4.8	10.6	35.7
Chile.....	22.7	18.9	39.2	39.5	28.9
Zaire.....	.0	.0	3.0	10.5	14.6
Japan.....	.0	9.6	37.1	33.6	13.6
Peru.....	.0	9.4	3.2	3.5	6.8
Namibia.....	.0	.0	.0	.0	.2
West Germany.....	.8	.4	.0	1/	.2
United Kingdom....	1/	.0	.0	1/	1/
Canada.....	3.1	1/	.0	.5	1/
Sweden.....	.0	.0	.0	1/	1/
Netherlands.....	.0	.0	.0	1/	.0
Switzerland.....	1/	.0	1/	.0	.0
Italy.....	.0	.0	.0	1/	.0
Korea.....	.0	.0	1/	.0	.0
Taiwan.....	.0	.0	1/	.0	.0
All other.....	.1	16.3	12.7	1.9	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	96.1	73.7	53.6	65.9	86.1

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
26030000Digest Title: Copper ores, concentrates, mattes and unrefined copper
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	141,611	122,681	259,848	348,088	265,746
Korea.....	19,402	10,956	20,063	48,682	49,961
China.....	11,898	2,094	19,286	8,033	49,773
Canada.....	10,747	5,865	15,622	29,749	45,581
Brazil.....	1	0	1/	42,367	31,843
Philippines.....	1	27	10,547	7,133	8,040
Finland.....	4,337	7,756	2,296	10,933	6,624
Hong Kong.....	112	445	576	1,589	6,449
Taiwan.....	4,798	5,359	10,366	23,383	1,895
United Kingdom...	1/	31	2	585	577
West Germany.....	313	848	70,672	34,891	413
Mexico.....	22	134	1,490	182	349
Ghana.....	0	0	34	113	212
Australia.....	37	122	1/	303	203
Singapore.....	51	60	193	375	200
All other.....	794	5,686	7,726	33,131	588
Total.....	194,124	162,065	418,723	589,537	468,453
GSP Total.....	144	5,271	12,200	72,732	40,621
Percent					
Japan.....	72.9	75.7	62.1	59.0	56.7
Korea.....	10.0	6.8	4.8	8.3	10.7
China.....	6.1	1.3	4.6	1.4	10.6
Canada.....	5.5	3.6	3.7	5.0	9.7
Brazil.....	1/	.0	1/	7.2	6.8
Philippines.....	1/	1/	2.5	1.2	1.7
Finland.....	2.2	4.8	.5	1.9	1.4
Hong Kong.....	.1	.3	.1	.3	1.4
Taiwan.....	2.5	3.3	2.5	4.0	.4
United Kingdom...	1/	1/	1/	.1	.1
West Germany.....	.2	.5	16.9	5.9	.1
Mexico.....	1/	.1	.4	1/	.1
Ghana.....	.0	.0	1/	1/	1/
Australia.....	1/	.1	1/	.1	1/
Singapore.....	1/	1/	1/	.1	1/
All other.....	.4	3.5	1.8	5.6	.1
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	.1	3.3	2.9	12.3	8.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 2836.91.00

LITHIUM CARBONATES

Lithium Carbonates

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Chile

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
2836.91.00	Lithium carbonates	3.7%	Yes

Description and uses.—Lithium carbonate is a white powder that melts at 735°C. It is registered with the Chemical Abstracts Service (CAS) under CAS No. 554-13-2. Lithium carbonate is produced by sequentially treating lithium ore with sulfuric acid and soda ash or by treating certain concentrated brines with soda ash. Lithium carbonate is used in ceramics and porcelain glazes, pharmaceuticals, catalysts, electrodes, luminescent paints, varnishes and dyes, certain glasses, and the production of aluminum and lithium metals, tritium gas, chemical compounds containing lithium, and mixtures containing these compounds.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	2	2	2	2	2
Employment (1,000 employees)	***	***	***	***	***
Shipments ² (1,000 dollars)	154,015	145,006	171,604	200,248	193,484
Exports (1,000 dollars)	16,565	17,777	21,777	28,214	30,160
Imports (1,000 dollars)	8,037	5,557	6,397	6,633	8,398
Consumption (1,000 dollars)	145,487	132,786	156,224	178,767	171,722
Import-to-consumption ratio (percent)	6	4	4	4	5
Capacity utilization (percent)	***	***	***	***	***

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Compiled from U.S. consumption estimated by the U.S. Bureau of Mines.

Comment.—The United States is the world's principal exporter of lithium carbonate. The U.S. producers are integrated, U.S.-based, multinational companies. One company concentrates on mining, minerals, and metals production; the other is more diversified. The minerals company faces higher raw material costs as a result of using their *** facilities, but the multinational character of these suppliers reduces the differences in marketing, quality, service, and price of the technical grade of this fungible product. The minerals company supplies the U.S. market with *** product. Both U.S. producing companies consume lithium carbonate in the production of their other products.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	8,398	100	-	5
Imports from GSP countries:				
Total	8,338	99	100	5
Chile	8,338	99	100	5

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Chile for all digest products

Ranking as a U.S. import supplier, 1990.	1			
Price elasticity:				
Can the U.S. purchaser easily shift among this and other suppliers?	Yes	___	No	<u>X</u>
What is the price elasticity of U.S. demand?	High	<u>X</u>	Moderate	___
Can production in the country be easily expanded or contracted in the short term?	Yes	<u>X</u>	No	___
Does the country have significant export markets besides the United States?	Yes	<u>X</u>	No	___
Could exports from the country be readily redistributed among its foreign export markets?	Yes	<u>X</u>	No	___
What is the price elasticity of import supply?	High	<u>X</u>	Moderate	___
Price level compared with—				
U.S. products.	Above	<u>X</u>	Equivalent	___
Other foreign products	Above	___	Equivalent	___
Quality compared with—				
U.S. products.	Above	___	Equivalent	<u>X</u>
Other foreign products ¹	Above	___	Equivalent	___

¹Other foreign products traded with the United States in 1990 are pharmaceutical and ultrapure grades of lithium carbonate. Quality of technical grade lithium carbonate from Chile is equivalent to that of other foreign products of the specified grade traded with other countries.

Comment.—Chile is the principal source of U.S. imports of lithium carbonate, which represented *** percent of the value of Chilean exports of this product in 1990. The Chilean producer, a wholly-owned subsidiary of the petitioner and its U.S. and foreign affiliates, increased lithium carbonate capacity from 8.2 million kilograms to approximately 11.8 million kilograms in 1990. Chilean production amounted to *** kilograms, valued at ***, representing a capacity utilization of *** percent of year-end capacity in 1990. *** According to industry sources, the production costs for lithium carbonate produced in Chile are so much less than the production costs for lithium carbonate in the United States, that the competitive position of the domestic lithium carbonate industry vis-a-vis the Chilean lithium carbonate industry would remain virtually the same whether or not the 3.7 percent ad valorem column 1-general rate of duty for lithium carbonate were imposed or not. The counsel for the petitioner is attempting to confirm that U.S. buyers other than the petitioner have paid a premium for lithium carbonate from Chile. The price of lithium carbonate is frequently established by the performance characteristics for a particular enduse rather than the supplier's cost of production.

V. Position of interested parties

Petitioner.—Cyprus Foote Mineral Co., the petitioner, produces lithium carbonate in Chile and in the United States. The company claims that failure by the United States to grant Chile a competitive need waiver for its imports of lithium carbonate to the United States would adversely affect the U.S. lithium industry and lithium consumers who would face higher raw material costs and could divert Chilean lithium exports so that they will compete directly with U.S. exports thereby depriving the United States of value-added revenue for downstream lithium products. In contrast, the company states that granting a competitive need waiver would not only benefit the U.S. lithium carbonate industry, but would also benefit the Chilean economy and would further the President's Enterprise for the America's Initiative of which Chile is a partner.

VI. Summary of probable economic effects—competitive-need-limit waiver (Chile)

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
28369100Digest Title: Lithium carbonates
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Chile.....	4,715	4,360	5,633	6,337	8,338
Japan.....	60	61	109	26	46
United Kingdom...	44	117	87	6	7
Singapore.....	0	0	0	0	5
West Germany.....	297	224	349	4	2
Canada.....	0	1	9	0	0
Mexico.....	0	0	21	0	0
Ecuador.....	74	0	0	0	0
Belgium.....	0	3	0	0	0
Luxembourg.....	0	0	1	0	0
France.....	2,845	534	113	0	0
Switzerland.....	0	155	0	175	0
Yugoslavia.....	0	0	0	5	0
India.....	0	0	0	81	0
China.....	2	5	75	0	0
All other.....	0	96	0	0	0
Total.....	8,037	5,557	6,397	6,633	8,398
GSP Total.....	4,789	4,360	5,654	6,423	8,338
Percent					
Chile.....	58.7	78.5	88.1	95.5	99.3
Japan.....	.7	1.1	1.7	.4	.5
United Kingdom...	.5	2.1	1.4	.1	.1
Singapore.....	.0	.0	.0	.0	.1
West Germany.....	3.7	4.0	5.5	.1	1/
Canada.....	.0	1/	.1	.0	.0
Mexico.....	.0	.0	.3	.0	.0
Ecuador.....	.9	.0	.0	.0	.0
Belgium.....	.0	.1	.0	.0	.0
Luxembourg.....	.0	.0	1/	.0	.0
France.....	35.4	9.6	1.8	.0	.0
Switzerland.....	.0	2.8	.0	2.6	.0
Yugoslavia.....	.0	.0	.0	.1	.0
India.....	.0	.0	.0	1.2	.0
China.....	1/	.1	1.2	.0	.0
All other.....	.0	1.7	.0	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	59.6	78.5	88.4	96.8	99.3

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
28369100Digest Title: Lithium carbonates
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1 000 dollars)					
West Germany.....	6,846	6,412	6,320	8,575	10,634
Japan.....	3,175	3,682	5,032	5,865	5,753
Canada.....	2,507	1,412	1,758	1,972	4,014
United Kingdom...	1,447	3,303	4,609	4,825	3,844
Venezuela.....	14	40	31	2,484	2,343
Korea.....	295	292	1,478	1,229	791
Netherlands.....	682	659	530	1,037	750
Taiwan.....	487	620	861	738	547
Mexico.....	571	360	183	327	346
Brazil.....	10	18	102	111	304
Australia.....	92	209	293	374	264
Spain.....	0	0	0	165	253
India.....	81	27	266	115	100
Rep So Africa....	72	65	52	161	79
France.....	185	426	5	0	55
All other.....	103	250	259	236	83
Total.....	16,565	17,777	21,777	28,214	30,160
GSP Total.....	692	565	603	1,059	1,108
Percent					
West Germany.....	41.3	36.1	29.0	30.4	35.3
Japan.....	19.2	20.7	23.1	20.8	19.1
Canada.....	15.1	7.9	8.1	7.0	13.3
United Kingdom...	8.7	18.6	21.2	17.1	12.7
Venezuela.....	.1	.2	.1	8.8	7.8
Korea.....	1.8	1.6	6.8	4.4	2.6
Netherlands.....	4.1	3.7	2.4	3.7	2.5
Taiwan.....	2.9	3.5	4.0	2.6	1.8
Mexico.....	3.4	2.0	.8	1.2	1.1
Brazil.....	.1	.1	.5	.4	1.0
Australia.....	.6	1.2	1.3	1.3	.9
Spain.....	.0	.0	.0	.6	.8
India.....	.5	.2	1.2	.4	.3
Rep So Africa....	.4	.4	.2	.6	.3
France.....	1.1	2.4	1/	.0	.2
All other.....	.6	1.4	1.2	.8	.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	4.2	3.2	2.8	10.8	10.3

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 2902.90.50
CERTAIN BENZENOID CHEMICALS

Certain Benzenoid Chemicals¹

I. Introduction

X Addition to GSP Removal from GSP Competitive-need-limit waiver Mexico²

HTS subheading(s)	Short description	Col. 1 rate of duty (1/1/90) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
2902.90.50	Cyclic hydrocarbons, n.e.s.i.	10.4	Yes
2906.21.00	Benzyl alcohol	6.6	Yes
2917.36.00	Terephthalic acid and its salts	23(AVE)	Yes

Description and uses.—The chemicals covered by this digest are all benzenoid synthetic organic chemicals produced from other petrochemicals. Terephthalic acid (TPA) and its salts are used principally in the production of polyethylene terephthalate resins, synthetic fibers, and films. The articles provided for in HTS item 2902.90.50 are also used to manufacture specialty plastic resins and, in addition, for manufacturing pesticides, pharmaceuticals, and other specialty chemicals. Benzyl alcohol is used principally as a raw material in the flavor and fragrance industry and also to produce certain pharmaceuticals and as a solvent.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	*10	*10	*10	*10	*10
Employment (1,000 employees)	**1	**1	**1	**1	**1
Production (1,000,000 dollars)	***	***	***	***	***
Exports (1,000 dollars)	41,448	44,676	54,416	427,089	431,636
Imports (1,000 dollars)	8,307	8,336	10,360	9,558	9,922
Consumption (1,000,000 dollars)	***	***	***	***	***
Import-to-consumption ratio (percent)	***	***	***	***	***
Capacity utilization (percent)	***	***	***	***	***

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—U.S. manufacturers of these products include large multinational chemical producers as well as medium- and small-sized specialty manufacturing firms. There is only one U.S. producer of benzyl alcohol, namely, Kalama Chemical, Inc., Seattle, Wa. Production of benzyl alcohol ***.

¹ This digest includes the following HTS subheadings: 2902.90.50, 2906.2100, 2917.36.00.

² Waiver of competitive-need limit for Mexico requested only with respect to HTS subheading 2917.36.00.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	9,922	100	-	***
Imports from GSP countries:				
Total	48	1	100	***
Mexico	43	(1)	90	***
Barbados	5	(1)	10	***

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 10

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.—Imports of cyclic hydrocarbons, n.e.s.i., from Mexico in 1990 were valued at \$37,000, while imports of benzyl alcohol were \$11,000. Although there were no imports of terephthalic acid and its salts from Mexico in 1990, Mexico had been a source of imports of terephthalic acid in 1986, and 1989, and is expected to become a source of future imports should these products be granted GSP eligibility.

IV. Competitiveness profiles, GSP suppliers—continued

Competitiveness indicators for Barbados for all digest products

Ranking as a U.S. import supplier, 1990. 13

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☒ No ☐

What is the price elasticity of U.S. demand? High ☒ Moderate ☐ Low ☐

Can production in the country be easily expanded or contracted in the short term? Yes ☒ No ☐

Does the country have significant export markets besides the United States? Yes ☒ No ☐

Could exports from the country be readily redistributed among its foreign export markets? Yes ☒ No ☐

What is the price elasticity of import supply? High ☒ Moderate ☐ Low ☐

Price level compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Quality compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Comment.—During 1990, of the products covered by this digest only benzyl alcohol (HTS 2906.21.00) was imported from Barbados. Barbados does not have TPA production capability, but does have a limited capability to produce chemicals classified under HTS 2902.90.50 (cyclic hydrocarbons, n.e.s.i.) at a refining plant owned and operated by the U.S. firm, Mobil Oil. According to the Oil and Gas Journal, Dec. 31, 1990, Mobil did not operate its refinery on Barbados during 1990.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☒ No ☐

What is the price elasticity of U.S. demand? High ☒ Moderate ☐ Low ☐

Can production in the country be easily expanded or contracted in the short term? Yes ☒ No ☐

Does the country have significant export markets besides the United States? Yes ☒ No ☐

Could exports from the country be readily redistributed among its foreign export markets? Yes ☒ No ☐

What is the price elasticity of import supply? High ☒ Moderate ☐ Low ☐

Price level compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Quality compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

V. Position of interested parties

Petitioner.—In statements made to the Commission, Mr Joseph Blatchford, counsel for Petroquímica Argentina, S.A. (PASA), and Mr. Dan Hawkinson, marketing manager for specialties for American Sales and Purchases Company, a firm which markets certain PASA products in the United States, stated that granting GSP eligibility to imports of biphenyl will have little or no adverse effect on U.S. industry and be beneficial to U.S. consumers. Argentina, according to Mr. Hawkinson, is the only GSP eligible country currently producing biphenyl and its only factory has a limited production capacity.

Mr. Thomas F. St. Maxens, president of St. Maxens Company, a trade consultant firm, and Mr. Jaime Arnoldo Lozano, distribution manager for the Mexican chemical firm, Petrocel, and Mr. Carlos Lopez Amaya, counsel for Petrocel's parent organization, Grupo Industrial Alfa, presented statements to the Commission in support of granting GSP status for imports of terephthalic acid (PTA). These witnesses pointed out that Mexican exports of PTA to the United States have been insignificant because of the high duty levied on this product. They also stated that U.S. producers of PTA will not be adversely effected by granting GSP eligibility for PTA, since U.S. producers supply 99 percent of the domestic market, and Mexican production capacity for this chemical is comparatively small.

Support.— In a written submission to the Commission, Mr. Marc B. Goodman of Multinational Business Services, Inc., on behalf of the Goodyear Tire and Rubber, Allied-Signal, Inc., and Hoechst Celanese Corp., domestic consumers of terephthalic acid, stated that these firms support addition of terephthalic acid to the list of GSP-eligible products. These consumers would like to establish alternative sources for this chemical, and feel that the current rate of duty is prohibitively excessive, thereby excluding foreign producers from the U.S. market.

Opposition.— In a written submission to the Commission, Mr. Wayne M. Ostermiller, Vice President, Manufacturing, Kalama Chemical, Inc., the only U.S. producer of benzyl alcohol, stated that his firm strongly opposed granting GSP-eligibility to HTS 2906.21.00. Mr. Ostermiller pointed out that while the Mexican producers want duty-free entry into the United States for their product, Kalama must pay duties greater than the current U.S. duty to enter products into Mexico plus additional user and value added taxes. It was also stated that in order to increase market share, the Mexican producer could lower price even more than the duty savings should GSP-eligibility be granted.

VI. Summary of probable economic effects—Addition

★ ★ ★ ★ ★ ★ ★

VI. Summary of probable economic effects—Addition—Continued

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VI. Summary of probable economic effects—competitive-need-limit waiver(Mexico)³

★ ★ ★ ★ ★ ★ ★

³ Waiver advice is provided for HTS subheading 2917.36.000.

Table I.

Digest No.
29029050Digest Title: Certain benzenoid chemicals
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
France.....	1,282	1,451	2,118	2,111	3,296
Netherlands.....	1,085	715	851	837	1,603
Japan.....	2,602	3,175	2,102	899	1,068
West Germany.....	1,019	1,058	2,752	1,092	1,061
United Kingdom...	1,372	590	961	1,400	846
Belgium.....	21	175	540	1,765	680
Canada.....	83	561	546	250	674
Spain.....	314	316	163	485	571
New Zealand.....	0	0	0	0	46
Mexico.....	97	44	88	606	43
Korea.....	112	50	2	2	16
Switzerland.....	37	18	33	16	12
Barbados.....	0	6	0	0	5
Denmark.....	2	1	9	0	3
Argentina.....	99	30	0	0	0
All other.....	183	145	197	96	0
Total.....	8,307	8,336	10,360	9,558	9,922
GSP Total.....	251	80	108	606	48
Percent					
France.....	15.4	17.4	20.4	22.1	33.2
Netherlands.....	13.1	8.6	8.2	8.8	16.2
Japan.....	31.3	38.1	20.3	9.4	10.8
West Germany.....	12.3	12.7	26.6	11.4	10.7
United Kingdom...	16.5	7.1	9.3	14.6	8.5
Belgium.....	.3	2.1	5.2	18.5	6.8
Canada.....	1.0	6.7	5.3	2.6	6.8
Spain.....	3.8	3.8	1.6	5.1	5.8
New Zealand.....	.0	.0	.0	.0	.5
Mexico.....	1.2	.5	.8	6.3	.4
Korea.....	1.4	.6	1/	1/	.2
Switzerland.....	.4	.2	.3	.2	.1
Barbados.....	.0	.1	.0	.0	.1
Denmark.....	1/	1/	.1	.0	1/
Argentina.....	1.2	.4	.0	.0	.0
All other.....	2.2	1.7	1.9	1.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	3.0	1.0	1.0	6.3	.5

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
29029050
HTS No.
29029050

Digest Title: Certain benzenoid chemicals
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (\$1,000 dollars)					
Japan.....	2,308	2,822	1,819	899	1,068
Canada.....	27	388	485	228	671
France.....	58	168	397	35	649
United Kingdom...	437	88	115	553	280
West Germany.....	144	512	2,194	732	175
New Zealand.....	0	0	0	0	46
Mexico.....	0	0	0	0	37
Belgium.....	5	142	116	518	31
Switzerland.....	13	6	9	16	12
Netherlands.....	609	86	1	0	5
Denmark.....	0	0	0	0	3
Argentina.....	99	30	0	0	0
Sweden.....	6	7	1	47	0
Spain.....	7	22	10	0	0
Italy.....	0	0	0	2	0
All other.....	170	67	14	48	0
Total.....	3,882	4,337	5,161	3,078	2,976
GSP Total.....	154	30	3	0	37
Percent					
Japan.....	59.5	65.1	35.2	29.2	35.9
Canada.....	.7	8.9	9.4	7.4	22.5
France.....	1.5	3.9	7.7	1.1	21.8
United Kingdom...	11.3	2.0	2.2	18.0	9.4
West Germany.....	3.7	11.8	42.5	23.8	5.9
New Zealand.....	.0	.0	.0	.0	1.5
Mexico.....	.0	.0	.0	.0	1.2
Belgium.....	.1	3.3	2.2	16.8	1.0
Switzerland.....	.3	.1	.2	.5	.4
Netherlands.....	15.7	2.0	1/	.0	.2
Denmark.....	.0	.0	.0	.0	.1
Argentina.....	2.5	.7	.0	.0	.0
Sweden.....	.2	.2	1/	1.5	.0
Spain.....	.2	.5	.2	.0	.0
Italy.....	.0	.0	.0	.1	.0
All other.....	4.4	1.5	.3	1.6	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	4.0	.7	.1	.0	1.2

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
29029050
HTS No.
29062100

Digest Title: Certain benzenoid chemicals
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
France.....	1,197	1,272	1,705	2,076	2,647
Netherlands.....	474	629	848	837	1,599
West Germany.....	829	481	492	359	886
Belgium.....	16	34	424	1,247	648
Spain.....	307	294	153	485	571
United Kingdom...	916	454	829	847	566
Mexico.....	92	44	88	0	6
Barbados.....	0	6	0	0	5
Canada.....	29	9	27	22	3
East Germany.....	24	0	0	0	0
Austria.....	0	1	22	0	0
Switzerland.....	23	12	9	0	0
Italy.....	0	5	0	0	0
Japan.....	114	173	204	0	0
Total.....	4,019	3,413	4,800	5,874	6,931
GSP Total.....	92	50	88	0	11
Percent					
France.....	29.8	37.2	35.5	35.4	38.2
Netherlands.....	11.8	18.4	17.7	14.2	23.1
West Germany.....	20.6	14.1	10.2	6.1	12.8
Belgium.....	.4	1.0	8.8	21.2	9.4
Spain.....	7.6	8.6	3.2	8.3	8.2
United Kingdom...	22.8	13.3	17.3	14.4	8.2
Mexico.....	2.3	1.3	1.8	.0	.1
Barbados.....	.0	.2	.0	.0	.1
Canada.....	.7	.3	.6	.4	1/
East Germany.....	.6	.0	.0	.0	.0
Austria.....	.0	1/	.5	.0	.0
Switzerland.....	.6	.4	.2	.0	.0
Italy.....	.0	.1	.0	.0	.0
Japan.....	2.8	5.1	4.2	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	2.3	1.5	1.8	.0	.2

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
29029050
HTS No.
29173600

Digest Title: Certain benzenoid chemicals
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Korea.....	2	3	2	0	16
Canada.....	27	164	34	0	0
Mexico.....	5	0	0	606	0
Sweden.....	93	109	142	0	0
Norway.....	0	1/	0	0	0
Denmark.....	2	1	9	0	0
United Kingdom...	20	48	16	0	0
Netherlands.....	3	1/	2	0	0
France.....	27	12	16	0	0
West Germany.....	46	65	66	0	0
Austria.....	1/	1/	0	0	0
Switzerland.....	1	1/	15	0	0
Italy.....	0	1/	0	0	0
Israel.....	1/	1/	0	0	0
India.....	0	0	17	0	0
All other.....	180	182	79	0	0
Total.....	406	585	399	606	16
GSP Total.....	5	1/	17	606	0
Percent					
Korea.....	.5	.5	.4	.0	100.0
Canada.....	6.7	28.1	8.6	.0	.0
Mexico.....	1.2	.0	.0	100.0	.0
Sweden.....	22.9	18.6	35.5	.0	.0
Norway.....	.0	1/	.0	.0	.0
Denmark.....	.4	.1	2.3	.0	.0
United Kingdom...	4.8	8.2	4.1	.0	.0
Netherlands.....	.7	1/	.5	.0	.0
France.....	6.7	2.0	4.1	.0	.0
West Germany.....	11.3	11.1	16.6	.0	.0
Austria.....	1/	1/	.0	.0	.0
Switzerland.....	.2	1/	3.8	.0	.0
Italy.....	.0	1/	.0	.0	.0
Israel.....	1/	1/	.0	.0	.0
India.....	.0	.0	4.3	.0	.0
All other.....	44.4	31.2	19.9	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	1.2	1/	4.3	100.0	.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
29029050Digest Title: Certain benzenoid chemicals
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Taiwan.....	12,835	12,746	16,226	177,655	144,879
China.....	4,558	8,654	13,093	154,794	142,618
Canada.....	3,552	3,615	3,717	14	29,155
Korea.....	6,697	7,382	8,076	48,188	23,825
Pakistan.....	743	468	1,080	11,153	18,949
Belgium.....	2,486	2,666	2,779	9,850	18,328
Indonesia.....	960	75	170	3,455	15,537
Philippines.....	1,346	1,186	1,512	13,694	9,474
Netherlands.....	1,000	1,150	948	0	5,416
Malaysia.....	743	509	528	5,628	5,016
Switzerland.....	235	159	214	965	4,274
India.....	1,268	266	60	0	2,996
Mexico.....	355	365	345	465	2,612
Japan.....	1,442	1,448	1,368	70	1,423
United Kingdom...	625	874	799	0	1,273
All other.....	2,605	3,110	3,500	1,158	5,861
Total.....	41,448	44,676	54,416	427,089	431,636
GSP Total.....	6,333	3,888	5,171	35,274	57,057
Percent					
Taiwan.....	31.0	28.5	29.8	41.6	33.6
China.....	11.0	19.4	24.1	36.2	33.0
Canada.....	8.6	8.1	6.8	1/	6.8
Korea.....	16.2	16.5	14.8	11.3	5.5
Pakistan.....	1.8	1.0	2.0	2.6	4.4
Belgium.....	6.0	6.0	5.1	2.3	4.2
Indonesia.....	2.3	.2	.3	.8	3.6
Philippines.....	3.2	2.7	2.8	3.2	2.2
Netherlands.....	2.4	2.6	1.7	.0	1.3
Malaysia.....	1.8	1.1	1.0	1.3	1.2
Switzerland.....	.6	.4	.4	.2	1.0
India.....	3.1	.6	.1	.0	.7
Mexico.....	.9	.8	.6	.1	.6
Japan.....	3.5	3.2	2.5	1/	.3
United Kingdom...	1.5	2.0	1.5	.0	.3
All other.....	6.3	7.0	6.4	.3	1.4
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	15.3	8.7	9.5	8.3	13.2

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 2922.49.20

CERTAIN AROMATIC DRUGS

Certain Aromatic Drugs

I. Introduction

X Addition to GSP Removal from GSP Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
2922.49.20	Certain aromatic amino acids (or their esters) with one kind of oxygen function, used as drugs.	7%	Yes

Description and uses.—The products covered in this digest are certain amino-acids (or their esters), imported in bulk form, that are generally used as the active ingredients in pharmaceutical products. These products are broadly diverse in application, including local anesthetics, anticholinergic agents, and sunscreens.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	*6	*7	*6	*7	*7
Employment (1,000 employees)	**1	**1	**1	**1	**1
Shipments (1,000 dollars)	***	***	***	***	***
Exports (1,000 dollars)	4,961	5,749	8,542	3,739	3,186
Imports (1,000 dollars)	3,408	4,122	4,574	8,067	5,816
Consumption (1,000 dollars)	***	***	***	***	***
Import-to-consumption ratio (percent)	***	***	***	***	***
Capacity utilization (percent)	**75	**75	**75	**75	**75

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—***. Sunscreens reportedly accounted for 10-50 percent of the total U.S. sun-care market, which was valued at about \$320 million in 1990.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	5,816	100	-	***
Imports from GSP countries:				
Total	280	5	100	***
Mexico	278	5	100	***
Mauritius	1	(¹)	(¹)	***

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 4

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

 U.S. products. Above Equivalent X Below

 Other foreign products Above Equivalent X Below

Quality compared with—

 U.S. products. Above Equivalent X Below

 Other foreign products Above Equivalent X Below

Competitiveness indicators for Mauritius for all digest products

Ranking as a U.S. import supplier, 1990. 12

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

 U.S. products. Above Equivalent X Below

 Other foreign products Above Equivalent X Below

Quality compared with—

 U.S. products. Above Equivalent X Below

 Other foreign products Above Equivalent X Below

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
What is the price elasticity of U.S. demand?	High	<input checked="" type="checkbox"/>	Moderate	<input type="checkbox"/>
Can production in the country be easily expanded or contracted				
in the short term?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the country have significant export markets besides the				
United States?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Could exports from the country be readily redistributed among				
its foreign export markets?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
What is the price elasticity of import supply?	High	<input checked="" type="checkbox"/>	Moderate	<input type="checkbox"/>
Price level compared with—				
U.S. products.	Above	<input type="checkbox"/>	Equivalent	<input checked="" type="checkbox"/>
Other foreign products	Above	<input type="checkbox"/>	Equivalent	<input checked="" type="checkbox"/>
Quality compared with—				
U.S. products.	Above	<input type="checkbox"/>	Equivalent	<input checked="" type="checkbox"/>
Other foreign products	Above	<input type="checkbox"/>	Equivalent	<input checked="" type="checkbox"/>

V. Position of interested parties

Haarman & Reimer state in their submission to the Commission, dated October 10, 1991, that no U.S. manufacturers would be adversely affected by this action. They also state that both first-line and end-product consumers could realize cost savings as a result of having available a larger supply of product in various end-product formulations at a lower price.

VI. Summary of probable economic effects—Addition

★ ★ ★ ★ ★ ★ ★

Table I.

Digest Title: Certain Aromatic drugs
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Switzerland.....	231	198	239	4,729	3,591
West Germany.....	627	708	1,073	1,027	741
Finland.....	4	22	25	777	607
Mexico.....	11	73	16	0	278
United Kingdom...	154	248	367	348	242
Netherlands.....	6	0	15	0	161
Japan.....	164	188	186	463	140
Taiwan.....	3	2	5	29	31
Italy.....	674	625	545	377	16
Belgium.....	2	26	6	0	4
Denmark.....	0	0	0	6	3
Mauritius.....	0	0	0	0	1
Canada.....	712	820	708	10	0
Costa Rica.....	0	0	3	0	0
Panama.....	0	0	1/	0	0
All other.....	821	1,212	1,386	302	0
Total.....	3,408	4,122	4,574	8,067	5,816
GSP Total.....	388	395	336	0	280
Percent					
Switzerland.....	6.8	4.8	5.2	58.6	61.7
West Germany.....	18.4	17.2	23.5	12.7	12.7
Finland.....	.1	.5	.6	9.6	10.4
Mexico.....	.3	1.8	.3	.0	4.8
United Kingdom...	4.5	6.0	8.0	4.3	4.2
Netherlands.....	.2	.0	.3	.0	2.8
Japan.....	4.8	4.6	4.1	5.7	2.4
Taiwan.....	.1	.1	.1	.4	.5
Italy.....	19.8	15.2	11.9	4.7	.3
Belgium.....	.1	.6	.1	.0	.1
Denmark.....	.0	.0	.0	.1	.1
Mauritius.....	.0	.0	.0	.0	1/
Canada.....	20.9	19.9	15.5	.1	.0
Costa Rica.....	.0	.0	.1	.0	.0
Panama.....	.0	.0	1/	.0	.0
All other.....	24.1	29.4	30.3	3.7	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	11.4	9.6	7.4	.0	4.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
29224920Digest Title: Certain Aromatic drugs
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (\$1,000 dollars)					
Switzerland.....	327	313	490	1,145	1,812
Netherlands.....	166	257	85	779	370
West Germany.....	338	345	566	125	313
Italy.....	124	364	204	4	166
Ireland.....	58	240	595	107	135
India.....	34	44	34	23	121
United Kingdom...	223	396	301	18	56
Aruba.....	10	8	1/	27	49
Korea.....	95	49	796	0	38
Mexico.....	187	198	382	257	21
Thailand.....	10	27	24	62	20
Canada.....	856	924	1,360	827	19
Philippines.....	18	42	35	0	16
Sweden.....	8	16	70	27	12
Japan.....	178	397	759	0	9
All other.....	2,329	2,128	2,839	339	30
Total.....	4,961	5,749	8,542	3,739	3,186
GSP Total.....	1,584	1,179	1,463	585	248
Percent					
Switzerland.....	6.6	5.4	5.7	30.6	56.9
Netherlands.....	3.4	4.5	1.0	20.8	11.6
West Germany.....	6.8	6.0	6.6	3.3	9.8
Italy.....	2.5	6.3	2.4	.1	5.2
Ireland.....	1.2	4.2	7.0	2.9	4.2
India.....	.7	.8	.4	.6	3.8
United Kingdom...	4.5	6.9	3.5	.5	1.8
Aruba.....	.2	.1	1/	.7	1.5
Korea.....	1.9	.9	9.3	.0	1.2
Mexico.....	3.8	3.4	4.5	6.9	.6
Thailand.....	.2	.5	.3	1.7	.6
Canada.....	17.3	16.1	15.9	22.1	.6
Philippines.....	.4	.7	.4	.0	.5
Sweden.....	.2	.3	.8	.7	.4
Japan.....	3.6	6.9	8.9	.0	.3
All other.....	46.9	37.0	33.2	9.1	.9
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	31.9	20.5	17.1	15.6	7.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 3301.13.00

ESSENTIAL OIL OF LEMON

Essential Oil of Lemon

I. Introduction

X Addition to GSP Removal from GSP X Competitive-need-limit waiver Argentina¹

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
3301.13.00	Essential oil of lemon	8.5%	Yes

Description and uses.— Essential oil of lemon is a concentrated flavor, produced as a citrus fruit industry by-product, it is extracted from peels of lemon after the juice and pulp have been removed. Lemon oil is used primarily by the soft drink industry.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	**5	**5	**5	**5	**5
Employment (1,000 employees)	(2)	(2)	(2)	(2)	(2)
Shipments (1,000 dollars)	(3)	(3)	(3)	(3)	(3)
Exports (1,000 dollars)	12,032	5,257	4,787	9,731	10,643
Imports (1,000 dollars)	14,186	8,395	10,159	9,373	18,698
Consumption (1,000 dollars)	(4)	(4)	(4)	(4)	(4)
Import-to-consumption ratio (percent)	(2)	(2)	(2)	(2)	(2)
Capacity utilization (percent)	(2)	(2)	(2)	(2)	(2)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Not available.

³Production values are unavailable; however, they may range from approximately \$35 million to \$70 million annually, depending upon both climatic and economic conditions.

⁴Apparent consumption may range from approximately \$33 million to \$78 million, depending upon domestic production.

Comment.—U.S. producers of essential oil of lemon do not produce this material as a primary product. Therefore, shortages or excesses in the domestic market are corrected when possible by increased imports or exports, as necessary. The only obstacle to this practice is that different lemon oils from different countries may not be similar enough in sensory characteristics to satisfy a user's needs.

¹ Advice on waiving the competitive-need limit for Argentina is also requested.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	18,698	100	-	131
Imports from GSP countries:				
Total	9,516	51	100	116
Argentina	9,020	48	95	115
Israel ²	182	1	2	(1.3)
Ivory Coast	179	1	2	(1.3)
Brazil	55	(3)	1	(1.3)

¹ Assuming, for comparison purpose, 1990 U.S. apparent consumption to be \$60 million.

² Although imports of digest products from Israel are eligible for duty-free entry under the GSP, imports of this item during 1990 from Israel entered duty-free under the provisions of the United States-Israel Free Trade Implementation Act of 1985.

³ Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Argentina appears to be the only major GSP-eligible supplier of essential oil of lemon to the U.S. market.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Argentina for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☐ No ☒

What is the price elasticity of U.S. demand? High ☐ Moderate ☐ Low ☒

Can production in the country be easily expanded or contracted in the short term? Yes ☐ No ☒

Does the country have significant export markets besides the United States? Yes ☒ No ☐

Could exports from the country be readily redistributed among its foreign export markets? Yes ☐ No ☒

What is the price elasticity of import supply? High ☐ Moderate ☐ Low ☒

Price level compared with—

 U.S. products. Above ☐ Equivalent ☒ Below ☐

 Other foreign products. Above ☐ Equivalent ☒ Below ☐

Quality compared with—

 U.S. products. Above ☐ Equivalent ☒ Below ☐

 Other foreign products. Above ☐ Equivalent ☒ Below ☐

Comment.—As essential oil of lemon is not the primary product of the lemon growing industry, the supply is driven by the state of the lemon fresh fruit market. Therefore, price is determined by demand and availability, as supply cannot be increased to meet increased demand.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for all GSP countries for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☐ No ☒
 What is the price elasticity of U.S. demand? High ☐ Moderate ☐ Low ☒
 Can production in the country be easily expanded or contracted
 in the short term? Yes ☐ No ☒
 Does the country have significant export markets besides the
 United States? Yes ☒ No ☐
 Could exports from the country be readily redistributed among
 its foreign export markets? Yes ☐ No ☒
 What is the price elasticity of import supply? High ☐ Moderate ☐ Low ☒

Price level compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐
 Other foreign products. Above ☐ Equivalent ☒ Below ☐

Quality compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐
 Other foreign products. Above ☐ Equivalent ☒ Below ☐

Comment.—As essential oil of lemon is not the primary product of the lemon growing industry, the supply is driven by the state of the lemon fresh fruit market.

V. Position of interested parties

Opposition.—The California-Arizona Citrus League opposes this petition because of the ongoing GATT discussions. They maintain that weather conditions during the past several years have damaged the domestic industry and the addition of this item to GSP would slow down the domestic industry's recovery. In a post-hearing submission, they also maintained that certain phytosanitary barriers prevent the export of U.S.-produced fresh lemons to Thailand and China, and high tariffs are a barrier to fresh lemon exports to the European Community.

VI. Summary of probable economic effects—Addition

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VI. Summary of probable economic effects—Waiver (Argentina)

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Table I.

Digest No.
33011300Digest Title: Essential oil of lemon
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Argentina.....	8,117	5,079	4,982	2,840	9,020
Italy.....	1,708	924	1,770	2,720	4,577
Spain.....	3	252	1,192	977	2,604
Switzerland.....	254	165	293	435	555
United Kingdom...	69	266	572	466	502
Canada.....	177	152	113	112	330
Israel.....	262	86	227	458	182
Ivory Coast.....	0	0	0	0	179
West Germany.....	165	203	35	79	165
France.....	112	83	152	90	118
Ireland.....	73	120	17	0	96
Netherlands.....	1,694	348	75	11	91
Australia.....	280	156	0	36	57
Japan.....	167	0	45	121	57
Brazil.....	495	303	394	454	55
All other.....	611	256	293	573	110
Total.....	14,186	8,395	10,159	9,373	18,698
GSP Total.....	9,416	5,682	5,895	4,325	9,519
Percent					
Argentina.....	57.2	60.5	49.0	30.3	48.2
Italy.....	12.0	11.0	17.4	29.0	24.5
Spain.....	1/	3.0	11.7	10.4	13.9
Switzerland.....	1.8	2.0	2.9	4.6	3.0
United Kingdom...	.5	3.2	5.6	5.0	2.7
Canada.....	1.3	1.8	1.1	1.2	1.8
Israel.....	1.8	1.0	2.2	4.9	1.0
Ivory Coast.....	.0	.0	.0	.0	1.0
West Germany.....	1.2	2.4	.3	.8	.9
France.....	.8	1.0	1.5	1.0	.6
Ireland.....	.5	1.4	.2	.0	.5
Netherlands.....	11.9	4.1	.7	.1	.5
Australia.....	2.0	1.9	.0	.4	.3
Japan.....	1.2	.0	.4	1.3	.3
Brazil.....	3.5	3.6	3.9	4.8	.3
All other.....	4.3	3.1	2.9	6.1	.6
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	66.4	67.7	58.0	46.1	50.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
33011300Digest Title: Essential oil of lemon
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	1,251	1,438	1,365	2,629	2,562
United Kingdom...	5,819	1,234	558	1,902	2,072
Ireland.....	1,647	87	535	748	1,776
Canada.....	788	787	585	548	1,195
Netherlands.....	285	240	292	549	388
Switzerland.....	56	187	372	666	344
Malaysia.....	17	11	13	26	296
Venezuela.....	42	144	9	77	278
West Germany.....	119	127	80	123	244
Swaziland.....	0	0	0	40	201
Mexico.....	180	88	96	443	201
Hong Kong.....	72	177	165	78	154
France.....	231	360	89	657	134
Pakistan.....	0	0	0	54	115
Kenya.....	0	0	0	308	109
All other.....	1,524	375	628	884	573
Total.....	12,032	5,257	4,787	9,731	10,643
GSP Total.....	1,523	404	479	1,213	1,519
Percent					
Japan.....	10.4	27.3	28.5	27.0	24.1
United Kingdom...	48.4	23.5	11.7	19.5	19.5
Ireland.....	13.7	1.7	11.2	7.7	16.7
Canada.....	6.5	15.0	12.2	5.6	11.2
Netherlands.....	2.4	4.6	6.1	5.6	3.6
Switzerland.....	.5	3.6	7.8	6.8	3.2
Malaysia.....	.1	.2	.3	.3	2.8
Venezuela.....	.4	2.7	.2	.8	2.6
West Germany.....	1.0	2.4	1.7	1.3	2.3
Swaziland.....	.0	.0	.0	.4	1.9
Mexico.....	1.5	1.7	2.0	4.5	1.9
Hong Kong.....	.6	3.4	3.5	.8	1.4
France.....	1.9	6.8	1.9	6.7	1.3
Pakistan.....	.0	.0	.0	.6	1.1
Kenya.....	.0	.0	.0	3.2	1.0
All other.....	12.7	7.1	13.1	9.1	5.4
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	12.7	7.7	10.0	12.5	14.3

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 3402.90.10

SYNTHETIC DETERGENTS

Synthetic Detergents

I. Introduction

☐ Addition to GSP ☐ Removal from GSP ☒ Competitive-need-limit waiver Mexico

HTS subheading	Short description	Col. 1 rate-of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
3402.90.10 ¹	Synthetic detergents	3.8%	Yes

¹Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles under subheading 3402.90.10.

Description and uses.—Synthetic detergents are cleaning agents made up of a surface-active agent, builders, and other chemicals (to facilitate the cleaning action of the detergent). These detergents, which may be liquid or powder, are used commonly in households for laundry and dishwashing purposes, as well as for non-household industrial applications.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	**500	**500	**500	**500	**500
Employment (1,000 employees).	**21	**21	**21	**20	**20
Shipments (Million dollars).	6,800	7,000	7,200	7,400	7,800
Exports (Million dollars).	(²)	(²)	(²)	30	22
Imports (Million dollars).	10	14	13	6	16
Consumption (Million dollars).	(²)	(²)	(²)	7,376	7,794
Import-to-consumption ratio (percent).	(²)	(²)	(²)	(³)	(³)
Capacity utilization (percent).	**85	**85	**82	**80	**80

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Not available.

³Less than 0.5 percent.

Comment.—The U.S. market for synthetic detergents is dominated by U.S. producers, primarily multinational firms that are fully vertically integrated. There is relatively little international trade in these items, primarily owing to high transportation costs.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	16,418	100	-	(¹)
Imports from GSP countries:				
Total	11,387	69	100	(¹)
Mexico	9,503	58	86	(¹)
Venezuela	1,454	9	13	(¹)
Dominican Rep	309	2	3	(¹)
Colombia	52	(¹)	(¹)	(¹)

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Mexico and Venezuela together account for 99 percent of U.S. GSP imports.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High Moderate Low X

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Comment.—The quality problem involves reliability of supply and service. The Mexican producers need to rely on transportation services that are not of the same high quality as those accessible to U.S. producers.

V. Position of interested parties

Petitioner.—The Mexican National Chamber of Edible Oils, Fats, and Soaps maintains that as the United States is the primary export market for Mexican detergents, and these exports account for such a small share (less than 0.5 percent) of U.S. consumption, a waiver of the competitive need limit would greatly benefit the Mexican producer without adversely affecting the U.S. industry.

VI. Summary of probable economic effects--Competitive-need-limit waiver (Mexico)

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
34029010Digest Title: Synthetic detergents
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	1,497	2,176	862	1,544	9,503
Canada.....	1,603	894	1,057	905	2,310
West Germany.....	2,022	2,685	5,350	1,062	1,552
Venezuela.....	1,333	664	462	381	1,454
Sweden.....	113	165	153	215	355
Dominican Rep....	845	41	402	261	309
Japan.....	423	1,373	1,376	256	286
Belgium.....	131	207	755	89	172
Netherlands.....	293	2,120	492	119	69
France.....	212	162	174	21	57
Colombia.....	110	0	0	521	52
Norway.....	62	32	37	0	42
Panama.....	0	0	0	0	40
Taiwan.....	61	66	107	4	37
Denmark.....	80	24	13	11	32
All other.....	1,575	3,016	1,662	191	148
Total.....	10,360	13,623	12,902	5,582	16,418
GSP Total.....	3,878	3,039	1,897	2,755	11,387
Percent					
Mexico.....	14.4	16.0	6.7	27.7	57.9
Canada.....	15.5	6.6	8.2	16.2	14.1
West Germany.....	19.5	19.7	41.5	19.0	9.5
Venezuela.....	12.9	4.9	3.6	6.8	8.9
Sweden.....	1.1	1.2	1.2	3.9	2.2
Dominican Rep....	8.2	.3	3.1	4.7	1.9
Japan.....	4.1	10.1	10.7	4.6	1.7
Belgium.....	1.3	1.5	5.9	1.6	1.0
Netherlands.....	2.8	15.6	3.8	2.1	.4
France.....	2.0	1.2	1.4	.4	.3
Colombia.....	1.1	.0	.0	9.3	.3
Norway.....	.6	.2	.3	.0	.3
Panama.....	.0	.0	.0	.0	.2
Taiwan.....	.6	.5	.8	.1	.2
Denmark.....	.8	.2	.1	.2	.2
All other.....	15.2	22.1	12.9	3.4	.9
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	37.4	22.3	14.7	49.4	69.4

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
34029010Digest Title: Synthetic detergents
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	448	1,201	306	5,422	6,292
Bahamas.....	14	9	11	2,459	2,024
Taiwan.....	124	83	108	1,640	1,661
United Kingdom...	36	39	56	1,825	1,207
Hong Kong.....	45	36	53	910	794
West Germany.....	51	38	52	732	729
Netherlands Ant..	0	0	5	328	479
Brazil.....	7	25	47	639	446
France.....	24	6	7	257	432
Singapore.....	13	12	23	349	428
Netherlands.....	15	14	44	1,776	427
Belgium.....	3	7	15	699	423
Colombia.....	5	2	2	121	412
Saudi Arabia.....	18	36	29	484	396
Australia.....	192	259	222	859	389
All other.....	348	494	482	11,494	5,498
Total.....	1,341	2,260	1,461	29,995	22,037
GSP Total.....	148	183	195	7,036	6,542
Percent					
Japan.....	33.4	53.1	20.9	18.1	28.6
Bahamas.....	1.1	.4	.8	8.2	9.2
Taiwan.....	9.2	3.7	7.4	5.5	7.5
United Kingdom...	2.7	1.7	3.8	6.1	5.5
Hong Kong.....	3.3	1.6	3.6	3.0	3.6
West Germany.....	3.8	1.7	3.6	2.4	3.3
Netherlands Ant..	.0	.0	.3	1.1	2.2
Brazil.....	.5	1.1	3.2	2.1	2.0
France.....	1.8	.3	.5	.9	2.0
Singapore.....	1.0	.5	1.6	1.2	1.9
Netherlands.....	1.1	.6	3.0	5.9	1.9
Belgium.....	.2	.3	1.0	2.3	1.9
Colombia.....	.3	.1	.1	.4	1.9
Saudi Arabia.....	1.3	1.6	2.0	1.6	1.8
Australia.....	14.3	11.5	15.2	2.9	1.8
All other.....	25.9	21.9	33.0	38.3	25.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	11.0	8.1	13.3	23.5	29.7

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 3902.10.00

POLYPROPYLENE RESINS IN PRIMARY FORMS

Polypropylene Resins in Primary Forms¹

I. Introduction

 Addition to GSP Removal from GSP X Competitive-need-limit waiver Mexico

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
3902.10.00	Polypropylene resins	12.5%	Yes
3902.30.00	Propylene copolymer resins	8.9% AVE	Yes

Description and uses.—Polypropylene resins are obtained by polymerizing the propylene monomer. Polypropylene homopolymer resins (hereinafter referred to as polypropylene resins) account for about 80 percent or better of the total output of all polypropylene resins, with copolymers accounting for the remainder. Polypropylene resins are commodity-type resins and are now the fourth-largest-volume plastic produced domestically. Polypropylene resins cover a wide range of products from general purpose materials to specialty grades.

Extruded and injection molded polypropylene products account for about 38 percent and 24 percent, respectively, of all products covered here. Extruded polypropylene fibers and filaments is the major individual market for this resin family and represents 25 percent of the domestic output of all polypropylene resins. Polypropylene fibers and filaments are used to produce such as apparel, upholstery, carpet backing, and twine. Film and sheet, mainly for packaging applications, is another major end use for polypropylene resins and accounts annually for about 10 percent of domestic output. In recent years exports have also been a major market for polypropylene, representing about 15-20 percent annually of domestic production.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	11	11	12	12	13
Employment (1,000 employees)	**5	**6	**7	**7	**7
Production (million dollars)	2,002	2,651	3,483	2,546	*3,324
Exports (million dollars)	444	681	953	651	738
Imports (million dollars)	18	18	28	33	38
Consumption (million dollars)	1,576	1,988	2,588	1,928	*2,624
Import-to-consumption ratio (percent)	1	1	1	2	1
Capacity utilization (percent)	*94	*97	*91	*82	*92

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—Polypropylene resins are capital-intensive materials, in which a relatively few workers can each produce hundreds of millions of pounds of polypropylene resins annually, and domestic plants each have an average annual polypropylene resin capacity in excess of 450 million pounds. The U.S. producers of polypropylene resins are large, diversified firms that offer a complete line of polypropylene resin grades as well as employing state-of-the-art technology. These firms also produce a host of other chemical and nonchemical products. Eleven polypropylene resin

¹ This digest includes the following HTS subheadings: 3902.10.00 and 3902.30.00.

producers are vertically integrated back to propylene, the monomeric starting material for polypropylene.

By the end of the 1980s, about 74 percent of the world's polypropylene resin production was located in the industrialized nations (i.e., 30 percent in Western Europe, 30 percent in the United States, and 14 percent in Japan). Polypropylene growth in the United States is forecast at 3 to 3.5 times that of gross national product or at 6-7 percent annually from 1991-95, down from about 9 percent annually from 1981-90. This latter growth rate compares favorably with world demand for polypropylene which grew at 10 percent per year over the last decade. Steady improvements in polypropylene resin technology in the United States have produced new grades which are gradually moving in on HDPE and PVC markets.

The major changes taking place in the world picture for polypropylene is the growth of polypropylene resin capacity in Southeast Asia (other than Japan), Central and South America, and the Middle East.² Much of the 11 billion pounds per year of polypropylene resin capacity scheduled to be added in the next 5 years (1991-96) will be in the Pacific Rim region (i.e., about 3.3 billion pounds annually from 1989 through 1992), which is currently an area of high imports of polypropylene from the United States. As a result of this added capacity, U.S. polypropylene exports are projected to decline at the rate of 9 percent annually from 1991 through 1995.³

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	38,179	100	-	1
Imports from GSP countries:				
Total	1,394	4	100	(¹)
Brazil	559	2	40	(¹)
Mexico	156	(¹)	11	(¹)
Turkey	113	(¹)	8	(¹)

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—From 1986-90, imports of polypropylene resins in primary forms from GSP countries annually represented from less than one percent of imports (1989) to about four percent (1988 and 1990). The majority of U.S. imports of polypropylene resins during 1986-90 came from Canada, Japan, Germany, Italy, and France. In 1990, these five countries in the aggregate accounted for 90 percent of the value of imports covered here. Canada and Japan represented 37 percent (\$14.1 million) and 35 percent (\$13.5 million), respectively, of the total value of imports of polypropylene resins in primary forms in 1990.

² "Polypropylene is Popping Out All Over," Chemical Week, April 4, 1990, pp. 20-23;
"Polypropylene: Recycling, Declining Exports Could Slow Growth," Chemical & Engineering News,
June 10, 1991, p. 50; and, "Chemical Profile: Polypropylene," Chemical Marketing Reporter, June 17,
1991, pp. 44 and 46.
³ Ibid.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 12

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.—Though the quality of imported polypropylene resins in primary forms reportedly is equal to that of domestic material, consumers are willing to pay more for the domestic products as the U.S. polypropylene producers can supply their total needs, whereas imports can supply but a fraction of the demand.⁴ Further, most U.S. polypropylene resin producers are located in Louisiana and Texas which negates any delivery advantage that Mexico might have to the Southwestern States, California, and Florida. Finally, U.S. polypropylene resin producers have local technical service facilities so that end-use problems can be solved quickly.

V. Position of interested parties

Petitioner.—Indelpro, S.A. is presently not a producer of polypropylene resins in primary forms, and reportedly will not become a producer of this resin until 1992. The petitioner stated the following: That at present only PEMEX, the Mexican state-owned crude petroleum company, produces polypropylene resins, and PEMEX started this production in April 1991. Indelpro states that the anticipated Mexican exports of polypropylene resins in primary forms to the United States would not adversely affect the U.S. industry. First, the United States dominates the U.S. polypropylene resin market and these U.S. producers are major exporters of polypropylene resins. Furthermore, the U.S. industry increased capacity by three percent in 1990; production increased by 13 percent that year; and U.S. capacity utilization rates are projected to hover around 90 percent through 1994.

Opposition.—Aristech Chemical Corporation (Pittsburgh, PA) is a major U.S. producer of polypropylene resins. Aristech opposes the waiver of competitive need limits for polypropylene homopolymer resins (HTS item 3902.10.00) and polypropylene copolymer resins (HTS item 3902.30.00) imports from Mexico. Aristech cites the following reasons for its opposition: "In 1991, U.S. demand for polypropylene is not there as orders are off and customers do not have a lot of requirements. . . . The U.S. polypropylene resin industry now suffers from overcapacity, . . . profit margins for polypropylene resin producers are at a bare minimum, . . . and U.S. polypropylene resin prices are falling significantly. . . . Thus, if increased Mexican polypropylene supply further reduced U.S. prices, the result would be lower U.S. investment in polypropylene facilities."

⁴ The petitioner, Indelpro, S.A. in its petition of June 4, 1991, submitted by its representative, St. Maxens & Company (Washington, D.C.), to the GSP subcommittee of the Trade Policy Staff Committee stated that until April 1991 there was no polypropylene production in Mexico. Indelpro stated that it believes the U.S. imports of polypropylene resins attributed to Mexico during 1986-90 are either transshipments or other misclassifications. Indelpro reports that not until 1992 will Mexico have a polypropylene capacity of *** metric tons, or *** pounds per year. This equals about *** percent of the reported U.S. polypropylene resin capacity in 1990 of 9,240 million pounds.

VI. Summary of probable economic effects--Competitive-need-limit waiver (Mexico)

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Table I.

Digest No.
39021000Digest Title: Polypropylene resins in primary forms
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	1,978	2,610	6,374	8,860	14,118
Japan.....	8,455	9,062	15,804	14,464	13,476
West Germany.....	2,511	1,982	1,880	1,732	3,363
Italy.....	307	228	171	799	1,839
France.....	1,883	1,564	1,154	5,100	1,470
Netherlands.....	252	224	865	517	1,103
Hungary.....	0	0	0	0	564
Brazil.....	511	203	1,076	164	559
Korea.....	23	0	0	630	415
Australia.....	12	5	102	358	372
Belgium.....	678	927	193	186	286
Mexico.....	7	4	3	0	156
Turkey.....	0	32	0	49	113
Sweden.....	9	109	68	0	77
United Kingdom...	313	186	264	66	70
All other.....	851	477	446	218	196
Total.....	17,790	17,614	28,399	33,143	38,179
GSP Total.....	520	300	1,113	268	1,394
Percent					
Canada.....	11.1	14.8	22.4	26.7	37.0
Japan.....	47.5	51.4	55.7	43.6	35.3
West Germany.....	14.1	11.3	6.6	5.2	8.8
Italy.....	1.7	1.3	.6	2.4	4.8
France.....	10.6	8.9	4.1	15.4	3.9
Netherlands.....	1.4	1.3	3.0	1.6	2.9
Hungary.....	.0	.0	.0	.0	1.5
Brazil.....	2.9	1.2	3.8	.5	1.5
Korea.....	.1	.0	.0	1.9	1.1
Australia.....	.1	1/	.4	1.1	1.0
Belgium.....	3.8	5.3	.7	.6	.7
Mexico.....	1/	1/	1/	.0	.4
Turkey.....	.0	.2	.0	.1	.3
Sweden.....	.1	.6	.2	.0	.2
United Kingdom...	1.8	1.1	.9	.2	.2
All other.....	4.8	2.7	1.6	.7	.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	2.9	1.7	3.9	.8	3.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
39021000
HTS No.
39021000

Digest Title: Polypropylene resins in primary forms
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	1,929	2,498	6,287	8,462	13,702
Japan.....	5,513	6,184	12,658	11,018	5,474
West Germany.....	1,331	662	224	1,256	2,087
Italy.....	285	204	106	694	1,707
France.....	266	85	223	3,104	1,449
Netherlands.....	166	201	803	510	1,093
Hungary.....	0	0	0	0	564
Brazil.....	511	201	1,075	164	559
Australia.....	8	0	100	358	372
Korea.....	19	0	0	387	327
Belgium.....	639	878	187	126	284
Mexico.....	0	0	0	0	156
Turkey.....	0	32	0	49	113
Sweden.....	0	81	26	0	77
Taiwan.....	333	27	84	139	67
All other.....	455	285	118	129	188
Total.....	11,455	11,338	21,891	26,396	28,220
GSP Total.....	511	262	1,075	268	1,394
Percent					
Canada.....	16.8	22.0	28.7	32.1	48.6
Japan.....	48.1	54.5	57.8	41.7	19.4
West Germany.....	11.6	5.8	1.0	4.8	7.4
Italy.....	2.5	1.8	.5	2.6	6.1
France.....	2.3	.7	1.0	11.8	5.1
Netherlands.....	1.4	1.8	3.7	1.9	3.9
Hungary.....	.0	.0	.0	.0	2.0
Brazil.....	4.5	1.8	4.9	.6	2.0
Australia.....	.1	.0	.5	1.4	1.3
Korea.....	.2	.0	.0	1.5	1.2
Belgium.....	5.6	7.7	.9	.5	1.0
Mexico.....	.0	.0	.0	.0	.6
Turkey.....	.0	.3	.0	.2	.4
Sweden.....	.0	.7	.1	.0	.3
Taiwan.....	2.9	.2	.4	.5	.2
All other.....	4.0	2.5	.5	.5	.7
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	4.5	2.3	4.9	1.0	4.9

Note.--Because of rounding, figures may not add to totals shown: West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
39021000
HTS No.
39023000

Digest Title: Polypropylene resins in primary forms
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	2,942	2,879	3,146	3,446	8,002
West Germany.....	1,180	1,320	1,655	477	1,277
Canada.....	49	112	87	398	417
Italy.....	22	24	65	105	132
Korea.....	4	0	0	242	88
France.....	1,617	1,479	931	1,996	21
United Kingdom...	49	27	172	15	12
Netherlands.....	86	23	62	7	10
Belgium.....	39	49	6	60	2
Mexico.....	7	4	3	0	0
Dominica.....	1/	0	0	0	0
Grenada.....	1/	0	0	0	0
Brazil.....	0	3	1	0	0
Sweden.....	9	28	42	0	0
Norway.....	17	0	0	0	0
All other.....	312	329	338	0	0
Total.....	6,335	6,276	6,508	6,746	9,959
GSP Total.....	9	38	38	0	0
Percent					
Japan.....	46.4	45.9	48.3	51.1	80.3
West Germany.....	18.6	21.0	25.4	7.1	12.8
Canada.....	.8	1.8	1.3	5.9	4.2
Italy.....	.3	.4	1.0	1.6	1.3
Korea.....	.1	.0	.0	3.6	.9
France.....	25.5	23.6	14.3	29.6	.2
United Kingdom...	.8	.4	2.6	.2	.1
Netherlands.....	1.4	.4	1.0	.1	.1
Belgium.....	.6	.8	.1	.9	1/
Mexico.....	.1	.1	1/	.0	.0
Dominica.....	1/	.0	.0	.0	.0
Grenada.....	1/	.0	.0	.0	.0
Brazil.....	.0	1/	1/	.0	.0
Sweden.....	.1	.4	.6	.0	.0
Norway.....	.3	.0	.0	.0	.0
All other.....	4.9	5.2	5.2	.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	.1	.6	.6	.0	.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
39021000Digest Title: Polypropylene resins in primary forms
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	67,781	84,686	100,707	135,816	128,507
Hong Kong.....	30,820	55,344	91,880	47,318	88,362
Canada.....	27,946	33,829	39,272	49,573	54,634
Indonesia.....	52,639	52,872	39,941	35,965	51,855
Belgium.....	19,549	19,288	25,417	16,966	40,323
China.....	81,982	126,967	301,594	72,217	39,745
Philippines.....	10,430	21,449	17,445	23,272	30,218
Thailand.....	23,434	32,127	39,130	28,665	29,736
Taiwan.....	11,146	29,090	29,781	25,246	28,945
India.....	6,584	7,424	14,732	14,003	24,450
Colombia.....	5,712	18,725	23,127	24,573	19,116
Egypt.....	625	6,299	6,207	7,866	15,280
Venezuela.....	8,905	20,424	40,451	13,925	15,048
Korea.....	12,586	33,939	13,542	12,126	13,218
Singapore.....	5,639	6,839	7,873	11,608	12,984
All other.....	78,695	131,269	161,919	131,538	145,472
Total.....	444,473	680,572	953,019	650,677	737,895
GSP Total.....	207,717	312,658	355,663	336,076	382,274
Percent					
Mexico.....	15.2	12.4	10.6	20.9	17.4
Hong Kong.....	6.9	8.1	9.6	7.3	12.0
Canada.....	6.3	5.0	4.1	7.6	7.4
Indonesia.....	11.8	7.8	4.2	5.5	7.0
Belgium.....	4.4	2.8	2.7	2.6	5.5
China.....	18.4	18.7	31.6	11.1	5.4
Philippines.....	2.3	3.2	1.8	3.6	4.1
Thailand.....	5.3	4.7	4.1	4.4	4.0
Taiwan.....	2.5	4.3	3.1	3.9	3.9
India.....	1.5	1.1	1.5	2.2	3.3
Colombia.....	1.3	2.8	2.4	3.8	2.6
Egypt.....	.1	.9	.7	1.2	2.1
Venezuela.....	2.0	3.0	4.2	2.1	2.0
Korea.....	2.8	5.0	1.4	1.9	1.8
Singapore.....	1.3	1.0	.8	1.8	1.8
All other.....	17.7	19.3	17.0	20.2	19.7
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	46.7	45.9	37.3	51.7	51.8

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 3920.71.00

PLATES, SHEETS, FILM, FOIL AND STRIP OF REGENERATED CELLULOSE

Plates, Sheets, Film, Foil and Strip of Regenerated Cellulose

I. Introduction

 Addition to GSP Removal from GSP X Competitive-need-limit waiver Mexico

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
3920.71.00	Cellophane and other forms of regenerated cellulose	6.2%	Yes

Description and uses.—Regenerated cellulose is a transparent plastic made by mixing cellulose xanthate (derived from wood pulp) with a dilute caustic solution (i.e., normally a dilute sodium hydroxide solution) to form a viscose. The resulting viscose is filtered and then extruded into an acid bath where the cellulose is regenerated. In fiber form, the material is called rayon.¹ The term cellophane is used for film and sheets.² Cellophane is used mainly in packaging applications such as food products (e.g., cheeses, baked goods, confectionery, and gum), pharmaceuticals, and tobacco. It is the most important product made by this process that is covered by this subheading.

Cellophane has lost market share to films made from synthetic plastics materials such as low density polyethylene, polyester, oriented polypropylene, and polyvinyl chloride because these synthetic materials are more cost-effective in that they are both less expensive and are better suited technically for some end markets than cellophane. However, cellophane is environmentally friendly in that cellophane is completely biodegradable, and could recapture some market share on this fact alone. Cellophane, however, faces a tough battle for these non-durable packaging markets because of its premium price. An industry source estimates that cellophane sells at 25-35 percent higher than synthetic plastics films.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	2	2	1	1	1
Employment (1,000 employees)	**1	**1	**1	**1	**1
Shipments (1,000 dollars)	***	**147,000	***	**130,000	***
Exports (1,000 dollars)	25,177	31,203	38,535	26,585	34,022
Imports (1,000 dollars)	31,084	27,022	28,472	21,174	21,852
Consumption (1,000 dollars)	***	**142,819	***	**124,589	***
Import-to-consumption ratio (percent)	***	**19	***	**17	***
Capacity utilization (percent)	**60	**70	**75	**70	**65

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—Through the mid 1980s two major U.S. chemical producers, E.I. du Pont de Nemours and the Olin Corporation, produced cellophane. In 1986 and 1987, these firms sold their cellophane II.

¹ Rayon, which is used mainly in the apparel, upholstery, drapery and nonwoven fabrics market, is covered elsewhere in the Harmonized Tariff Schedules of the United States.

² The petitioners are Masterpak, S.A. de C.V. of Monterrey, Mexico, and Intermex, Inc. of Dallas, Texas, a U.S. subsidiary of the Mexican firm Consorcio-Intermex, S.A. de C.V. These firms limited their request to cellophane in the petition dated June 4, 1991 before the Office of the United States Trade Representative Trade Policy Staff Committee, GSP Subcommittee.

U.S. market profile—Continued

production facilities to Flexel, Inc. (Atlanta, GA), which is now the sole domestic producer of cellophane. Its four cellophane production facilities are located in Connecticut, Illinois, Indiana, and Kansas.

This is one of the oldest commercial packaging films and its technology is well known. Traditionally, cellophane has been produced in those countries which are pioneers in the plastics field (e.g., Germany, Japan, the United Kingdom) as well as those that have large stands of available timber (e.g., Brazil, Canada, and Mexico).

Worldwide cellophane capacity is unknown, but is estimated by industry sources at less than 300 million pounds per year. In recent years, as markets for cellophane have declined, cellophane capacity has declined in Europe, South America, and Canada. The U.S. producer reports that since 1972, seven U.S. cellophane production facilities have closed.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	21,852	100	-	***
Imports from GSP countries:				
Total	11,829	54	100	***
Mexico	10,130	46	86	***
Brazil	1,699	8	14	***

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—From 1986-90, imports of the products covered here, primarily cellophane, from non-GSP countries declined from about \$20.9 million in 1986 to about \$10.3 million in 1990, or by about 50 percent. From 1986-90 imports of cellophane from GSP countries annually represented from 9 percent of the total (1989) to 54 percent (1990). One explanation for the large jump in GSP imports in 1990 is that Courtaulds Films, the largest producer of cellophane in Western Europe, closed one of its cellophane plants (i.e., a facility in England). This firm also closed its cellophane plant in Canada. The Courtaulds facility in Canada was the largest cellophane operation in that country.³ Through 1989, Canada was the largest single source for U.S. imports of the products covered here, mainly cellophane. Now the United Kingdom is the principal source of these imports from non-GSP countries. In 1989 and 1990, imports from the United Kingdom amounted to \$6.1 million and \$7.9 million dollars respectively, or 29 percent and 36 percent of the total covered here. From 1986-88 the United Kingdom annually represented about 14 or 15 percent of total imports at values of \$4.0 million to \$4.4 million per year.

³ Nonconfidential data from a confidential prehearing brief submitted by Porter, Wright, Morris, and Arthur (Washington, DC) on behalf of Masterpak, S.A. de C.V. and Intermex, Inc. for a Competitive Need Waiver for Cellophane from Mexico, Sept. 19, 1991, p. 11.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.—The United States is Mexico's leading market for cellophane exports. In 1990, cellophane exports to the United States by the petitioners represented *** percent of the petitioner's 1990 cellophane production capacity, which is *** metric tons, or about *** million pounds per year. Total Mexican cellophane capacity is now estimated at about 35 million pounds per year.

Although the quality of imported cellophane reportedly is equal to that of the domestic material, consumers are willing to pay more for the domestic product as the U.S. cellophane producer can offer quick, assured delivery. It is only in the Southwestern States, California, and Florida that Mexico can match the delivery schedule of the U.S. cellophane producer. Finally, the U.S. cellophane producer has local technical service facilities that permits quick problem solving.

V. Position of interested parties

Petitioner.—The petitioners are Masterpak, S.A. de C.V., located in the city of Monterey in Northeastern Mexico, and a wholly owned subsidiary of CYDSA, S.A., a Mexican Corporation and Intermex, Inc., a Dallas, Texas corporation owned by Consorcio Intermex, S.A. de C.V. The petitioners stated the following: The petitioners produce and sell several types of cellophane film that are not produced in the United States. At the same time, there are some sophisticated types of cellophane which are not produced by the petitioners. Therefore, the petitioners claim that there is a large segment of the product line of the petitioners and domestic industry that are different. There is one other company in Mexico that produces cellophane, Celanese Mexicana, S.A., whose exports to the United States reportedly are not significant.

The petitioners state that Mexican cellophane exports to the United States have had only modest growth. The reason cited by the petitioners for possibly exceeding the competitive need limits is the decline in cellophane exports to the United States from Canada, Belgium, and other countries.

Opposition.—Flexel, Inc. (Atlanta, GA) opposes the petition to waive the competitive need limit for cellophane from Mexico. This firm is the sole U.S. producer of cellophane. Flexel states that the "petitioner is a large diversified Mexican conglomerate that has pursued a relentless and successful strategy of market expansion through various trading practices, many of questionable fairness. Relying on a fundamental mischaracterization of the relevant markets and industries, petitioner now seeks to further exploit the Generalized System of Preferences ("GSP") to eliminate Flexel, the last remaining U.S. producer of cellophane, by obtaining a competitive need waiver. The facts reveal that continued duty-free treatment would be devastating to Flexel while not providing offsetting advantages to U.S. consumers. The legal and policy considerations underlying the GSP and the Presidential waiver authority do not permit such a result."

Flexel further states that the petitioner claims that "there is a great [sic] segment of the product lines of the petitioner and the domestic industry that are [sic] different." Pet. at 4, and "this misleading assertion is based on the fact that petitioner does produce some colored cellophane that is not manufactured in the U.S. Petitioner neglects to mention that this is relatively insignificant product line—indeed, petitioner provides no data at all regarding production or exports of this product. Flexel estimates that petitioner's exports of colored cellophane constitutes a tiny portion, possibly as small as 2 percent, of what it sells in markets in which petitioner competes with Flexel. The rest of petitioner's significant cellophane production is in direct competition with Flexel's product. There is no question that all of Flexel's production is of 'like or directly competitive articles' to that imported by Petitioner."

VI. Summary of probable economic effects-competitive-need-limit waiver (Mexico)

Table I.

Digest Title: Plates, sheets, film, foil and strip of regenerated cellulose
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	7,203	4,243	3,913	258	10,130
United Kingdom...	4,400	4,146	4,005	6,102	7,914
Brazil.....	650	691	1,157	1,505	1,699
Belgium.....	4,541	4,667	3,672	2,266	1,105
Japan.....	1,015	1,239	1,524	91	613
West Germany.....	514	779	808	0	202
Canada.....	8,789	8,046	8,655	10,531	90
Spain.....	4	0	1	0	50
Italy.....	372	613	1,210	0	48
Netherlands.....	395	718	1,500	8	2
El Salvador.....	19	15	17	0	0
Costa Rica.....	16	0	0	0	0
Dominican Rep....	27	0	1	0	0
Colombia.....	0	18	44	0	0
Argentina.....	0	1	0	0	0
All other.....	3,138	1,845	1,965	414	0
Total.....	31,084	27,022	28,472	21,174	21,852
GSP Total.....	8,502	5,154	5,808	2,024	11,829
Percent					
Mexico.....	23.2	15.7	13.7	1.2	46.4
United Kingdom...	14.2	15.3	14.1	28.8	36.2
Brazil.....	2.1	2.6	4.1	7.1	7.8
Belgium.....	14.6	17.3	12.9	10.7	5.1
Japan.....	3.3	4.6	5.4	.4	2.8
West Germany.....	1.7	2.9	2.8	.0	.9
Canada.....	28.3	29.8	30.4	49.7	.4
Spain.....	1/	.0	1/	.0	.2
Italy.....	1.2	2.3	4.3	.0	.2
Netherlands.....	1.3	2.7	5.3	1/	1/
El Salvador.....	.1	.1	.1	.0	.0
Costa Rica.....	.1	.0	.0	.0	.0
Dominican Rep....	.1	.0	1/	.0	.0
Colombia.....	.0	.1	.2	.0	.0
Argentina.....	.0	1/	.0	.0	.0
All other.....	10.1	6.8	6.9	2.0	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	27.4	19.1	20.4	9.6	54.1

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
39207100Digest Title: Plates, sheets, film, foil and strip of regenerated cellulose
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	6,649	8,229	8,232	3,329	8,076
Australia.....	2,828	2,433	3,189	5,068	4,476
Italy.....	51	236	606	1,554	2,330
Belgium.....	104	1,121	2,683	1,757	1,481
Chile.....	447	372	199	641	1,353
Israel.....	159	264	386	1,030	1,283
Argentina.....	16	17	18	35	1,113
New Zealand.....	475	247	202	1,360	1,086
Korea.....	25	256	246	71	1,046
France.....	1,955	3,969	4,997	782	1,039
Costa Rica.....	584	582	452	1,044	940
Honduras.....	598	619	373	1,355	915
Panama.....	219	257	322	366	840
Guatemala.....	220	308	258	664	813
United Kingdom...	2,336	2,899	4,282	389	731
All other.....	8,510	9,394	12,091	7,139	6,501
Total.....	25,177	31,203	38,535	26,585	34,022
GSP Total.....	7,725	8,390	10,543	7,936	9,823
Percent					
Canada.....	26.4	26.4	21.4	12.5	23.7
Australia.....	11.2	7.8	8.3	19.1	13.2
Italy.....	.2	.8	1.6	5.8	6.8
Belgium.....	.4	3.6	7.0	6.6	4.4
Chile.....	1.8	1.2	.5	2.4	4.0
Israel.....	.6	.8	1.0	3.9	3.8
Argentina.....	.1	.1	1/	.1	3.3
New Zealand.....	1.9	.8	.5	5.1	3.2
Korea.....	.1	.8	.6	.3	3.1
France.....	7.8	12.7	13.0	2.9	3.1
Costa Rica.....	2.3	1.9	1.2	3.9	2.8
Honduras.....	2.4	2.0	1.0	5.1	2.7
Panama.....	.9	.8	.8	1.4	2.5
Guatemala.....	.9	1.0	.7	2.5	2.4
United Kingdom...	9.3	9.3	11.1	1.5	2.1
All other.....	33.8	30.1	31.4	26.9	19.1
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	30.7	26.9	27.4	29.9	28.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 3926.20.50

PLASTIC APPAREL AND CLOTHING ACCESSORIES

Plastic Apparel and Clothing Accessories

I. Introduction

X Addition to GSP ___ Removal from GSP ___ Competitive-need-limit waiver _____

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
3926.20.50	Plastic apparel and clothing accessories	5%	Yes

Description and uses.—The digest covers plastic apparel and clothing accessories other than gloves and headwear. It does not include apparel or accessories made of plastic coated textile materials, classified as textile articles in chapters 61 and 62 of the HTS. The major plastic apparel products included here are belts, industrial protective apparel, baby pants and bibs, and rainwear.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	(2)	(2)	(2)	(2)	(2)
Employment (1,000 employees)	(2)	(2)	(2)	(2)	(2)
Shipments (1,000 dollars)	(2)	(2)	(2)	(2)	(2)
Exports (1,000 dollars)	28,436	28,834	33,399	14,522	15,213
Imports (1,000 dollars)	85,856	124,978	129,742	89,102	71,381
Consumption (1,000 dollars)	(2)	(2)	(2)	(2)	(2)
Import-to-consumption ratio (percent)	(2)	(2)	(2)	(2)	(2)
Capacity utilization (percent)	(2)	(2)	(2)	(2)	(2)

¹Trade data for 1986-1988 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-1988 may not be directly comparable with HTS trade data for 1989-90.

²Not available.

Comment.—The major plastic apparel products covered here are manufactured by different industries and sold in different markets and, hence will be discussed separately. Plastic apparel belts are sold to retail outlets for final sale to consumers and to manufacturers of pants, skirts, and dresses as accessories to their products. Imports supply an estimated one-half of the overall U.S. market for plastic belts. For belts sold separately in retail outlets, imports are estimated to account for a larger share of that segment of the market. Many of the large national department stores and chain stores import most of their belts, primarily from Taiwan. U.S. belt manufacturers tend to supply the fashion end of the market, selling to boutiques and to U.S. apparel producers which require quick turnaround on orders and close cooperation with belt producers. The U.S. belt industry is highly fragmented, consisting primarily of small firms employing between 10 and 50 employees each and a few large producers. In 1990, an estimated 200 firms produced apparel belts in the United States, primarily in the New York City area, New England, and California. Many of these producers also manufacture small piece goods such as wallets, key chains, and attache cases. Plastic belts are generally sold in the low and medium end of the apparel belt market, where price competition from low-wage countries is intense. In the current soft retail market, overall consumer demand for belts has weakened.

II. U.S. market profile—Continued

Industrial plastic protective apparel includes primarily aprons, smocks, pants, booties, headwear, and full body suits, worn for body and product protection. Imports supply an estimated one-half of the U.S. market in quantity terms, but a somewhat smaller share in value terms, reflecting imports' lower unit values. The U.S. industry producing protective apparel is highly fragmented, consisting of 20 to 30 mostly small companies. A few large, diversified companies also manufacture protective apparel along with other types of safety and medical equipment. *** The production of most of these products is labor intensive, explaining the concentration of world production in China and Taiwan. U.S. producers compete with the lower cost imports by working with end users in developing and manufacturing specialty products, such as air capsulating suits, and by providing quality and reliable products and services. Competition in the market has increased during the past few years because of sluggish demand in some of the industrial markets and cut backs in U.S. Government orders for protective apparel.

Plastic bibs and baby pants are manufactured by less than 10 U.S. companies. *** Imports are believed to supply a significant share of the market for baby pants and bibs. Because of the labor-intensive production of bibs and baby pants, these companies are finding it exceedingly difficult to compete with the low-cost imports. Their main competitive advantages are longstanding relationships with their customers, reliable product quality, and quick delivery.

Plastic rainwear consists of ponchos, full-length coats, rain slickers, pants, and jackets worn for protection from the elements. Plastic rainwear is believed to be supplied almost entirely by U.S. imports, especially from Taiwan, China, and, to a lesser extent, Thailand.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	71,381	100	-	(¹)
Imports from GSP countries:				
Total	10,234	14	100	(¹)
Mexico	3,294	5	32	(¹)
Thailand	2,673	4	26	(¹)
Haiti	1,487	2	15	(¹)
Dominican Republic	1,074	2	10	(¹)

¹Not available.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers:

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 4

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Competitiveness indicators for Thailand for all digest products

Ranking as a U.S. import supplier, 1990. 6

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No
 What is the price elasticity of U.S. demand? High X Moderate Low
 Can production in the country be easily expanded or contracted
 in the short term? Yes X No
 Does the country have significant export markets besides the
 United States? Yes X No
 Could exports from the country be readily redistributed among
 its foreign export markets? Yes X No
 What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X
 Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X
 Other foreign products Above Equivalent Below X

Comment.—Three-quarters of the value of digest imports came from Taiwan, China, and Korea. Imports from Taiwan and Korea, which have been experiencing rising production costs and appreciating currencies, declined sharply during 1986-90, while imports from China rose dramatically, as shown in table 1. Production of digest products has been moving out of Taiwan and Korea into lower cost nations, especially China and also Thailand. Imports from GSP-eligible countries rose sharply during the period and, by 1990, accounted for 14 percent of total digest imports, compared with less than 1 percent in 1986. Most of the growth in imports from GSP-eligible countries came from Mexico and Thailand, which supplied a combined 58 percent of the imports from GSP-eligible countries in 1990. An additional 25 percent of the GSP country shipments came from Haiti and the Dominican Republic.

Just over one-half of total digest imports from Mexico in 1990 entered under HTS subheading 9802.00.80, or the so-called 807 tariff provision. This provision provides for imports assembled from U.S. components to enter on a preferential basis with only the value added offshore subject to duty. About 15 percent of the value of digest products from Mexico in 1990 entered duty free as U.S. components under the 807 program. It is believed that most of the 807 imports from Mexico are concentrated in plastic baby pants and bibs. *** Mexico also supplies the U.S. market with plastic apparel belts. Mexico's belt industry is reportedly unsophisticated and less automated than the belt industry in Taiwan, the world's largest belt supplier. Therefore, Mexico has little potential to increase its exports significantly in the short term. In the long term, however, Mexico could benefit from the ongoing shift in world production of these plastic products to areas of lower cost production. In addition, Mexico has the competitive advantage of proximity to U.S. apparel manufacturers.

Thailand is also a benefactor in the ongoing shift in world production of digest products to lower cost countries. A large part of the digest imports entering from Thailand consist of basic plastic rainwear sold in the low-end retail market or to industrial users. ***

V. Position of interested parties

Petitioner.—The Government of Turkey is the petitioner in this case. Representatives of the Government of Turkey and their counsel testified in support of granting plastic apparel and clothing accessories duty-free eligibility under the GSP. They believe that GSP benefits would help Turkish producers of plastic aprons, baby bibs, raincoats, and belts to export their products to the United States and, in turn, increase employment in Turkey. These Turkish producers are mostly small, developing businesses, roughly 20 in all. The witnesses could not find any significant production of these products in the United States. Because imports of these products from Turkey and other eligible GSP countries are small, accounting for less than 15 percent of the total value of imports in 1990, the witnesses believe that even a substantial increase in imports from GSP countries would not have an effect on any segment of the U.S. economy.

VI. Summary of probable economic effects—Addition

Table I.

Digest No.
39262050Digest Title: Plastic apparel and clothing accessories
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Taiwan.....	50,228	67,943	54,926	40,055	25,062
China.....	959	3,776	14,114	18,048	22,588
Korea.....	23,344	38,644	39,089	16,931	7,012
Mexico.....	112	42	287	1,672	3,294
Hong Kong.....	2,019	3,849	6,893	2,667	2,829
Thailand.....	34	4	308	519	2,673
Haiti.....	73	837	789	1,474	1,487
Canada.....	1,389	1,368	2,009	3,257	1,180
Dominican Rep....	1	0	9	211	1,074
Indonesia.....	7	49	528	42	733
Belgium.....	334	260	280	563	671
Italy.....	408	395	443	263	295
Turkey.....	14	7	92	31	287
United Kingdom...	681	766	902	225	282
Sweden.....	753	874	818	421	270
All other.....	5,502	6,163	8,257	2,722	1,643
Total.....	85,856	124,978	129,742	89,102	71,381
GSP Total.....	568	1,378	4,091	4,864	10,234
Percent					
Taiwan.....	58.5	54.4	42.3	45.0	35.1
China.....	1.1	3.0	10.9	20.3	31.6
Korea.....	27.2	30.9	30.1	19.0	9.8
Mexico.....	.1	1/	.2	1.9	4.6
Hong Kong.....	2.4	3.1	5.3	3.0	4.0
Thailand.....	1/	1/	.2	.6	3.7
Haiti.....	.1	.7	.6	1.7	2.1
Canada.....	1.6	1.1	1.5	3.7	1.7
Dominican Rep....	1/	.0	1/	.2	1.5
Indonesia.....	1/	1/	.4	1/	1.0
Belgium.....	.4	.2	.2	.6	.9
Italy.....	.5	.3	.3	.3	.4
Turkey.....	1/	1/	.1	1/	.4
United Kingdom...	.8	.6	.7	.3	.4
Sweden.....	.9	.7	.6	.5	.4
All other.....	6.4	4.9	6.4	3.1	2.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	.7	1.1	3.2	5.5	14.3

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
39262050Digest Title: Plastic apparel and clothing accessories
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	753	910	1,144	1,017	2,235
Mexico.....	11,716	10,283	9,737	2,292	1,799
Hong Kong.....	47	25	41	535	1,439
Japan.....	539	562	324	1,473	1,422
Bermuda.....	4	5	6	231	810
Saudi Arabia.....	0	18	7	844	752
Korea.....	877	2,400	3,129	1,138	732
West Germany.....	251	224	135	488	684
Taiwan.....	480	895	1,792	729	668
United Kingdom...	46	55	121	785	490
France.....	83	146	236	473	261
Paraguay.....	1	0	0	27	241
Australia.....	22	20	15	252	238
Costa Rica.....	34	69	85	156	236
Macao.....	0	0	0	0	229
All other.....	13,585	13,222	16,627	4,082	2,979
Total.....	28,436	28,834	33,399	14,522	15,213
GSP Total.....	24,959	23,079	25,924	4,443	4,069
Percent					
Canada.....	2.6	3.2	3.4	7.0	14.7
Mexico.....	41.2	35.7	29.2	15.8	11.8
Hong Kong.....	.2	.1	.1	3.7	9.5
Japan.....	1.9	1.9	1.0	10.1	9.3
Bermuda.....	1/	1/	1/	1.6	5.3
Saudi Arabia.....	.0	.1	1/	5.8	4.9
Korea.....	3.1	8.3	9.4	7.8	4.8
West Germany.....	.9	.8	.4	3.4	4.5
Taiwan.....	1.7	3.1	5.4	5.0	4.4
United Kingdom...	.2	.2	.4	5.4	3.2
France.....	.3	.5	.7	3.3	1.7
Paraguay.....	1/	.0	.0	.2	1.6
Australia.....	.1	.1	1/	1.7	1.6
Costa Rica.....	.1	.2	.3	1.1	1.6
Macao.....	.0	.0	.0	.0	1.5
All other.....	47.8	45.9	49.8	28.1	19.6
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	87.8	80.0	77.6	30.6	26.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 3926.30.50

PLASTIC FITTINGS FOR FURNITURE, COACHWORK OR THE LIKE, EXCEPT HANDLES AND KNOBS

Plastic fittings for furniture, coachwork or the like, except handles and knobs

I. Introduction

X Addition to GSP Removal from GSP Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
3926.30.50	Other fittings for furniture, except handles and knobs.	5.3%	Yes

Description and uses.—The plastic covers are made of PVC plastic and are used to cover appliances such as washing machines and dryers, toasters, blenders, mixers and food processors. ***

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	**40	**40	**40	**39	**38
Employment (1,000 employees).	**2	**2	**2	**2	**2
Shipments (1,000 dollars).	**184,000	**192,000	**202,000	**205,000	**238,000
Exports (1,000 dollars).	7,778	10,020	14,645	5,193	5,743
Imports (1,000 dollars) ²	5,888	6,528	7,675	8,231	9,277
Consumption (1,000 dollars).	**182,110	**188,508	**195,030	**208,038	**241,534
Import-to-consumption ratio (percent).	**3	**3	**4	**4	**4
Capacity utilization (percent).	**78	**80	**82	**82	**80

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Imports for 1986-88 are estimated.

Comment.—U.S. shipments of this digest's plastic products have averaged an annual increase of over 6 percent during the period covered in the market profile. Domestic producers have an advantage over foreign producers in being close to the U.S. market. However transportation costs are not too significant since most products must be transported at least a short distance. Developing countries do have a labor cost advantage, but this is not a major advantage since the industry is highly automated.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	9,277	100	-	**4
Imports from GSP countries:				
Total	193	2	100	(1)
Turkey	126	1	65	(1)
Brazil	61	1	32	(1)
Mauritius	5	(1)	3	(1)

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—There were no imports of these products from Mexico during 1990. In 1989, imports from Mexico were valued at \$108,000.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Turkey for all digest products

Ranking as a U.S. import supplier, 1990.	9
Price elasticity:	
Can the U.S. purchaser easily shift among this and other suppliers?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of U.S. demand?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Can production in the country be easily expanded or contracted in the short term?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Does the country have significant export markets besides the United States?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Could exports from the country be readily redistributed among its foreign export markets?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of import supply?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Price level compared with—	
U.S. products.	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Quality compared with—	
U.S. products.	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>

Comment.—Turkey's exports to the United States increased 280 percent during 1989-90.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for Brazil for all digest products

Ranking as a U.S. import supplier, 1990.	15
Price elasticity:	
Can the U.S. purchaser easily shift among this and other suppliers?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of U.S. demand?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Can production in the country be easily expanded or contracted in the short term?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Does the country have significant export markets besides the United States?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Could exports from the country be readily redistributed among its foreign export markets?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of import supply?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Price level compared with—	
U.S. products.	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Quality compared with—	
U.S. products.	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>

Comment.—Brazil's exports to the United States increased 79 percent during 1989-90.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:	
Can the U.S. purchaser easily shift among this and other suppliers?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of U.S. demand?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Can production in the country be easily expanded or contracted in the short term?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Does the country have significant export markets besides the United States?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Could exports from the country be readily redistributed among its foreign export markets?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of import supply?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Price level compared with—	
U.S. products.	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Quality compared with—	
U.S. products.	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>

Comment.—If the products of this digest are given GSP status, Mexico could become a major source of these imports.

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects—Addition

* * * * *

Table I.

Digest Title: Plastic fittings for furniture, coachwork or the like, except handles and knobs.

U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	0	0	0	3,637	2,993
West Germany.....	0	0	0	1,276	1,474
Taiwan.....	0	0	0	960	1,240
United Kingdom...	0	0	0	157	1,110
Austria.....	0	0	0	424	871
China.....	0	0	0	475	378
Sweden.....	0	0	0	122	274
Hong Kong.....	0	0	0	305	167
Turkey.....	0	0	0	38	126
Canada.....	0	0	0	303	121
Netherlands.....	0	0	0	40	112
Italy.....	0	0	0	164	89
Australia.....	0	0	0	5	68
Korea.....	0	0	0	92	65
Brazil.....	0	0	0	34	61
All other.....	0	0	0	203	127
Total.....	0	0	0	8,231	9,277
GSP Total.....	0	0	0	217	193
Percent					
Japan.....	.0	.0	.0	44.2	32.3
West Germany.....	.0	.0	.0	15.5	15.9
Taiwan.....	.0	.0	.0	11.7	13.4
United Kingdom...	.0	.0	.0	1.9	12.0
Austria.....	.0	.0	.0	5.2	9.4
China.....	.0	.0	.0	5.8	4.1
Sweden.....	.0	.0	.0	1.5	3.0
Hong Kong.....	.0	.0	.0	3.7	1.8
Turkey.....	.0	.0	.0	.4	1.4
Canada.....	.0	.0	.0	3.7	1.3
Netherlands.....	.0	.0	.0	.5	1.2
Italy.....	.0	.0	.0	2.0	1.0
Australia.....	.0	.0	.0	.1	.7
Korea.....	.0	.0	.0	1.1	.7
Brazil.....	.0	.0	.0	.4	.7
All other.....	.0	.0	.0	2.5	1.4
Total.....	.0	.0	.0	100.0	100.0
GSP Total.....	.0	.0	.0	2.6	2.1

1/ Country detail is provided only for years in which there are actual import data under the HTS--not for years in which the data are derived from the TSUS using a concordance.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest Title: Plastic fittings for furniture, coachwork or the like, except handles and knobs.
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	1,666	2,045	3,645	3,116	2,725
Canada.....	2,631	3,884	4,776	882	1,258
Israel.....	49	39	53	6	318
Japan.....	477	520	669	31	204
West Germany.....	391	442	787	6	164
Korea.....	56	125	104	6	134
Brazil.....	21	20	40	92	101
France.....	189	211	290	56	96
United Kingdom...	366	452	742	70	96
Australia.....	150	165	234	36	86
New Zealand.....	26	27	40	54	70
Spain.....	30	29	129	30	58
Gabon.....	1/	0	1	0	53
Turkey.....	1	8	3	226	52
Colombia.....	33	24	23	50	46
All other.....	1,690	2,030	3,110	534	283
Total.....	7,778	10,020	14,645	5,193	5,743
GSP Total.....	2,266	2,665	4,610	3,867	3,370
Percent					
Mexico.....	21.4	20.4	24.9	60.0	47.4
Canada.....	33.8	38.8	32.6	17.0	21.9
Israel.....	.6	.4	.4	.1	5.5
Japan.....	6.1	5.2	4.6	.6	3.6
West Germany.....	5.0	4.4	5.4	.1	2.9
Korea.....	.7	1.2	.7	.1	2.3
Brazil.....	.3	.2	.3	1.8	1.8
France.....	2.4	2.1	2.0	1.1	1.7
United Kingdom...	4.7	4.5	5.1	1.4	1.7
Australia.....	1.9	1.6	1.6	.7	1.5
New Zealand.....	.3	.3	.3	1.0	1.2
Spain.....	.4	.3	.9	.6	1.0
Gabon.....	1/	.0	1/	.0	.9
Turkey.....	1/	.1	1/	4.3	.9
Colombia.....	.4	.2	.2	1.0	.8
All other.....	21.7	20.3	21.2	10.3	4.9
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	29.1	26.6	31.5	74.5	58.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 3926.90.87

FLEXIBLE PLASTIC DOCUMENT BINDERS WITH TABS, ROLLED OR FLAT

Flexible Plastic Document Binders With Tabs, Rolled or Flat

I. Introduction

 Addition to GSP Removal from GSP X Competitive-need-limit waiver Mexico

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
3926.90.87 ¹	Flexible plastic document binders with tabs, rolled or flat.	5.3%	Yes

¹Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 3926.90.87.

Description and uses.—The product is made from PVC plastic and is used for binding reports and documents.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	**17	**20	**20	**25	**25
Employment (1,000 employees)	**1	**1	**1	**2	**2
Shipments (1,000 dollars)	**79,500	**103,000	**130,000	**174,000	**200,000
Exports (1,000 dollars)	7,778	10,020	14,645	2,136	4,116
Imports (1,000 dollars)	2,541	3,403	4,416	11,161	14,201
Consumption (1,000 dollars)	**74,263	**96,383	**119,771	**183,025	**210,085
Import-to-consumption ratio (percent)	**3	**4	**4	**6	**7
Capacity utilization (percent)	**80	**80	**85	**83	**85

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—U.S. shipments of this digest's products have averaged an annual increase of over **25 percent during the period covered in the market profile. Domestic producers have an advantage over foreign producers in being close to the U.S. market. However, transportation costs are not too significant since most products must be transported at least a short distance. Developing countries do have a labor cost advantage, but this is not a major advantage since the industry is highly automated.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	14,201	100	-	**7
Imports from GSP countries:				
Total	7,410	52	100	**4
Mexico	7,292	51	98	**3
Israel ¹	96	1	1	(²)
Venezuela	20	(²)	(²)	(²)

¹Although imports of HTS 3926.90.87 products from Israel are eligible for duty-free entry under the GSP, imports for this item during 1990 from Israel entered duty-free under the provisions of the United States-Israel Free Trade Area Implementation Act of 1985.

²Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Mexico supplied 98 percent of GSP imports during 1990. Imports from GSP countries totaled 52 percent of total U.S. imports of this digest's products during 1990.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted in the short term? Yes X No

Does the country have significant export markets besides the United States? Yes No X

Could exports from the country be readily redistributed among its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

 U.S. products. Above Equivalent X Below

 Other foreign products Above Equivalent X Below

Quality compared with—

 U.S. products. Above Equivalent X Below

 Other foreign products Above Equivalent X Below

Comment.—Virtually all of Mexico's exports of these products are to the United States.

V. Position of interested parties

Petitioner.—IBICO, Inc., of Elk Grove, IL and Spiral Binding Co., of Totowa, NJ request a waiver of competitive need limit for this digest's products. The petitioners, which are U.S. companies, state that it is only through production in Mexico and receipt of GSP benefits that they can survive producing spiral bindings. It was further stated that production in Mexico benefits U.S. workers who are involved in support activities and Mexican workers who have jobs that otherwise might not exist. In addition, it was stated, if the competitive need waiver is not granted, U.S. industries supplying raw materials and supplies would also be hurt.

VI. Summary of probable economic effects—competitive-need-limit waiver (Mexico)

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Table I.

Digest No.
39269087Digest Title: Flexible plastic document binders with tabs, rolled or flat.
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	170	963	1,882	5,569	7,292
Taiwan.....	981	880	921	2,725	3,253
France.....	28	179	113	488	1,545
Canada.....	139	164	410	642	522
Hong Kong.....	193	508	245	216	471
West Germany.....	600	219	152	169	257
Denmark.....	13	19	5	17	257
China.....	0	19	28	115	214
Japan.....	70	151	74	320	146
Israel.....	0	0	6	82	96
United Kingdom...	69	88	162	59	35
Netherlands.....	26	58	84	53	32
Italy.....	19	45	15	8	27
Venezuela.....	0	0	0	0	20
Ireland.....	0	1/	0	374	15
All other.....	232	111	321	329	18
Total.....	2,541	3,403	4,416	11,161	14,201
GSP Total.....	182	949	1,923	5,685	7,410
Percent					
Mexico.....	6.7	28.3	42.6	49.9	51.3
Taiwan.....	38.6	25.9	20.9	24.4	22.9
France.....	1.1	5.3	2.5	4.4	10.9
Canada.....	5.5	4.8	9.3	5.7	3.7
Hong Kong.....	7.6	14.9	5.5	1.9	3.3
West Germany.....	23.6	6.4	3.4	1.5	1.8
Denmark.....	.5	.5	.1	.2	1.8
China.....	.0	.6	.6	1.0	1.5
Japan.....	2.8	4.4	1.7	2.9	1.0
Israel.....	.0	.0	.1	.7	.7
United Kingdom...	2.7	2.6	3.7	.5	.2
Netherlands.....	1.0	1.7	1.9	.5	.2
Italy.....	.8	1.3	.3	.1	.2
Venezuela.....	.0	.0	.0	.0	.1
Ireland.....	.0	1/	.0	3.4	.1
All other.....	9.1	3.3	7.3	2.9	.1
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	7.2	28.5	43.6	50.9	52.2

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
39269087Digest Title: Flexible plastic document binders with tabs, rolled or flat.
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	2,631	3,884	4,776	728	3,005
Mexico.....	1,666	2,045	3,645	564	314
Ecuador.....	20	12	9	0	188
United Kingdom...	366	452	742	126	172
Japan.....	477	520	669	25	122
Australia.....	150	165	234	39	61
Singapore.....	125	134	187	32	59
West Germany.....	391	442	787	2	58
Netherlands.....	194	379	472	79	30
Chile.....	21	23	30	9	23
Finland.....	12	16	24	14	21
Brazil.....	21	20	40	0	18
Taiwan.....	56	71	115	25	14
Venezuela.....	64	75	105	0	6
France.....	189	211	290	107	6
All other.....	1,393	1,571	2,520	387	19
Total.....	7,778	10,020	14,645	2,136	4,116
GSP Total.....	2,266	2,665	4,610	612	552
Percent					
Canada.....	33.8	38.8	32.6	34.1	73.0
Mexico.....	21.4	20.4	24.9	26.4	7.6
Ecuador.....	.3	.1	.1	.0	4.6
United Kingdom...	4.7	4.5	5.1	5.9	4.2
Japan.....	6.1	5.2	4.6	1.2	3.0
Australia.....	1.9	1.6	1.6	1.8	1.5
Singapore.....	1.6	1.3	1.3	1.5	1.4
West Germany.....	5.0	4.4	5.4	.1	1.4
Netherlands.....	2.5	3.8	3.2	3.7	.7
Chile.....	.3	.2	.2	.4	.6
Finland.....	.2	.2	.2	.7	.5
Brazil.....	.3	.2	.3	.0	.4
Taiwan.....	.7	.7	.8	1.2	.3
Venezuela.....	.8	.8	.7	.0	.1
France.....	2.4	2.1	2.0	5.0	.1
All other.....	17.9	15.7	17.2	18.1	.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	29.1	26.6	31.5	28.6	13.4

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 4007.00.00

VULCANIZED RUBBER THREAD AND CORD

Vulcanized Rubber Thread and Cord¹

I. Introduction

☐ Addition to GSP ☒ Removal from GSP ☐ Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
4007.00.00	Extruded rubber thread	4.2%	Yes

Description and uses.—Extruded rubber thread is vulcanized rubber thread of round cross section obtained by a low-pressure extrusion of stabilized or concentrated natural rubber latex, of any cross-sectional shape, measuring from 0.18 millimeter (0.007 inch or 140 gauge) to 1.42 millimeters (0.056 inch or 18 gauge) in diameter.²

Extruded rubber thread is a monofilament elastic fiber which traditionally is used in the textile industry, either covered (i.e., with nylon or cotton) or uncovered, for making elastic fabric. It is used, for example, in the waist band of underwear, women's foundation garments, outerwear, sock tops, and belting or suspenders.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	3	3	3	3	² 3
Employment (1,000 employees)	***	***	***	***	***
Shipments (1,000 dollars)	***	***	***	***	***
Exports (1,000 dollars)	3,069	3,049	4,493	3,793	6,767
Imports (1,000 dollars)	279	303	409	4,231	9,638
Consumption (1,000 dollars)	***	***	***	***	***
Import-to-consumption ratio (percent)	***	***	***	***	***
Capacity utilization (percent)	***	***	***	***	***

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²A U.S. producer, Qualitex, Inc. of Johnston, RI, ceased operations in October 1990 and sold its product line, customer list, and inventory to the leading Malaysian producer of extruded rubber thread, Heveafil/Filman Sdn. Bhd.

¹ The petitioner, North American Rubber Thread Co., Inc. filed a countervailing duty case and an antidumping case against Malaysia with the Commission on August 29, 1991 (Investigations Nos. 303-TA-22 (preliminary) and 731-TA-527 (preliminary)).

² There is another type of rubber thread product called cut rubber thread. It is similar to extruded rubber thread in that it can be made from natural rubber, but is also often made of synthetic elastomers. It also differs from the product of this petition in that it is made from sheets of natural rubber and not from natural rubber latex. Furthermore, the physical characteristics of the extruded and square cut products are sufficiently different so that each have found applications in generally separate markets.

Vulcanized rubber cord, covered in subheading 4007.00.00, constitutes multiple strands of either the extruded rubber thread or the rectangular (square cut) rubber thread. The petitioner estimates that at least 95 percent of the product imported from Malaysia under subheading 4007.00.00 is extruded, round rubber thread.

Comment.—The extruded rubber thread industry began in the United States at least 60 years ago and is now a mature, highly competitive industry. Industry sources report that for the last 20 years, the domestic market for this product has grown at only about one percent annually, and is now estimated at 22 million pounds annually.

The petitioner, North American Rubber Thread Co., Inc., was established in 1986 and purchased the assets of Pilgrim Latex Thread Co. in March of 1987. Through October 1990 it was one of three domestic producers of the subject product. In October 1990 Qualitex, Inc. of Johnston, Rhode Island sold its product line, customer list, and inventory to the leading Malaysian producer Heveafil/Filmex Sdn. Bhd. Heveafil has two factories in Malaysia and reportedly has no plans to begin production of the product in the United States. It is estimated that Qualitex's annual capacity for the product in 1990 was *** million pounds.

The two remaining U.S. producers of the extruded rubber thread have an aggregated capacity for this product of *** million pounds per year. At present, the petitioner is producing *** million pounds of product per year, or *** percent of its extruded rubber thread capacity. The other U.S. producer, Globe Manufacturing Co. (Fall River, MA), is now estimated to be producing *** million pounds of product annually, or *** percent of its annual extruded rubber thread capacity. Part of the reason for this low capacity utilization rate is the imports-to-consumption ratio which increased from *** percent annually in 1986-88 up to *** percent in 1990.

World consumption of extruded rubber thread is estimated at 140 million pounds (the United States represents about 16 percent of the total). In 1990, Malaysia had a capacity for extruded rubber thread of about 108 million pounds per year. Malaysia's capacity for this product reportedly will be 118 million pounds per year by the end of 1991, about 85 percent of the world's requirement. The petitioner reports that there are no significant Malaysian domestic end users of extruded rubber thread in the home market country as the domestic market consumes only about 882,000 pounds of extruded rubber thread annually.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	9,638	100	-	***
Imports from GSP countries:				
Total	7,387	77	100	***
Malaysia	5,066	53	69	***
Brazil	952	10	13	***
Mexico	497	5	7	***
Israel ¹	356	4	5	***

¹Although imports of extruded rubber thread from Israel are eligible for duty-free entry under the GSP, imports of this item during 1990 from Israel entered duty-free under the provisions of the United States-Israel Free Trade Area Implementation Act of 1985.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—The petitioner reports that of the total imports (GSP and other) under subheading 4007.00.00, extruded rubber thread represents 90-95 percent; imports of both cut rubber thread and of cord (multiple strands of thread) are small or negligible. The majority of U.S. imports of extruded rubber thread in 1990 were supplied by Malaysia (53 percent) followed by Brazil and Italy with about 10 percent and 9 percent, respectively, of total imports covered here. From 1986-90, total imports of the product covered here increased from \$279,000 to about \$9.6 million, or the amount in 1990 is 34 fold larger than the amount in 1986. Over this same period, Malaysia's share of U.S. imports of extruded rubber thread increased from \$3,000 to about \$5.1 million; the amount in 1990 is 1,688 fold larger than the amount in 1986. Malaysia's ability to increase its exports of extruded rubber thread to the United States by this amount is the result of increasing its production capacity from four extrusion production lines in 1986 to 31 extrusion lines in 1990. Industry sources report that Malaysia will increase this capacity by an additional 9 percent in 1991.

From 1986-90, U.S. imports of extruded rubber thread from GSP countries increased steadily from 30 percent of the total in 1986 to 77 percent of the total in 1990.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Malaysia for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.—The petitioner reports that extruded rubber thread from Malaysia is of a quality that has permitted the product to successfully enter the world market. However, domestic consumers are willing to pay the higher price for the domestic extruded rubber thread for much of their needs to ensure quick delivery, timely technical service on problems, and to guarantee a future domestic supply of extruded rubber thread in the event of some unforeseen occurrence.

Competitiveness indicators for Brazil for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.—The product from Brazil is of a high quality. The Brazilian producers use technology comparable to that available anywhere for the extruded rubber thread product, the production of which dates back to the early 1900's. Again, consumers are willing to pay more for domestic extruded rubber thread to ensure future supplies on a timely basis and a readily available domestic technical service in the event of product problems.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
What is the price elasticity of U.S. demand?	High	<input checked="" type="checkbox"/>	Moderate	<input type="checkbox"/>
Can production in the country be easily expanded or contracted in the short term?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the country have significant export markets besides the United States?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Could exports from the country be readily redistributed among its foreign export markets?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
What is the price elasticity of import supply?	High	<input checked="" type="checkbox"/>	Moderate	<input type="checkbox"/>
Price level compared with—				
U.S. products.	Above	<input type="checkbox"/>	Equivalent	<input type="checkbox"/>
Other foreign products	Above	<input type="checkbox"/>	Equivalent	<input type="checkbox"/>
Quality compared with—				
U.S. products.	Above	<input type="checkbox"/>	Equivalent	<input checked="" type="checkbox"/>
Other foreign products	Above	<input type="checkbox"/>	Equivalent	<input checked="" type="checkbox"/>

Comment.—The product from GSP countries is of a high quality. U.S. consumers are willing to pay more for domestic extruded rubber thread to ensure future supplies on a timely basis and a readily available domestic technical service in the event of product problem.

V. Position of interested parties

Petitioner.—The petitioner, North American Rubber Thread Company, Inc. is requesting this review because they report that over the last three years, Malaysian rubber thread imports have skyrocketed. The petitioner also stated the following: "They (Malaysia) accounted for only about one twentieth of the U.S. market in 1988, almost a third in 1990, and now over three-quarters. If anything, that trend will accelerate for reasons discussed below. Only extremely low prices—i.e., below U.S. producer prices—could account for such an explosion in market share in such a short period of time, especially for a homogenous commodity product like rubber thread. In fact, such low prices were the reason.

"More generally, the Malaysian producers—principally Heveafil and Rubberflex—now supply up to 80% of the world's rubber thread. That percentage continues to increase, as Malaysian capacity increased. Heveafil, for instance, has announced that it will add three new production lines. Absent remedial action, the only statement that I can confidently make is that the percentage will not increase above 100 percent.

"In the past few years, the Malaysians have aggressively entered the following countries: Italy, Spain, Mexico, Ecuador, Argentina, Venezuela, and of course, the United States. In every case, major domestic industry closings followed soon after the Malaysian invasion. These closings represent over one half of the free world capacity for extruded rubber thread at the time. Affected producers have offered to fly, at their expense, to this country to testify before the Commission of the disaster that befell their industry from Malaysian imports.

"North American is a thinly capitalized company. In contrast, Heveafil and Rubberflex have the deep pockets to engage in predatory pricing. We understand that Heveafil can rely on its very profitable European operations, including synthetic fiber and fabric operations, to fund its predatory rubber thread prices. We understand that Rubberflex is consuming its capital to fund its predatory pricing.

"If current trends continue, the Malaysian producers will be the sole suppliers of rubber thread in the world, at which point there will be nothing to keep them from raising prices to monopoly levels. This is predatory pricing in its worst and purest form.

"Other countries are now beginning to take remedial action against predatory Malaysia rubber thread prices. For example, Indonesia and Thailand have just imposed remedial tariffs. And Brazil has begun a countervailing duty investigation. Such actions, while commendable, serve to intensify Malaysian efforts on those markets where they can still dump their product—notably, the United States. The material injury U.S. producers are suffering from Malaysian imports can only increase as a result."

VI. Summary of probable economic effects—Removal

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VI. Summary of probable economic effects—Removal—Continued

Table I.

Digest No.
40070000Digest Title: Vulcanized rubber thread and cord
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Malaysia.....	3	13	26	990	5,066
Brazil.....	2	1	1	682	952
Italy.....	3	1	4	217	875
Japan.....	31	24	43	663	819
Mexico.....	6	6	7	164	497
Israel.....	3	4	14	24	356
Venezuela.....	0	0	0	202	336
Taiwan.....	47	50	56	225	211
Thailand.....	61	73	89	758	177
Netherlands.....	1/	1/	1/	57	143
Korea.....	12	12	24	17	94
Canada.....	11	16	9	26	39
Hong Kong.....	11	7	10	10	22
United Kingdom...	8	9	6	0	15
China.....	4	8	14	0	15
All other.....	77	78	106	198	22
Total.....	279	303	409	4,231	9,638
GSP Total.....	85	112	162	2,819	7,387
Percent					
Malaysia.....	1.1	4.4	6.3	23.4	52.6
Brazil.....	.8	.5	.2	16.1	9.9
Italy.....	1.1	.5	1.0	5.1	9.1
Japan.....	11.1	8.0	10.5	15.7	8.5
Mexico.....	2.1	1.8	1.6	3.9	5.2
Israel.....	.9	1.4	3.5	.6	3.7
Venezuela.....	.0	.0	.0	4.8	3.5
Taiwan.....	16.9	16.6	13.7	5.3	2.2
Thailand.....	21.9	24.0	21.8	17.9	1.8
Netherlands.....	1/	1/	1/	1.3	1.5
Korea.....	4.3	3.9	5.9	.4	1.0
Canada.....	3.9	5.4	2.2	.6	.4
Hong Kong.....	3.9	2.2	2.4	.2	.2
United Kingdom...	2.8	2.9	1.6	.0	.2
China.....	1.3	2.7	3.4	.0	.2
All other.....	27.7	25.7	25.9	4.7	.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	30.7	37.0	39.6	66.6	76.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest Title: Vulcanized rubber thread and cord
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	244	299	335	1,371	2,806
Mexico.....	194	134	189	535	571
Japan.....	580	706	830	258	526
Venezuela.....	30	21	29	148	434
Australia.....	119	142	166	28	392
Luxembourg.....	0	0	11	0	323
Saudi Arabia.....	1/	2	2	0	216
Hong Kong.....	52	33	135	22	211
United Kingdom...	186	155	206	186	172
Trin & Tobago....	3	1	1	80	129
Honduras.....	2	1/	2	2	94
West Germany.....	1,121	943	1,485	48	87
Guatemala.....	1	1	1	45	76
Taiwan.....	85	148	308	140	72
Kuwait.....	17	10	2	0	69
All other.....	436	454	789	930	589
Total.....	3,069	3,049	4,493	3,793	6,767
GSP Total.....	393	296	378	1,611	1,724
Percent					
Canada.....	8.0	9.8	7.5	36.2	41.5
Mexico.....	6.3	4.4	4.2	14.1	8.4
Japan.....	18.9	23.2	18.5	6.8	7.8
Venezuela.....	1.0	.7	.6	3.9	6.4
Australia.....	3.9	4.7	3.7	.7	5.8
Luxembourg.....	.0	.0	.2	.0	4.8
Saudi Arabia.....	1/	.1	1/	.0	3.2
Hong Kong.....	1.7	1.1	3.0	.6	3.1
United Kingdom...	6.1	5.1	4.6	4.9	2.5
Trin & Tobago....	.1	1/	1/	2.1	1.9
Honduras.....	.1	1/	1/	1/	1.4
West Germany.....	36.5	30.9	33.1	1.3	1.3
Guatemala.....	1/	1/	1/	1.2	1.1
Taiwan.....	2.8	4.8	6.9	3.7	1.1
Kuwait.....	.5	.3	1/	.0	1.0
All other.....	14.2	14.9	17.6	24.5	8.7
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	12.8	9.7	8.4	42.5	25.5

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 5608.11.0010

HAND-CAST, STRING-DRAWN FISHING NETS

Hand-cast, string-drawn fishing nets

I. Introduction

X Addition to GSP ___ Removal from GSP ___ Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91)	Like or directly competitive article produced in the United States on Jan. 3, 1985?
		<u>Percent ad valorem</u>	
5608.11.0010	Hand-cast, string-drawn fishing nets	17%	Yes

Description and uses.—The subject product is a circular, lead-weighted, cord or rope pulled fishing net of manmade fibers that is casted or thrown by hand. The net is available in different dimensions and variations of construction. These nets usually range in size from 3 1/2 to 12 feet in diameter, have a stretch mesh measuring 3/8 to 1 inch, and have elongated (cigar shaped) lead sinkers evenly spaced several inches apart on the perimeter of the net. A hand-cast, string-drawn fishing net consists of six main components. The first is the netting (usually constructed of nylon monofilament yarn) which consists of a uniform mesh size that is either hand knitted or machine produced. The horn is an indented ring to which the center or top of the net is tied. The swivel, attached to the horn, consists of two metal loops or rings attached together that turn on a headed pin. The hand line, is a rope, which is attached to the swivel on one end and to the wrist of the thrower at the other end. The leadline, usually a 3/16 inch diameter rope with lead sinkers attached, goes around the outside perimeter of the net. Finally, the brails are the lines attached to the hand line on one end and to the leadline on the other end. These lines make the net pucker when pulled, which entraps the fish.

The net is designed to be cast or thrown by hand upon the water, while standing on the shore or from a boat, then drawn together as the net sinks, by means of an attached drawstring, to trap the fish inside. These nets are used almost entirely by sport fishermen to catch small fish, crabs, shrimp, and other marine animals to be used later as bait. These nets have no practical use in commercial fishing. Although such nets are used in both fresh water and salt water, they are used primarily in salt water located in the coastal areas. Generally the larger size nets are used for deeper water fishing. A typical hand-cast, string-drawn fishing net, referred to as a "three foot net," is six feet in diameter and will hang three feet if held in the center of the net. There is usually about one pound of sinkers for each foot of the net (i.e., a three foot net with a radius of three feet will have all the attached lead sinkers weighing a total of three pounds).

Depending on size and design, the retail price of these nets range from \$20 to \$40 each. About three-fourths of the nets are sold for less than \$30. There are some nets, usually custom made, that sell for more than \$100. Large chain store retailers such as K-mart, Wal-Mart, and Sears, as well as, small retailers such as traditional individual bait and tackle shops sell these nets.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	(2)	(2)	(2)	(2)	(2)
Employment (1,000 employees).	(2)	(2)	(2)	(2)	(3)
Shipments (1,000 dollars) ⁴	(2)	(2)	(2)	(2)	**6
Exports (1,000 dollars).	(2)	(2)	(2)	(2)	0
Imports (1,000 dollars) ⁵	(2)	(2)	(2)	(2)	302
Consumption (1,000 dollars) ⁴	(2)	(2)	(2)	(2)	**308
Import-to-consumption ratio (percent) ⁴	(2)	(2)	(2)	(2)	**98
Capacity utilization (percent).	(2)	(2)	(2)	(2)	(2)

¹Trade data for 1986-1988 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-1988 may not be directly comparable with HTS trade data for 1989-1990.

²Not available.

³Less than 500.

⁴Estimate for 6 months, since available import data is reported only for July through December.

⁵Includes only data reported for July-December.

Comment.—There are no official production data available for hand-cast, string-drawn fishing nets. This type of net is classified in a broad product category that includes numerous other nets and articles. There are less than a dozen domestic manufacturers, employing less than 500 workers in total, that either produce the netting for this type of article or have the ability to produce the netting for such products. Some of the larger firms also produce a variety of other products, including net components, thread, and a small amount of netting for nonfishing purposes. Netting produced for manufacturing hand-cast, string-drawn fishing nets is believed to be extremely small and to account for less than one percent of their total sales.

In the domestic industry, the netting (both imported and domestically produced), along with the lead sinkers and the ropes and cords, is usually purchased by individuals, net shop operators or marine supply stores, who assemble the nets to sell or for their own use. Because the production of these nets require a labor-intensive manufacturing process, it is believed that the majority of this production is produced by a "cottage" type of industry. In addition to a more rounder or truer circumference (which allows the user a fuller opening and a flatter spread), higher quality hand-cast, string-drawn fishing nets are often constructed with netting of more meshes and uniformity of mesh size, heavier twine and yarn of higher tensile strength, double selva on the top and bottom of the net, and lead sinkers equal in weight and evenly distributed and spaced, that are double stitched to the headline. These features require a greater amount of workmanship and material cost, which results in added total cost. Workers must be properly trained to insure uniformity and acceptable quality.

According to industries sources most of the domestic consumption is supplied by imports. Domestic production is believed to account for less than **2 percent of consumption and exports are nil. Because the statistical breakout for HTS subheading 5608.11.0010 became effective on July 1, 1990, import data are not available for a full year. *** Virtually all of these nets are imported by larger retailers, trading companies, or wholesalers.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990¹

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	302	100	-	**98
Imports from GSP countries:				
Total	137	45	100	**44
Thailand.	137	45	100	**44

¹This data is for a six month period only, which began on July 1, 1990.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—U.S. imports of digest products were supplied by only two countries and were valued at approximately \$300,000 in 1990 (July-December). Imports from Thailand, the only GSP supplier, provided imports totaling \$137,000 or 45 percent of total imports. Taiwan was the other source for these nets, accounting for the remaining 55 percent. The GSP source (Thailand) accounted for an estimated 44 percent of domestic consumption during 1990.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Thailand for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High Moderate X Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High Moderate X Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Comment.—Commercial production of hand-cast, string-drawn fishing nets in virtually all foreign countries (including Thailand) as well as the United States is minimal in comparison to all other types of fishing nets. World-wide, most of these nets are produced by workers in a cottage-type industry or in small manufacturing facilities. In general, imported nets are lower in quality to domestically produced nets, and are usually less expensive. This is because of lower labor costs, the limited amount of overhead required, and the availability of less expensive netting and other materials. Although imported and domestic nets compete with each other, they are usually not comparable because the domestic nets are often custom-ordered, which often involves the utilization of a higher grade of materials, such as double stretched, heat set netting, heavier lead sinkers (i.e., 1 to 1 1/2 pounds per foot), braided and longer hand lines, and nickel plated swivels. Whereas the imported nets are usually of standard specifications and consist of less expensive materials.

V. Position of interested parties

Opposition.—The Cordage Institute, which represents domestic and Canadian manufacturers of rope, twine, cable, cordage, and fish netting, "...strongly opposes the addition of hand-cast string-drawn fishnets from Mexico to the list of products eligible for GSP treatment." According to the Cordage Institute, "...hand-cast, string-drawn fish nets are a textile and should therefore not even receive consideration for GSP-eligibility. To accord GSP treatment to this product in a manner clearly not intended by Congress would deal yet another telling blow to a vital industry."

VI. Summary of probable economic effects—Addition

★ ★ ★ ★ ★ ★ ★

DIGEST NO. 6910.10.0030

CERAMIC SINKS AND LAVATORIES OF PORCELAIN OR CHINA

Ceramic Sinks and Lavatories of Porcelain or China

I. Introduction

___ Addition to GSP ___ Removal from GSP x Competitive-need-limit waiver Mexico

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
6910.10.0030 ¹	Ceramic sinks and lavatories of porcelain or china	7.2%	Yes

¹Brazil and Mexico have been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 6910.10.00.

Description and uses.—Ceramic sinks and lavatories of porcelain or china are bowls or basins used in plumbing systems for personal hygiene. Ceramic materials can be readily formed into complex shapes to produce ware that is attractive, durable, easy to clean and maintain in aseptic condition, and resistant to the corrosive effects of water.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	21	21	18	23	*23
Employment (1,000 employees)	*2	*2	*2	*2	*2
Shipments (1,000 dollars) ²	*125,310	*143,303	*147,733	*155,090	*154,992
Exports (1,000 dollars)	1,348	1,846	3,503	4,498	5,150
Imports (1,000 dollars)	11,897	13,181	12,918	11,995	13,407
Consumption (1,000 dollars) ²	*135,859	*154,638	*157,148	*162,587	*163,249
Import-to-consumption ratio (percent) ³	*9	*9	*8	*7	*8
Capacity utilization (percent)	86	78	82	**82	**82

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Figure for 1989 understated to the extent that shipment data for wash sinks and service sinks, mop sinks, sink and laundry tray combinations, and laundry trays are not available for the third quarter. Shipments of these items averaged \$574,000 for the other three quarters of 1989.

³Figure for 1989 overstated to the extent that shipment data for wash sinks and service sinks, mop sinks, sink and laundry tray combinations, and laundry trays are not available for the third quarter. Shipments of these items averaged \$574,000 for the other three quarters of 1989.

Comment.—The production of ceramic sinks and lavatories is labor intensive, and significant innovation in production technology is only now beginning to appear. The apparent lower labor costs of foreign producers have not had a noticeable effect on the domestic industry until relatively recently because entry barriers to the U.S. market such as high shipping costs (e.g., shipping charges added 15 percent to the cost of imports in 1990) and breakage have been sufficient to discourage imports into the U.S. market. Foreign producers have shown increased interest in the U.S. market in recent years despite these problems and have increased the import-to-consumption ratio from *2 percent in 1983 to current levels.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	13,407	100	-	*8
Imports from GSP countries:				
Total	7,653	57	100	*5
Argentina	2,716	20	35	*2
Mexico	1,691	13	22	*1
Venezuela	799	6	10	*(1)
Brazil	622	5	8	*(1)

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 4

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Comment.—Purchasers in the United States are willing to pay somewhat higher prices for domestic products because of faster and more dependable delivery.

V. Position of interested parties

Support.—Fabricas Orion, S.A., Ladrillera Monterrey, S.A., and Ideal Standard, S.A., Mexican producers of ceramic sanitary ware, support the petition to waive the competitive-need limits for imports from Mexico entered under HTS subheading 6910.10.0030. These firms state the grant of such a waiver would be beneficial to U.S. consumers by providing lower prices and would have no adverse economic impact on the the U.S. industry because the duty involved is not among the highest in the U.S. tariff schedules and the level of imports from Mexico is low.

VI. Summary of probable economic effects--Competitive-need-limit waiver (Mexico)

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Table I.

Digest No.
6910.10.0030Digest Title: Ceramic sinks and lavatories of porcelain or china
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Argentina.....	111	457	1,264	1,050	2,716
Taiwan.....	956	835	755	1,064	1,961
France.....	128	26	386	579	1,759
Mexico.....	474	1,664	1,557	1,682	1,691
Italy.....	820	1,117	1,658	1,268	1,005
Venezuela.....	441	468	740	512	799
Brazil.....	4,586	2,757	1,067	1,173	622
United Kingdom...	91	96	83	7	512
Portugal.....	778	772	290	453	373
Chile.....	257	737	1,444	221	351
Thailand.....	196	947	780	1,551	314
Turkey.....	0	0	17	150	290
Ecuador.....	121	382	594	353	225
Morocco.....	0	0	82	209	197
Colombia.....	881	842	857	246	194
All other.....	2,057	2,081	1,344	1,477	398
Total.....	11,897	13,181	12,918	11,995	13,407
GSP Total....	8,360	8,973	9,140	8,142	7,653
Percent					
Argentina.....	.9	3.5	9.8	8.8	20.3
Taiwan.....	8.0	6.3	5.8	8.9	14.6
France.....	1.1	.2	3.0	4.8	13.1
Mexico.....	4.0	12.6	12.1	14.0	12.6
Italy.....	6.9	8.5	12.8	10.6	7.5
Venezuela.....	3.7	3.6	5.7	4.3	6.0
Brazil.....	38.5	20.9	8.3	9.8	4.6
United Kingdom...	.8	.7	.6	.1	3.8
Portugal.....	6.5	5.9	2.2	3.8	2.8
Chile.....	2.2	5.6	11.2	1.8	2.6
Thailand.....	1.6	7.2	6.0	12.9	2.3
Turkey.....	0	0	.1	1.3	2.2
Ecuador.....	1.0	2.9	4.6	2.9	1.7
Morocco.....	0	0	.6	1.7	1.5
Colombia.....	7.4	6.4	6.6	2.1	1.4
All other.....	17.3	15.8	10.4	12.3	3.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total....	70.3	68.1	70.8	67.9	57.1

Note.—Because of rounding, figures may not add to the totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
6910100030Digest Title: Ceramic sinks and lavatories of porcelain or china
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	216	636	1,221	1,082	2,551
Hong Kong.....	487	411	1,045	710	431
Saudi Arabia.....	61	26	19	347	416
Japan.....	122	133	408	328	337
Jamaica.....	16	5	25	369	177
United Arab Em...	11	15	18	21	151
Korea.....	8	61	52	215	119
Mexico.....	32	16	9	41	115
Bermuda.....	13	36	25	49	104
Cyprus.....	0	0	0	0	92
Israel.....	3	22	0	13	55
Aruba.....	6	11	0	2	50
Taiwan.....	7	15	18	184	43
Guatemala.....	10	0	0	5	43
Singapore.....	16	13	24	60	42
All other.....	341	445	639	1,072	424
Total.....	1,348	1,846	3,503	4,498	5,150
GSP Total.....	228	322	262	1,148	825
Percent					
Canada.....	16.0	34.4	34.9	24.0	49.5
Hong Kong.....	36.1	22.3	29.8	15.8	8.4
Saudi Arabia.....	4.5	1.4	.5	7.7	8.1
Japan.....	9.1	7.2	11.7	7.3	6.5
Jamaica.....	1.2	.3	.7	8.2	3.4
United Arab Em...	.8	.8	.5	.5	2.9
Korea.....	.6	3.3	1.5	4.8	2.3
Mexico.....	2.4	.9	.3	.9	2.2
Bermuda.....	.9	1.9	.7	1.1	2.0
Cyprus.....	.0	.0	.0	.0	1.8
Israel.....	.2	1.2	.0	.3	1.1
Aruba.....	.4	.6	.0	1/	1.0
Taiwan.....	.5	.8	.5	4.1	.8
Guatemala.....	.8	.0	.0	.1	.8
Singapore.....	1.2	.7	.7	1.3	.8
All other.....	25.3	24.1	18.2	23.8	8.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	16.9	17.5	7.5	25.5	16.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 6912.00.44

EARTHENWARE OR STONEWARE MUGS AND OTHER STEINS

Earthenware or Stoneware Mugs and Other Steins

I. Introduction

 Addition to GSP Removal from GSP x Competitive-need-limit waiver Brazil

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
6912.00.44 ¹	Earthenware or stoneware mugs and other steins	13.5%	Yes

¹Brazil has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 6912.00.44.

Description and uses.--The mugs and steins covered in this digest are principally for household use and are made of ceramics other than porcelain or china (i.e., earthenware or stoneware). Earthenware includes ceramic ware, whether or not glazed or decorated, having a fired body which contains clay as an essential ingredient, and will absorb more than 3 percent of its weight of water. Stoneware includes ceramic ware which contains clay as an essential ingredient, is not commonly white, will absorb not more than 3 percent of its weight of water, and is naturally opaque (except in very thin pieces) even when absorption is less than 0.1 percent. This category excludes steins with permanently attached pewter lids included in HTS subheading 6912.00.41.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	**5-10	**5-10	**5-10	**5-10	**5-10
Employment (1,000 employees)	** ⁽²⁾	** ⁽²⁾	** ⁽²⁾	** ⁽²⁾	** ⁽²⁾
Shipments (1,000 dollars)	(³)	(³)	(³)	***	***
Exports (1,000 dollars)	**440	**933	**1,250	**430	**550
Imports (1,000 dollars)	76,394	99,467	99,177	101,941	107,119
Consumption (1,000 dollars)	(³)	(³)	(³)	***	***
Import-to-consumption ratio (percent)	(³)	(³)	(³)	***	***
Capacity utilization (percent)	(³)	(³)	(³)	(³)	(³)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Less than 500.

³Not available.

Comment.—The Pfaltzgraff Company (York, PA) and its subsidiary, Treasure Craft (Compton, CA), are the principal U.S. producers of earthenware and stoneware mugs, in addition to their dinnerware and giftware lines. Pfaltzgraff produces blank mugs that are then decorated by the purchaser, or are decorated by Pfaltzgraff to its own designs or to coordinate with its dinnerware lines, or to meet customer specifications. The Scio Pottery Company (Scio, OH), which manufactured earthenware/stoneware mugs until 1985, currently imports these mugs for decoration at its facility. Scio had previously indicated its interest in resuming production of these mugs at its Ohio facility, but market conditions have not warranted this resumption. Royal China Company (Sebring, OH) manufactured earthenware mugs but ceased production between 1982 and 1985. Earthenware mugs and steins are also produced in smaller volumes by other ceramic dinnerware operations and by the cottage industry, principally for the arts and crafts market.

U.S. imports have made significant inroads in this market, generally providing lower-cost merchandise that meets importer design specifications. U.S. firms are usually adversely impacted by the higher costs associated with the labor-intensive nature of mug production, although their ability to coordinate and market mugs with dinnerware production has provided a competitive strength in the U.S. market. Another factor influencing this market is the direct competition provided by producers and importers of mugs and steins of porcelain or china, which are often marketed in the same distribution channels.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	107,119	100	-	***
Imports from GSP countries:				
Total	19,190	18	100	***
Brazil	9,903	9	52	***
Thailand	7,361	7	38	***
Indonesia	820	1	4	***
Malaysia	566	1	3	***

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Brazil for all digest products

Ranking as a U.S. import supplier, 1990	5
Price elasticity:	
Can the U.S. purchaser easily shift among this and other suppliers?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of U.S. demand?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Can production in the country be easily expanded or contracted in the short term?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Does the country have significant export markets besides the United States?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Could exports from the country be readily redistributed among its foreign export markets?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of import supply?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Price level compared with—	
U.S. products	Above <input type="checkbox"/> Equivalent <input type="checkbox"/> Below <input checked="" type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input type="checkbox"/> Below <input checked="" type="checkbox"/>
Quality compared with—	
U.S. products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>

Comment.—Although certain Brazilian earthenware/stoneware mugs and other steins may be lower-priced, the U.S. industry offers to U.S. consumers ceramic designs, styles, colors, and/or decorations not available from other ceramic ware suppliers for which consumers will pay a higher price.

V. Position of interested parties

Opposition.--The Pfaltzgraff Company (York, PA), a domestic producer of earthenware and stoneware mugs, opposes the granting of duty-free treatment to Brazil for mugs classified in this subheading. Pfaltzgraff also opposes the proposal of Anheuser-Busch, the petitioner, to create a category for highly ornamented mugs valued over \$2.50. Pfaltzgraff claims that mugs entered under this category would be in direct competition with Pfaltzgraff's mug production and other domestic production, which has experienced problems with low-priced imports from Brazil. Pfaltzgraff would not oppose extension of duty-free treatment to a category that specifically delineated highly ornamented, collectible mugs.

VI. Summary of probable economic effects--Competitive-need-limit waiver (Brazil)

★ ★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
69120044Digest Title: Earthenware or stoneware mugs and other steins
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Korea.....	15,892	28,740	31,882	34,383	31,351
Japan.....	31,329	31,156	23,525	18,297	18,239
Taiwan.....	11,700	17,280	14,824	12,999	15,366
China.....	3,444	3,950	5,950	9,396	14,167
Brazil.....	4,643	5,647	8,304	11,678	9,903
Thailand.....	0	77	1,162	4,530	7,361
United Kingdom...	4,574	6,898	5,344	5,414	4,574
West Germany.....	1,909	2,318	3,953	1,485	1,500
Italy.....	691	715	698	1,008	1,121
Indonesia.....	0	0	166	402	820
Hong Kong.....	864	1,418	1,004	820	801
Malaysia.....	1	16	154	461	566
Spain.....	535	442	781	395	465
Portugal.....	106	25	106	171	191
Chile.....	88	255	181	99	165
All other.....	620	529	1,142	404	531
Total.....	76,394	99,467	99,177	101,941	107,119
GSP Total.....	5,129	6,138	10,623	17,405	19,190
Percent					
Korea.....	20.8	28.9	32.1	33.7	29.3
Japan.....	41.0	31.3	23.7	17.9	17.0
Taiwan.....	15.3	17.4	14.9	12.8	14.3
China.....	4.5	4.0	6.0	9.2	13.2
Brazil.....	6.1	5.7	8.4	11.5	9.2
Thailand.....	.0	.1	1.2	4.4	6.9
United Kingdom...	6.0	6.9	5.4	5.3	4.3
West Germany.....	2.5	2.3	4.0	1.5	1.4
Italy.....	.9	.7	.7	1.0	1.0
Indonesia.....	.0	.0	.2	.4	.8
Hong Kong.....	1.1	1.4	1.0	.8	.7
Malaysia.....	1/	1/	.2	.5	.5
Spain.....	.7	.4	.8	.4	.4
Portugal.....	.1	1/	.1	.2	.2
Chile.....	.1	.3	.2	.1	.2
All other.....	.8	.5	1.2	.4	.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	6.7	6.2	10.7	17.1	17.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
69120044Digest Title: Earthenware or stoneware mugs and other steins
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	52	78	110	37	261
Japan.....	22	3	20	93	105
Mexico.....	17	13	81	98	61
Australia.....	13	47	23	5	20
Korea.....	1	1	11	17	17
Philippines.....	1/	0	1	13	11
Panama.....	2	1	3	1	10
Singapore.....	1	1	5	8	9
Brazil.....	2	1/	3	2	7
United Kingdom...	90	10	15	17	7
West Germany.....	13	5	7	1/	7
Netherlands.....	0	1	9	0	6
Taiwan.....	0	1/	8	13	4
New Zealand.....	1	0	1	0	3
France.....	1	7	10	12	3
All other.....	225	765	944	113	20
Total.....	440	933	1,250	430	550
GSP Total.....	65	49	131	186	101
Percent					
Canada.....	11.8	8.4	8.8	8.7	47.4
Japan.....	5.0	.3	1.6	21.6	19.1
Mexico.....	3.8	1.4	6.5	22.9	11.1
Australia.....	3.0	5.1	1.9	1.3	3.6
Korea.....	.1	.1	.9	4.0	3.1
Philippines.....	1/	.0	1/	3.1	1.9
Panama.....	.4	.1	.2	.2	1.8
Singapore.....	.3	.1	.4	1.8	1.6
Brazil.....	.4	1/	.2	.4	1.3
United Kingdom...	20.5	1.1	1.2	3.9	1.2
West Germany.....	3.0	.6	.5	1/	1.2
Netherlands.....	.0	.1	.7	.0	1.0
Taiwan.....	.0	1/	.6	3.0	.8
New Zealand.....	.3	.0	.1	.0	.6
France.....	.1	.7	.8	2.8	.5
All other.....	51.0	82.0	75.5	26.2	3.7
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	14.8	5.2	10.5	43.2	18.3

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 7113.19.10

PRECIOUS METAL CHAIN

Precious Metal Chain

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Peru

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
7113.19.10	Precious metal chain, other than silver	7%	Yes

Description and uses.--Products covered in this digest include precious metal chain, rope, or cable, other than of silver. By far, gold is the major precious metal used in these products. Other precious metals, such as platinum, palladium, or rhodium are used to a much lesser degree. Precious metal chain is used in the manufacture of jewelry products, principally necklaces and bracelets.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	*60	*58	*58	**55	*55
Employment (1,000 employees)	*3	*2	*2	*3	*3
Shipments (1,000 dollars)	**100,600	**110,900	**114,000	**117,200	**120,500
Exports (1,000 dollars)	1,085	1,512	1,873	5,726	3,984
Imports (1,000 dollars)	70,015	80,005	60,170	96,501	**109,195
Consumption (1,000 dollars)	**169,530	**189,393	**172,297	**207,975	**225,711
Import-to-consumption ratio (percent)	**41	**42	**35	**46	**48
Capacity utilization (percent)	**61	**63	**63	**65	**65

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.--The U.S. market for precious metal chain is one of the world's largest and, in general, reflects the U.S. market for precious metal jewelry. Domestic chain manufacturers, the majority of which are small firms with less than 20 employees, are somewhat specialized in the production of heavier grade flat and mixed-link chain and rope. U.S. production is centered in the Northeast, and utilizes the large concentration of trained jewelry workers and suppliers in the area. Rhode Island, New York, and New Jersey account for nearly 70 percent of the value of shipments of precious metal chain other than silver. U.S. producers of precious metal chain maintain a competitive advantage in the marketing and distribution of their generally higher quality chain and rope.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	109,195	100	-	**48
Imports from GSP countries:				
Total	106,595	98	100	**47
Peru	54,843	50	51	**24
Dominican Republic	14,770	14	14	**7
Bolivia	13,972	13	13	**7
Israel ¹	6,122	6	6	**3

¹Although imports of precious metal chain from Israel are eligible for duty-free entry under the GSP, imports of this item during 1990 from Israel entered duty-free under the provisions of the United States-Israel-Free Trade Area Implementation Act of 1985.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--Imports of precious metal chain from GSP countries increased from \$69 million in 1986 to \$107 million in 1990, or by more than 50 percent. Imports from Peru, the leading supplier, more than doubled (up 162 percent) to \$55 million in 1990. The major share of the precious metal chain from Peru and the Dominican Republic, the second leading supplier, results from the operations of U.S.-based firms. Several companies established manufacturing or assembly operations in these lower-labor cost nations principally to produce hand-made gold chains.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Peru for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Comment.--U.S. imports of precious metal chain from Peru consist almost entirely of hand-made gold chain. Peruvian production focuses on both lighter-weight products, as compared with domestically-made products, with some intricacy of design, and on basic chain. The lighter weight chain is then more easily used in filigree or other specialty-type products. Gold chain from Peru may be priced slightly lower than the domestic product and generally competes in market segments where domestic production is limited.

V. Position of interested parties

Petitioner.--The petitioner, Oroamerica, Inc. (Burbank, CA) requests a waiver of the competitive-need limit for gold rope from Peru due to an error in Department of Commerce import statistics. According to Oroamerica, nearly \$6 million worth of gold rope from Haiti was misclassified in HTS heading 7113.19.29 rather than in heading 7113.19.10, which is subject to the petition. As such, petitioner states the misclassification results in imports from Peru surpassing the competitive-need limit.

VI. Summary of probable economic effects--Competitive-need-limit waiver (Peru)

★ ★ ★ ★ ★ ★ ★

Table I.

Digest Title: Precious metal chain, other than silver
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Peru.....	20,903	27,926	24,843	42,889	54,843
Dominican Rep....	25,707	26,232	19,419	24,915	14,770
Bolivia.....	0	0	29	772	13,972
Israel.....	13,072	10,367	4,739	4,945	6,122
Thailand.....	20	6	178	4,299	6,093
Turkey.....	762	151	139	1,065	4,620
Italy.....	463	215	637	990	1,967
Mexico.....	6,311	11,224	7,095	9,942	1,605
Haiti.....	555	406	333	0	1,269
Ecuador.....	0	0	0	153	1,220
Costa Rica.....	738	1,108	1,318	3,256	802
Yugoslavia.....	262	1,118	980	2,245	742
Malta & Gozo.....	0	0	60	513	386
Hong Kong.....	64	3	3	33	324
India.....	0	43	10	8	133
All other.....	1,249	1,207	387	478	327
Total.....	70,105	80,005	60,170	96,501	109,195
GSP Total.....	69,084	79,195	59,214	95,213	106,595
Percent					
Peru.....	29.8	34.9	41.3	44.4	50.2
Dominican Rep....	36.7	32.8	32.3	25.8	13.5
Bolivia.....	.0	.0	1/	.8	12.8
Israel.....	18.6	13.0	7.9	5.1	5.6
Thailand.....	1/	1/	.3	4.5	5.6
Turkey.....	1.1	.2	.2	1.1	4.2
Italy.....	.7	.3	1.1	1.0	1.8
Mexico.....	9.0	14.0	11.8	10.3	1.5
Haiti.....	.8	.5	.6	.0	1.2
Ecuador.....	.0	.0	.0	.2	1.1
Costa Rica.....	1.1	1.4	2.2	3.4	.7
Yugoslavia.....	.4	1.4	1.6	2.3	.7
Malta & Gozo.....	.0	.0	.1	.5	.4
Hong Kong.....	.1	1/	1/	1/	.3
India.....	.0	.1	1/	1/	.1
All other.....	1.8	1.5	.6	.5	.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	98.5	99.0	98.4	98.7	97.6

1/ Less than \$500 or less than 0.1 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990.

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

Table II.

Digest No.
71131910Digest Title: Precious metal chain, other than silver
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	159	237	311	1,571	999
Switzerland.....	158	184	415	956	434
Mexico.....	36	83	123	138	407
Bolivia.....	0	0	13	344	377
Hong Kong.....	53	81	149	827	280
Canada.....	26	60	76	363	268
Haiti.....	94	156	150	370	259
United Kingdom...	75	49	76	218	169
France.....	25	33	45	157	137
West Germany.....	18	45	56	107	85
Netherlands Ant..	0	0	60	28	78
Korea.....	29	9	3	11	41
Mauritius.....	1/	0	1	18	38
Italy.....	14	33	31	95	34
Thailand.....	1/	11	27	25	34
All other.....	397	530	338	498	345
Total.....	1,085	1,512	1,873	5,726	3,984
GSP Total.....	483	714	650	1,244	1,384
Percent					
Japan.....	14.7	15.7	16.6	27.4	25.1
Switzerland.....	14.5	12.2	22.1	16.7	10.9
Mexico.....	3.3	5.5	6.6	2.4	10.2
Bolivia.....	.0	.0	.7	6.0	9.5
Hong Kong.....	4.9	5.3	8.0	14.5	7.0
Canada.....	2.4	4.0	4.1	6.3	6.7
Haiti.....	8.7	10.3	8.0	6.5	6.5
United Kingdom...	6.9	3.2	4.0	3.8	4.2
France.....	2.3	2.2	2.4	2.7	3.4
West Germany.....	1.6	3.0	3.0	1.9	2.1
Netherlands Ant..	.0	.0	3.2	.5	2.0
Korea.....	2.7	.6	.1	.2	1.0
Mauritius.....	1/	.0	.1	.3	1.0
Italy.....	1.3	2.2	1.6	1.7	.9
Thailand.....	1/	.7	1.5	.4	.9
All other.....	36.6	35.0	18.1	8.7	8.6
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	44.5	47.2	34.7	21.7	34.7

1/ Less than \$500 or less than 0.1 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990.

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

DIGEST NO. 7202.41.00

CERTAIN CHROMIUM FERROALLOYS

Certain Chromium Ferroalloys¹

I. Introduction

X Addition to GSP ___ Removal from GSP ___ Competitive-need-limit waiver

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
7202.41.00	High-carbon ferrochromium containing over 4 percent carbon	1.9%	Yes
7202.49.50	Low-carbon ferrochromium containing 3 percent or less carbon	3.1%	Yes

Description and uses.—Chromium is a hard, grayish-white metal with a high melting point (3,434°F). It is used chiefly as an alloying metal, where it provides strength, hardness, and resistance to corrosion, wear and heat. Ferrochromium is used in the production of chrome-containing alloys, including all types of stainless steel and some high temperature alloys. Low-carbon ferrochromium contains from 60-70 percent chromium, 3 percent carbon, and 27-37 percent iron. The high carbon grades range from 52-72 percent chromium and 4-10 percent carbon.

¹ This digest includes the following HTS subheadings: 7202.41.00 and 7202.49.50.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	3	2	2	3	3
Employment (1,000 employees)	***	***	***	***	***
Shipments (1,000 dollars)	***	***	***	***	***
Exports (1,000 dollars)	2,818	2,837	6,189	6,756	7,609
Imports (1,000 dollars)	116,612	105,185	237,291	294,571	208,170
Consumption (1,000 dollars)	***	***	***	***	***
Import-to-consumption ratio (percent)	***	***	***	***	***
Capacity utilization (percent)	***	***	***	***	***

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—The relative competitiveness of the high-carbon and low-carbon ferrochromium industries have diminished over the period, reflecting in part the development of lower cost off-shore producers and the limited domestic reserves of chromium. The reduced level of U.S. steel production, which peaked during the mid-1970s, has contributed significantly to the problems of these industries.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	208,170	100	-	***
Imports from GSP countries:				
Total	96,494	46	100	***
Zimbabwe.	36,913	18	38	***
Turkey.	31,295	15	32	***
Yugoslavia.	23,929	12	25	***
Philippines	3,508	2	4	***

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Zimbabwe for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No

What is the price elasticity of U.S. demand? High x Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes x No

Does the country have significant export markets besides the
United States? Yes x No

Could exports from the country be readily redistributed among
its foreign export markets? Yes x No

What is the price elasticity of import supply? High x Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below x

Other foreign products Above Equivalent Below x

Quality compared with—

U.S. products. Above Equivalent x Below

Other foreign products Above Equivalent x Below

Comment.—Domestic products are generally priced 5–10 percent higher than imported material, reflecting in part the premium consumers are willing to pay for shorter delivery time and technical services.

Competitiveness indicators for Turkey for all digest products

Ranking as a U.S. import supplier, 1990. 3

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No

What is the price elasticity of U.S. demand? High x Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes x No

Does the country have significant export markets besides the
United States? Yes x No

Could exports from the country be readily redistributed among
its foreign export markets? Yes x No

What is the price elasticity of import supply? High x Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below x

Other foreign products Above Equivalent Below x

Quality compared with—

U.S. products. Above Equivalent x Below

Other foreign products Above Equivalent x Below

Comment.—Domestic products are generally priced 5–10 percent higher than imported material, reflecting in part the premium consumers are willing to pay for shorter delivery time and technical services.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for Yugoslavia for all digest products

Ranking as a U.S. import supplier, 1990. 4

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No

What is the price elasticity of U.S. demand? High x Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes x No

Does the country have significant export markets besides the
United States? Yes x No

Could exports from the country be readily redistributed among
its foreign export markets? Yes x No

What is the price elasticity of import supply? High x Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below x

Other foreign products Above Equivalent Below x

Quality compared with—

U.S. products. Above Equivalent x Below

Other foreign products Above Equivalent x Below

Comment.—Domestic products are generally priced 5–10 percent higher than imported material, reflecting in part the premium consumers are willing to pay for shorter delivery time and technical services.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No

What is the price elasticity of U.S. demand? High x Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes x No

Does the country have significant export markets besides the
United States? Yes x No

Could exports from the country be readily redistributed among
its foreign export markets? Yes x No

What is the price elasticity of import supply? High x Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below x

Other foreign products Above Equivalent Below x

Quality compared with—

U.S. products. Above Equivalent x Below

Other foreign products Above Equivalent x Below

Comment.—Domestic products are generally priced 5–10 percent higher than imported material, reflecting in part the premium consumers are willing to pay for shorter delivery time and technical services.

V. Position of interested parties

Support.--S. Alav Kaymak, representing the Undersecretariat for Treasury and Foreign Trade of the Republic of Turkey, requested that GSP treatment for ferrochromium (HTS subheadings 7202.41.00 and 7202.49.50) from Turkey into the United States be extended. This request is based on the contention that (1) imports from Turkey, and other developed countries account for less than one-half of total U.S. imports of ferrochromium in the HTS subheadings under consideration; (2) GSP eligibility would more likely result in the redirection of trade from non-GSP to GSP eligible countries; (3) further development of Turkey's ferrochromium production capacity would insure additional and stable strategic supplies for the U.S. stainless steel industry; and (4) the additional sales of Turkish ferrochromium would provide some additional capital to upgrade facilities and make environmental improvements to plants in Turkey.

The Minerals Marketing Corporation of Zimbabwe (MMCZ) supported the granting of GSP treatment for low and high carbon ferrochromium. MMCZ claimed that GSP treatment will only cause the United States to change import sources from industrial countries to beneficiary developing countries such as Turkey and Zimbabwe. However, MMCZ is opposed to granting GSP benefits for these products for Turkey only.

Opposition.--Shieldalloy Metallurgical Corporation, a U.S. ferroalloy producer, requested that the petition by Etibank General Management of Turkey for GSP eligibility for low carbon ferrochromium (HTS 7202.49.50) be denied. This request is based on the contention that (1) should the tariff on low carbon ferrochromium be eliminated for GSP countries, the effect on the United States prospective supply of this product would be entirely detrimental; and (2) Zimbabwe with its Marxist government, would achieve market dominance, displacing reliable current suppliers in the process.

The Ferroalloy Association, representing all U.S. commercial producers, requested that GSP duty-free treatment on high carbon ferrochromium and low carbon ferrochromium (HTS subheadings 7202.41.00 and 7202.49.50) from Turkey into the United States be denied. This request is based on the contention that (1) duty-free treatment, if granted, would seriously damage an already injured and vulnerable U.S. industry that is important to national defense; (2) there are only three remaining U.S. producers, two of which operate intermittently; and (3) the Turkish producer has continually undersold U.S. producers and increased its U.S. market share and the granting of duty-free treatment would only facilitate even more aggressive underselling of U.S. producers, causing further injury to an already devastated U.S. industry.

VI. Summary of probable economic effects--Addition

• • • • •

Table I.

Digest No.
72024100Digest Title: Certain chromium ferroalloys
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Rep So Africa....	52,399	55,845	69,558	106,460	57,783
Zimbabwe.....	16,604	17,598	41,425	36,596	36,913
Turkey.....	17,982	7,035	24,770	38,090	31,295
Yugoslavia.....	7,100	4,535	23,682	31,337	23,929
West Germany.....	8,029	10,518	21,236	19,091	20,525
Finland.....	3,921	685	0	0	12,067
Norway.....	27	0	0	0	9,328
Philippines.....	0	0	9,313	6,938	3,508
Sweden.....	5,404	2,786	7,368	11,463	3,416
France.....	0	0	2,184	13	2,007
Italy.....	580	690	3,800	4,691	1,864
China.....	275	2	8,632	20,814	1,167
Japan.....	237	754	2,969	2,116	974
Spain.....	0	0	0	260	961
Brazil.....	1,785	1,148	5,561	5,236	843
All other.....	2,268	3,589	16,792	11,465	1,588
Total.....	116,612	105,185	237,291	294,571	208,170
GSP Total.....	44,597	30,316	108,656	127,007	96,494
Percent					
Rep So Africa....	44.9	53.1	29.3	36.1	27.8
Zimbabwe.....	14.2	16.7	17.5	12.4	17.7
Turkey.....	15.4	6.7	10.4	12.9	15.0
Yugoslavia.....	6.1	4.3	10.0	10.6	11.5
West Germany.....	6.9	10.0	8.9	6.5	9.9
Finland.....	3.4	.7	.0	.0	5.8
Norway.....	1/	.0	.0	.0	4.5
Philippines.....	.0	.0	3.9	2.4	1.7
Sweden.....	4.6	2.6	3.1	3.9	1.6
France.....	.0	.0	.9	1/	1.0
Italy.....	.5	.7	1.6	1.6	.9
China.....	.2	1/	3.6	7.1	.6
Japan.....	.2	.7	1.3	.7	.5
Spain.....	.0	.0	.0	.1	.5
Brazil.....	1.5	1.1	2.3	1.8	.4
All other.....	1.9	3.4	7.1	3.9	.8
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	38.2	28.8	45.8	43.1	46.4

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
72024100
HTS No.
72024100

Digest Title: Certain chromium ferroalloys
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Rep So Africa....	44,165	42,925	54,644	95,743	48,081
Zimbabwe.....	11,284	11,642	34,613	29,465	27,863
Yugoslavia.....	7,100	4,535	23,547	30,975	23,929
Turkey.....	12,946	3,266	15,313	33,054	19,871
Finland.....	3,921	685	0	0	12,067
Norway.....	0	0	0	0	9,328
Philippines.....	0	0	9,313	6,938	3,508
Sweden.....	0	367	6,493	7,481	2,374
Spain.....	0	0	0	260	961
China.....	275	2	6,590	19,292	766
Albania.....	0	0	772	0	689
France.....	0	0	2,184	13	557
Brazil.....	1,785	1,148	5,561	5,236	523
Greece.....	1,077	1,830	4,628	952	224
United Kingdom...	3	0	75	22	201
All other.....	1,349	1,062	9,424	14,370	288
Total.....	83,905	67,462	173,158	243,800	151,230
GSP Total.....	34,241	20,592	92,193	114,382	75,700
Percent					
Rep So Africa....	52.6	63.6	31.6	39.3	31.8
Zimbabwe.....	13.4	17.3	20.0	12.1	18.4
Yugoslavia.....	8.5	6.7	13.6	12.7	15.8
Turkey.....	15.4	4.8	8.8	13.6	13.1
Finland.....	4.7	1.0	.0	.0	8.0
Norway.....	.0	.0	.0	.0	6.2
Philippines.....	.0	.0	5.4	2.8	2.3
Sweden.....	.0	.5	3.7	3.1	1.6
Spain.....	.0	.0	.0	.1	.6
China.....	.3	1/	3.8	7.9	.5
Albania.....	.0	.0	.4	.0	.5
France.....	.0	.0	1.3	1/	.4
Brazil.....	2.1	1.7	3.2	2.1	.3
Greece.....	1.3	2.7	2.7	.4	.1
United Kingdom...	1/	.0	1/	1/	.1
All other.....	1.6	1.6	5.4	5.9	.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	40.8	30.5	53.2	46.9	50.1

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
72024100
HTS No.
72024950

Digest Title: Certain chromium ferroalloys
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
West Germany.....	8,029	9,737	20,658	18,654	20,438
Turkey.....	5,036	3,769	9,458	5,036	11,424
Rep So Africa....	8,234	12,920	14,914	10,717	9,703
Zimbabwe.....	5,320	5,956	6,811	7,131	9,050
Italy.....	580	690	2,830	1,854	1,864
France.....	0	0	0	0	1,450
Sweden.....	5,404	2,419	875	3,982	1,042
Japan.....	47	477	922	1,040	865
China.....	0	0	2,042	1,522	401
Brazil.....	0	0	0	0	321
Belgium.....	0	0	76	68	209
United Kingdom...	0	34	270	128	151
Canada.....	0	27	0	62	23
Chile.....	0	0	0	96	0
Norway.....	27	0	0	0	0
All other.....	29	1,695	5,277	482	0
Total.....	32,707	37,723	64,133	50,771	56,940
GSP Total.....	10,356	9,725	16,464	12,625	20,795
Percent					
West Germany.....	24.5	25.8	32.2	36.7	35.9
Turkey.....	15.4	10.0	14.7	9.9	20.1
Rep So Africa....	25.2	34.2	23.3	21.1	17.0
Zimbabwe.....	16.3	15.8	10.6	14.0	15.9
Italy.....	1.8	1.8	4.4	3.7	3.3
France.....	.0	.0	.0	.0	2.5
Sweden.....	16.5	6.4	1.4	7.8	1.8
Japan.....	.1	1.3	1.4	2.0	1.5
China.....	.0	.0	3.2	3.0	.7
Brazil.....	.0	.0	.0	.0	.6
Belgium.....	.0	.0	.1	.1	.4
United Kingdom...	.0	.1	.4	.3	.3
Canada.....	.0	.1	.0	.1	1/
Chile.....	.0	.0	.0	.2	.0
Norway.....	.1	.0	.0	.0	.0
All other.....	.1	4.5	8.2	.9	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	31.7	25.8	25.7	24.9	36.5

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
72024100Digest Title: Certain chromium ferroalloys
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	320	467	793	3,746	3,716
Canada.....	1,519	1,540	4,558	2,232	3,314
Argentina.....	59	108	208	145	120
Venezuela.....	407	267	86	40	81
Italy.....	0	0	0	54	71
Sweden.....	106	38	110	26	49
Malaysia.....	9	21	10	33	45
Japan.....	0	28	4	82	43
Chile.....	19	9	7	49	42
Colombia.....	6	17	39	86	25
East Germany.....	0	0	0	0	22
China.....	0	8	3	41	19
Korea.....	0	11	0	21	19
France.....	16	4	15	11	16
Belgium.....	0	0	10	0	12
All other.....	356	319	347	189	13
Total.....	2,818	2,837	6,189	6,756	7,609
GSP Total.....	830	904	1,166	4,235	4,032
Percent					
Mexico.....	11.4	16.5	12.8	55.5	48.8
Canada.....	53.9	54.3	73.6	33.0	43.6
Argentina.....	2.1	3.8	3.4	2.1	1.6
Venezuela.....	14.5	9.4	1.4	.6	1.1
Italy.....	.0	.0	.0	.8	.9
Sweden.....	3.8	1.3	1.8	.4	.6
Malaysia.....	.3	.7	.2	.5	.6
Japan.....	.0	1.0	.1	1.2	.6
Chile.....	.7	.3	.1	.7	.6
Colombia.....	.2	.6	.6	1.3	.3
East Germany.....	.0	.0	.0	.0	.3
China.....	.0	.3	1/	.6	.2
Korea.....	.0	.4	.0	.3	.2
France.....	.6	.1	.2	.2	.2
Belgium.....	.0	.0	.2	.0	.2
All other.....	12.6	11.2	5.6	2.8	.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	29.4	31.9	18.8	62.7	53.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 7314.20.00

WELDED STEEL WIRE GRILL, NETTING, AND FENCING

Welded Steel Wire Grill, Netting, and Fencing

I. Introduction

___ Addition to GSP x Removal from GSP ___ Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
7314.20.00	Welded steel wire grill netting, and fencing	5.7%	Yes

Description and uses.—Digest products are welded wire grill, netting, and fencing of iron and steel wire (including stainless and alloy steel) with a wire diameter of 3 mm or greater and a mesh size of 100 cm² or greater. Digest products may be coated with zinc, plastic (usually a pvc), or epoxy. There are numerous uses for digest products including animal enclosures, and masonry and concrete reinforcement in construction. Digest products are price sensitive fabricated wire products, which principally comprises fence panels, utility mesh, and concrete reinforcement mesh.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	*40 (²)	*40 (²)	*40 (²)	*40 (²)	*40 (²)
Employment (1,000 employees)					
Shipments (1,000 dollars)	**298,002	**307,235	**291,717	**260,019	**281,532
Exports (1,000 dollars)	1,259	1,490	1,551	5,360	2,506
Imports (1,000 dollars)	12,817	16,088	18,515	6,848	4,106
Consumption (1,000 dollars)	**309,560	**321,833	**308,681	**261,507	**283,132
Import-to-consumption ratio (percent) . . .	**4	**5	**6	**3	**1
Capacity utilization (percent)	(²)	(²)	(²)	(²)	(²)

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

²Not available.

Comment.—In general, fence panels represent the highest priced products in the digest whereas concrete reinforcement mesh is the lowest priced. The majority of shipments are made directly to contractors or through distributors for supply to construction companies and agricultural concerns (chiefly livestock) where the products are installed with little alteration. Competition in the industry is influenced by a number of factors, principally, the input (wire rod and wire) and coating (zinc, polyvinyl chloride, and epoxy) costs, quality, and availability; labor costs; and marketing capability. The U.S. industry has a competitive edge over its foreign competition in its channels of distribution and responsiveness to orders. Industry sources indicate that there is little or no difference between the U.S. industry and its foreign competitors with respect to the application of production technology and that similar equipment is used on a world-wide basis; however, several sources reported that faster and more automated equipment is used by the primary producer of digest products in Mexico. About one-quarter of the domestic producers make wire rod; the remainder purchase wire rod (from which wire is drawn) or drawn wire from domestic and foreign suppliers. Several domestic producers, including the petitioner, indicated that foreign suppliers benefit from government incentives to export digest products, and that such foreign products are priced competitively with U.S.-produced digest products, and are distributed by the same retailers and contractors as the domestic product.

Imports of steel products covered by the digest are subject to quantitative limitation under the system of Voluntary Restraint Agreements (VRA), although uncertainties exist as to the size and composition of the quotas because of the changeover to the Harmonized Tariff Schedule. Domestic consumers of construction products (such as concrete reinforcing mesh) are limited to some extent in their ability to purchase from offshore sources because of Federal and State domestic procurement programs; however, several industry sources have indicated that the country of origin markings on imported digest products are ineffective. The decline in imports from 1988 to 1989 is believed to reflect largely the reclassification of the subject wire grill, netting, and fencing products from a fairly broad basket category under the TSUSA to one more narrowly defined under the HTS and a decline in domestic construction activity, the largest end-user of digest products.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	4,106	100	-	**1
Imports from GSP countries:				
Total	768	19	100	** ⁽¹⁾
Mexico	746	18	97	** ⁽¹⁾
Venezuela	22	1	3	** ⁽¹⁾

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Imports from Mexico accounted for approximately 97 percent of all GSP imports of digest products in 1990, and have declined in value since 1987. Mesh for concrete reinforcement and fence panels are both imported from Mexico. Imports from Venezuela, the only other GSP supplier, are largely comprised of mesh for concrete reinforcement. Imports from both countries flow through many of the same distributor and retail store networks as does the domestic product. ***

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No

What is the price elasticity of U.S. demand? High x Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes x No

Does the country have significant export markets besides the
United States? Yes No x

Could exports from the country be readily redistributed among
its foreign export markets? Yes No x

What is the price elasticity of import supply? High Moderate x Low

Price level compared with—

U.S. products. Above Equivalent Below x

Other foreign products Above Equivalent x Below

Quality compared with—

U.S. products. Above Equivalent x Below

Other foreign products Above Equivalent x Below

Comment.—There is *** of digest products in Mexico, *** Mexico exported digest products only to the United States in 1988, according to information from the Mexican Customs Administration. Mexico competes with Venezuela and Canada, among other countries, in the U.S. market.

Mexico is reportedly the sole foreign supplier of fence panels to the U.S. market. *** According to industry sources *** sells directly to several retail hardware stores in the Southwest United States as well as to U.S. contractors and distributors.

*** possesses a competitive advantage in labor and capital costs in producing digest products, and industry sources note the quality of *** products is comparable to that of the domestic industry. Differences in price levels between the Mexican and domestic industries are accounted for by differences in the gage of wire comprising digest products and channels of distribution. The company reportedly utilizes a rod mill and mesh fabricating equipment that are faster and more automated than most U.S. operations. Because of *** location, transport costs and time to market are lower than for other foreign producers, and are comparable with U.S. producers. *** information about the U.S. market is comparable to that of domestic producers, and reportedly superior to that of other foreign suppliers for fence panels and concrete reinforcement mesh. *** is improving its delivery and has become a valid alternate source of supply to several companies in Texas.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No
 What is the price elasticity of U.S. demand? High x Moderate Low
 Can production in the country be easily expanded or contracted
 in the short term? Yes x No
 Does the country have significant export markets besides the
 United States? Yes No x
 Could exports from the country be readily redistributed among
 its foreign export markets? Yes No x
 What is the price elasticity of import supply? High Moderate x Low

Price level compared with—

U.S. products. Above Equivalent Below x
 Other foreign products Above Equivalent x Below

Quality compared with—

U.S. products. Above Equivalent x Below
 Other foreign products Above Equivalent x Below

Comment.—Domestic products are generally priced higher than imported material, reflecting in part the premium consumers are willing to pay for shorter delivery time and technical services, and heavier wire gages of the domestic product.

V. Position of interested parties

Petitioner.—The petitioner, Oklahoma Steel & Wire Co., is a private company operating two facilities in Oklahoma and Iowa that produce digest products as well as other types of fencing. The petitioner's position is that Mexico accounts for 100 percent of the imports of fence panels (part of the basket category under HTS 7314.20.00); that the Mexican industry is internationally competitive and should be graduated from GSP benefits (petitioner also contends that GSP eligibility has been withdrawn from similar products subject to similar competitive conditions); that the Mexican industry has apparently circumvented the VRA program; that the government of Mexico provides a bounty for the export of fence panels to the United States in the form of a rebate of VAT; that the government of Mexico maintains barriers to imports of digest products, chiefly fence panels, and allows the Mexican producers to price discriminate in the two markets; and, that the withdrawal of benefits under the GSP program and proposed free trade agreement should be used as leverage to provide U.S. exporters with equal access to the market in Mexico.

Support.—Affidavits in support of Oklahoma Steel's petition were attached to the petition and signed by officials of Keystone Steel & Wire Co. (Peoria, IL), Northwestern Steel and Wire Co. (Sterling, IL), Farmaster, Division of Behlen Mfg. Co (Columbus, NE), and Insteel Industries, Inc. (Mount Airy, NC). According to the petitioner, the remaining U.S. company producing fence panels does not oppose the petition. The four companies attest that Mexico is the only source of imports of welded steel wire fence panels into the United States, and that they support the withdrawal of GSP benefits on the article.

The American Wire Producers Association (AWPA) supports the withdrawal of GSP benefits. AWPA states that in the view of its membership the Mexican industry producing digest products is fully competitive with the industry in the United States.

Opposition.—Deacero, self-described as the sole producer and exporter of welded steel wire fence panels from Mexico opposes the petition. Respondent's position is: that the petition is deficient and that the petitioner is not representative of the domestic industry; that the U.S. industry is comprised of strong companies, is expanding sales volume, and is profitable; that the HTS item number is incorrect; that respondent's exports to the United States, which never represented more than 2.3 percent of the U.S. production of fence panels and were sold principally in only two states, have been declining and have recently ceased; that the company's sales in their home market have increased; that the respondent's exports of welded steel wire fence panels are based on the purchases of scrap from the United States which, in turn, benefit U.S. companies; that there has been no price suppression and price differences are attributable to differences in marketing channels; that removal of GSP benefits would adversely affect U.S. consumers of fence panels, chiefly farmers in south Texas.

VI. Summary of probable economic effects--Removal

* * * * *

Table I.

Digest Title: Welded steel wire grill, netting, and fencing
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	5,277	4,865	4,958	4,344	2,902
Mexico.....	1,351	3,382	2,413	1,564	746
China.....	545	1,291	3,024	107	115
Japan.....	165	173	156	322	110
West Germany.....	258	163	181	389	67
Spain.....	189	360	601	24	67
United Kingdom...	593	831	844	37	31
Venezuela.....	2,663	3,591	5,385	58	22
Korea.....	148	249	23	222	16
Switzerland.....	13	0	0	0	13
Netherlands.....	313	250	259	43	9
Sweden.....	117	11	0	0	4
Italy.....	0	25	36	0	2
Dominican Rep....	46	0	0	0	0
Brazil.....	13	0	5	0	0
All other.....	0	6	187	28	0
Total.....	12,817	16,088	18,515	6,848	4,106
GSP Total.....	4,155	7,055	7,832	1,625	768
Percent					
Canada.....	42.1	30.6	26.5	63.4	70.7
Mexico.....	10.8	21.3	12.9	22.8	18.2
China.....	4.3	8.1	16.2	1.6	2.8
Japan.....	1.3	1.1	.8	.5	2.7
West Germany.....	2.1	1.0	1.0	5.7	1.6
Spain.....	1.5	2.3	3.2	.4	1.6
United Kingdom...	4.7	5.2	4.5	.5	.8
Venezuela.....	21.3	22.6	28.8	.8	.5
Korea.....	1.2	1.6	.1	3.2	.4
Switzerland.....	.1	.0	.0	.0	.3
Netherlands.....	2.5	1.6	1.4	.6	.2
Sweden.....	.9	.1	.0	.0	.1
Italy.....	.0	.2	.2	.0	.1
Dominican Rep....	.4	.0	.0	.0	.0
Brazil.....	.1	.0	1/	.0	.0
All other.....	.0	1/	1.0	.4	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	32.8	44.1	41.9	23.7	18.7

1/ Less than \$500 or less than 0.05 percent.

Note.—Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
73142000Digest Title: Welded steel wire grill, netting, and fencing
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Philippines.....	7	1	8	11	502
Soviet Union.....	0	0	0	0	466
Canada.....	359	433	726	3,405	412
Mexico.....	129	69	121	81	168
Turkey.....	10	0	0	0	162
Cayman Is.....	3	27	17	32	66
Bahamas.....	38	43	71	139	65
Japan.....	10	15	16	64	61
Honduras.....	10	41	17	7	60
Netherlands Ant..	0	0	4	28	51
Dominican Rep....	2	5	4	9	50
Egypt.....	0	27	2	0	41
Iceland.....	49	56	0	2	30
Italy.....	22	17	41	4	30
Saudi Arabia.....	3	3	1	2	29
All other.....	617	752	522	1,578	312
Total.....	1,259	1,490	1,551	5,360	2,506
GSP Total.....	544	632	556	971	1,325
Percent					
Philippines.....	.6	.1	.5	.2	20.0
Soviet Union.....	.0	.0	.0	.0	18.6
Canada.....	28.5	29.1	46.8	63.5	16.4
Mexico.....	10.2	4.6	7.8	1.5	6.7
Turkey.....	.8	.0	.0	.0	6.5
Cayman Is.....	.2	1.8	1.1	.6	2.6
Bahamas.....	3.1	2.9	4.6	2.6	2.6
Japan.....	.8	1.0	1.1	1.2	2.4
Honduras.....	.8	2.8	1.1	.1	2.4
Netherlands Ant..	.0	.0	.3	.5	2.0
Dominican Rep....	.2	.4	.3	.2	2.0
Egypt.....	.0	1.8	.1	.0	1.6
Iceland.....	3.9	3.8	.0	1/	1.2
Italy.....	1.7	1.1	2.6	.1	1.2
Saudi Arabia.....	.3	.2	.1	1/	1.2
All other.....	49.0	50.5	33.6	29.4	12.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	43.2	42.4	35.8	18.1	52.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 7318.15.20

CERTAIN INDUSTRIAL FASTENERS OF IRON OR STEEL

Certain Industrial Fasteners of Iron or Steel¹

I. Introduction

x Addition to GSP ___ Removal from GSP ___ Competitive-need-limit waiver

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
7318.15.20	Bolts, and bolts and their nuts or washers imported in the same shipment	0.7%	Yes
7318.15.40	Machine screws of iron or steel, 9.5 mm or more in length and 3.2 mm or more in diameter	0.6% AVE	Yes
7318.15.60	Screws and bolts, having shanks or threads less than 6 mm in diameter	6.2%	Yes
7318.16.00	Nuts of iron or steel, threaded	0.2%	Yes

Description and uses.—This digest covers an assortment of fasteners of iron or steel, such as bolts, nuts, machine screws, and washers. These fasteners, which are produced to standard specifications in a wide variety of diameters and lengths, are primarily used to secure metal or similar pieces of material together.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	**15	**15	**15	**15	**15
Employment (1,000 employees).	**3	**3	**3	**3	**3
Shipments (million dollars).	**3,300	**3,700	**3,900	**3,865	**4,100
Exports (million dollars).	60	67	78	169	338
Imports (million dollars).	387	450	539	684	656
Consumption (million dollars).	**3,627	**4,083	**4,361	**4,380	**4,418
Import-to-consumption ratio (percent).	**11	**11	**12	**16	**15
Capacity utilization (percent).	**70	**70	**75	**75	**75

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—U.S. producers of industrial fasteners continue to maintain a competitive advantage in production technology, quality, and aftersale services. However, the relatively lower-priced products offered by the principal foreign suppliers (especially Japan and Taiwan) were largely responsible for the growth of imports in the U.S. market.

¹ This digest includes the following HTS subheadings: 7318.15.20, 7318.15.40, 7318.15.60, and 7318.16.00.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	655,966	100	-	**15
Imports from GSP countries:				
Total	20,693	3	100	**1
Mexico	6,389	1	31	** ⁽¹⁾
India	5,382	1	26	** ⁽¹⁾
Malaysia	3,223	1	16	** ⁽¹⁾
Brazil	2,562	⁽¹⁾	12	** ⁽¹⁾

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 11

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No

What is the price elasticity of U.S. demand? High x Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes x No

Does the country have significant export markets besides the
United States? Yes x No

Could exports from the country be readily redistributed among
its foreign export markets? Yes x No

What is the price elasticity of import supply? High x Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below x

Other foreign products Above Equivalent x Below

Quality compared with—

U.S. products. Above Equivalent Below x

Other foreign products Above Equivalent x Below

Comment.—The majority of Mexican producers of certain industrial fasteners of iron or steel lack the skilled labor force and manufacturing technology required to produce high-quality fasteners comparable to those manufactured in the United States. U.S. military and automotive engineers, commercial building contractors, and other principal consumers of these products alleged during Congressional hearings that a significant quantity of industrial fasteners imported from Mexico consist of fasteners that do not always meet specified fastener standards (American Society for Testing and Material (ASTM), American National Standards (ANSI), American Society for Mechanical Engineers, (ASME), etc.) and malfunction when used under stressful conditions. Given Mexico's advantage in labor costs, the price of industrial fasteners from that country is generally below comparable prices in the United States and most developed countries.

Competitiveness indicators for India for all digest products

Ranking as a U.S. import supplier, 1990. 12

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No

What is the price elasticity of U.S. demand? High x Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes x No

Does the country have significant export markets besides the
United States? Yes x No

Could exports from the country be readily redistributed among
its foreign export markets? Yes x No

What is the price elasticity of import supply? High x Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below x

Other foreign products Above Equivalent x Below

Quality compared with—

U.S. products. Above Equivalent Below x

Other foreign products Above Equivalent x Below

Comment.—Producers of certain industrial fasteners of iron or steel in India generally lack the skilled labor force and manufacturing technology required to produce high-quality fasteners comparable to those manufactured in the United States. Industrial fasteners from India have also been identified as malfunctioning under stress and not always conforming to ASTM, ANSI, and ASME standards. Because of India's advantage in labor costs, the price of industrial fasteners from that country is generally below comparable prices in the United States and most developed countries.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for Malaysia for all digest products

Ranking as a U.S. import supplier, 1990.	14
Price elasticity:	
Can the U.S. purchaser easily shift among this and other suppliers?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of U.S. demand?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Can production in the country be easily expanded or contracted in the short term?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Does the country have significant export markets besides the United States?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Could exports from the country be readily redistributed among its foreign export markets?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of import supply?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Price level compared with—	
U.S. products.	Above <input type="checkbox"/> Equivalent <input type="checkbox"/> Below <input checked="" type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Quality compared with—	
U.S. products.	Above <input type="checkbox"/> Equivalent <input type="checkbox"/> Below <input checked="" type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>

Comment.—Producers of certain industrial fasteners of iron or steel in Malaysia generally lack the skilled labor force and manufacturing technology required to produce high-quality fasteners comparable to those manufactured in the United States. Industrial fasteners from Malaysia have also been identified as malfunctioning under stress and not always conforming to ASTM, ANSI, and ASME standards. Given Malaysia's advantage in labor costs, the price of industrial fasteners from that country is generally below comparable prices in the United States and most developed countries.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:	
Can the U.S. purchaser easily shift among this and other suppliers?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of U.S. demand?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Can production in the country be easily expanded or contracted in the short term?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Does the country have significant export markets besides the United States?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Could exports from the country be readily redistributed among its foreign export markets?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
What is the price elasticity of import supply?	High <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Low <input type="checkbox"/>
Price level compared with—	
U.S. products.	Above <input type="checkbox"/> Equivalent <input type="checkbox"/> Below <input checked="" type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>
Quality compared with—	
U.S. products.	Above <input type="checkbox"/> Equivalent <input type="checkbox"/> Below <input checked="" type="checkbox"/>
Other foreign products	Above <input type="checkbox"/> Equivalent <input checked="" type="checkbox"/> Below <input type="checkbox"/>

Comment.—The majority of producers of certain industrial fasteners of iron or steel entitled to GSP lack the skilled labor force and manufacturing technology required to produce fasteners having quality comparable to fasteners manufactured in the United States. Industrial fasteners from all GSP countries have been identified as malfunctioning under stress and not always conforming to ASTM, ANSI, and ASME standards. Because producers in countries entitled to GSP generally maintain advantages in labor costs, the price of industrial fasteners from those countries is generally below comparable prices in the United States and most developed countries.

V. Position of interested parties

Opposition.—The Industrial Fasteners Institute opposes the petition to add certain bolts, nuts, and screws to the list of articles eligible for GSP treatment. Reportedly, the granting of GSP treatment to these imported products would further threaten the U.S. fastener industry which remains sensitive to import competition.

VI. Summary of probable economic effects--Addition

■ ■ ■ ■ ■ ■ ■ ■

Table I.

Digest Title: Certain industrial fasteners of iron and steel
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	154,578	160,035	189,951	244,837	239,331
Taiwan.....	95,180	129,641	155,538	210,743	197,728
Canada.....	65,821	67,924	71,035	79,933	73,258
Korea.....	16,186	19,871	27,215	33,159	27,906
China.....	5,244	15,148	22,197	28,102	22,004
West Germany.....	12,705	15,053	16,638	16,508	21,299
France.....	6,926	6,515	5,850	9,537	12,339
Italy.....	8,741	10,186	15,132	12,519	11,587
United Kingdom...	6,638	8,438	8,938	9,084	9,305
Netherlands.....	2,787	2,290	5,469	8,057	6,949
Mexico.....	946	1,926	3,288	5,663	6,389
India.....	2,697	2,735	4,099	5,087	5,382
Switzerland.....	1,725	2,220	2,719	3,488	5,097
Malaysia.....	2	34	3	233	3,223
Brazil.....	709	1,133	2,129	2,183	2,562
All other.....	5,707	6,582	9,121	14,452	11,607
Total.....	386,590	449,729	539,322	683,583	655,966
GSP Total.....	5,702	8,014	13,266	17,389	20,690
Percent					
Japan.....	40.0	35.6	35.2	35.8	36.5
Taiwan.....	24.6	28.8	28.8	30.8	30.1
Canada.....	17.0	15.1	13.2	11.7	11.2
Korea.....	4.2	4.4	5.0	4.9	4.3
China.....	1.4	3.4	4.1	4.1	3.4
West Germany.....	3.3	3.3	3.1	2.4	3.2
France.....	1.8	1.4	1.1	1.4	1.9
Italy.....	2.3	2.3	2.8	1.8	1.8
United Kingdom...	1.7	1.9	1.7	1.3	1.4
Netherlands.....	.7	.5	1.0	1.2	1.1
Mexico.....	.2	.4	.6	.8	1.0
India.....	.7	.6	.8	.7	.8
Switzerland.....	.4	.5	.5	.5	.8
Malaysia.....	1/	1/	1/	1/	.5
Brazil.....	.2	.3	.4	.3	.4
All other.....	1.5	1.5	1.7	2.1	1.8
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	1.5	1.8	2.5	2.5	3.2

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
73181520
MTS No.
73181520

Digest Title: Certain industrial fasteners of iron and metal
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	57,653	54,164	63,668	90,598	97,475
Taiwan.....	35,448	49,716	50,538	54,210	51,344
Canada.....	40,724	39,144	42,426	50,975	46,086
West Germany.....	6,457	7,520	7,365	7,423	10,464
Korea.....	8,302	10,146	12,717	12,379	7,670
United Kingdom...	4,545	5,780	5,985	6,109	6,265
Italy.....	4,600	5,492	8,257	6,518	6,139
China.....	244	1,653	2,672	4,161	5,918
Mexico.....	716	1,541	2,850	4,240	5,747
India.....	795	967	2,048	3,075	3,924
France.....	628	1,024	1,338	1,640	2,778
Switzerland.....	613	761	926	1,438	2,644
Brazil.....	209	737	1,286	1,170	1,145
Australia.....	611	513	838	748	1,122
Sweden.....	274	325	602	660	1,040
All other.....	2,011	2,475	2,731	5,326	3,874
Total.....	163,831	181,958	206,249	250,669	253,633
GSP Total.....	2,315	4,268	7,441	9,666	12,093
Percent					
Japan.....	35.2	29.8	30.9	36.1	38.4
Taiwan.....	21.6	27.3	24.5	21.6	20.2
Canada.....	24.9	21.5	20.6	20.3	18.2
West Germany.....	3.9	4.1	3.6	3.0	4.1
Korea.....	5.1	5.6	6.2	4.9	3.0
United Kingdom...	2.8	3.2	2.9	2.4	2.5
Italy.....	2.8	3.0	4.0	2.6	2.4
China.....	.1	.9	1.3	1.7	2.3
Mexico.....	.4	.8	1.4	1.7	2.3
India.....	.5	.5	1.0	1.2	1.5
France.....	.4	.6	.6	.7	1.1
Switzerland.....	.4	.4	.4	.6	1.0
Brazil.....	.1	.4	.6	.5	.5
Australia.....	.4	.3	.4	.3	.4
Sweden.....	.2	.2	.3	.3	.4
All other.....	1.2	1.4	1.3	2.1	1.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	1.4	2.3	3.6	3.9	4.8

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
73181520
HTS No.
73181540

Digest Title: Certain industrial fasteners of iron and metal
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Taiwan.....	10,786	17,099	19,514	20,482	18,980
Japan.....	13,004	11,844	13,159	12,167	11,001
China.....	2,098	4,942	5,260	4,845	4,209
Italy.....	1,018	1,413	1,851	1,769	1,397
Korea.....	744	1,252	959	547	811
Switzerland.....	339	384	462	656	677
West Germany.....	844	1,200	1,005	342	572
Canada.....	1,726	2,478	2,938	489	528
Brazil.....	173	103	304	213	228
France.....	51	58	138	146	148
Mexico.....	19	26	69	23	143
Hong Kong.....	207	154	173	287	108
Yugoslavia.....	146	167	270	88	102
Netherlands.....	25	18	69	70	98
United Kingdom...	58	88	43	134	97
All other.....	190	274	230	187	149
Total.....	31,426	41,500	46,445	42,444	39,249
GSP Total.....	381	455	720	346	502
Percent					
Taiwan.....	34.3	41.2	42.0	48.3	48.4
Japan.....	41.4	28.5	28.3	28.7	28.0
China.....	6.7	11.9	11.3	11.4	10.7
Italy.....	3.2	3.4	4.0	4.2	3.6
Korea.....	2.4	3.0	2.1	1.3	2.1
Switzerland.....	1.1	.9	1.0	1.5	1.7
West Germany.....	2.7	2.9	2.2	.8	1.5
Canada.....	5.5	6.0	6.3	1.2	1.3
Brazil.....	.5	.2	.7	.5	.6
France.....	.2	.1	.3	.3	.4
Mexico.....	.1	.1	.1	.1	.4
Hong Kong.....	.7	.4	.4	.7	.3
Yugoslavia.....	.5	.4	.6	.2	.3
Netherlands.....	.1	1/	.1	.2	.2
United Kingdom...	.2	.2	.1	.3	.2
All other.....	.6	.7	.5	.4	.4
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	1.2	1.1	1.5	.8	1.3

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
73181520
HTS No.
73181560

Digest Title: Certain industrial fasteners of iron and metal
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Taiwan.....	806	1,663	2,902	42,945	39,879
Japan.....	2,450	3,055	3,380	45,270	35,361
Korea.....	304	383	499	8,665	10,328
West Germany.....	278	365	452	1,713	2,991
Canada.....	2,968	4,072	5,051	2,586	2,316
France.....	48	12	26	669	1,364
Switzerland.....	81	83	185	807	994
Italy.....	287	422	838	697	898
China.....	0	139	81	1,294	836
Brazil.....	92	179	264	443	506
Hong Kong.....	12	3	35	654	462
Austria.....	0	1	22	273	452
United Kingdom...	37	67	508	512	425
Singapore.....	0	4	2	721	318
Ireland.....	16	39	406	240	315
All other.....	127	105	228	1,210	568
Total.....	7,505	10,591	14,879	108,700	98,015
GSP Total.....	161	232	388	661	797
Percent					
Taiwan.....	10.7	15.7	19.5	39.5	40.7
Japan.....	32.6	28.8	22.7	41.6	36.1
Korea.....	4.1	3.6	3.4	8.0	10.5
West Germany.....	3.7	3.4	3.0	1.6	3.1
Canada.....	39.5	38.4	33.9	2.4	2.4
France.....	.6	.1	.2	.6	1.4
Switzerland.....	1.1	.8	1.2	.7	1.0
Italy.....	3.8	4.0	5.6	.6	.9
China.....	.0	1.3	.5	1.2	.9
Brazil.....	1.2	1.7	1.8	.4	.5
Hong Kong.....	.2	1/	.2	.6	.5
Austria.....	.0	1/	.1	.3	.5
United Kingdom...	.5	.6	3.4	.5	.4
Singapore.....	.0	1/	1/	.7	.3
Ireland.....	.2	.4	2.7	.2	.3
All other.....	1.7	1.0	1.5	1.1	.6
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	2.1	2.2	2.6	.6	.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
73181520
HTS No.
73181600

Digest Title: Certain industrial fasteners of iron and metal
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	81,472	90,971	109,744	96,802	95,494
Taiwan.....	48,140	61,163	82,584	93,107	87,525
Canada.....	20,403	22,230	20,620	25,883	24,328
China.....	2,903	8,414	14,184	17,802	11,041
Korea.....	6,837	8,090	13,039	11,569	9,096
France.....	6,199	5,421	4,348	7,082	8,049
West Germany.....	5,126	5,968	7,816	7,031	7,273
Netherlands.....	2,336	1,720	4,820	6,421	5,905
Malaysia.....	2	34	0	182	3,185
Italy.....	2,835	2,858	4,186	3,536	3,153
United Kingdom...	1,999	2,504	2,401	2,330	2,518
India.....	1,892	1,731	2,049	2,012	1,405
Switzerland.....	693	991	1,145	587	782
Brazil.....	235	114	275	356	682
Israel.....	111	113	557	979	615
All other.....	2,647	3,358	3,980	6,094	4,017
Total.....	183,829	215,680	271,749	281,771	265,068
GSP Total.....	2,845	3,060	4,717	6,716	7,298
Percent					
Japan.....	44.3	42.2	40.4	34.4	36.0
Taiwan.....	26.2	28.4	30.4	33.0	33.0
Canada.....	11.1	10.3	7.6	9.2	9.2
China.....	1.6	3.9	5.2	6.3	4.2
Korea.....	3.7	3.8	4.8	4.1	3.4
France.....	3.4	2.5	1.6	2.5	3.0
West Germany.....	2.8	2.8	2.9	2.5	2.7
Netherlands.....	1.3	.8	1.8	2.3	2.2
Malaysia.....	1/	1/	.0	.1	1.2
Italy.....	1.5	1.3	1.5	1.3	1.2
United Kingdom...	1.1	1.2	.9	.8	.9
India.....	1.0	.8	.8	.7	.5
Switzerland.....	.4	.5	.4	.2	.3
Brazil.....	.1	.1	.1	.1	.3
Israel.....	.1	.1	.2	.3	.2
All other.....	1.4	1.6	1.5	2.2	1.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	1.5	1.4	1.7	2.4	2.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
73181520Digest Title: Certain industrial fasteners of iron and steel
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	29,307	32,800	39,904	60,143	218,017
Mexico.....	5,030	7,043	9,188	30,530	38,115
United Kingdom...	6,860	8,656	9,120	20,535	18,604
Japan.....	3,366	2,901	1,575	7,156	8,236
West Germany.....	2,519	2,960	3,241	4,918	7,998
France.....	2,637	2,046	2,252	8,831	5,942
Singapore.....	375	650	805	2,913	4,879
Korea.....	618	458	375	3,416	4,553
Switzerland.....	645	884	756	1,537	2,894
Italy.....	802	720	1,363	1,799	2,192
Sweden.....	1,069	553	972	1,547	2,107
Netherlands.....	521	805	1,350	2,684	2,074
Israel.....	378	193	282	1,806	1,655
Ireland.....	257	187	155	1,192	1,545
Australia.....	844	716	828	2,100	1,507
All other.....	4,807	5,098	5,728	17,603	17,601
Total.....	60,036	66,669	77,895	168,710	337,919
GSP Total.....	8,143	9,510	12,038	42,562	49,622
Percent					
Canada.....	48.8	49.2	51.2	35.6	64.5
Mexico.....	8.4	10.6	11.8	18.1	11.3
United Kingdom...	11.4	13.0	11.7	12.2	5.5
Japan.....	5.6	4.4	2.0	4.2	2.4
West Germany.....	4.2	4.4	4.2	2.9	2.4
France.....	4.4	3.1	2.9	5.2	1.8
Singapore.....	.6	1.0	1.0	1.7	1.4
Korea.....	1.0	.7	.5	2.0	1.3
Switzerland.....	1.1	1.3	1.0	.9	.9
Italy.....	1.3	1.1	1.7	1.1	.6
Sweden.....	1.8	.8	1.2	.9	.6
Netherlands.....	.9	1.2	1.7	1.6	.6
Israel.....	.6	.3	.4	1.1	.5
Ireland.....	.4	.3	.2	.7	.5
Australia.....	1.4	1.1	1.1	1.2	.4
All other.....	8.0	7.6	7.4	10.4	5.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	13.6	14.3	15.5	25.2	14.7

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 7320.10.00

CERTAIN MISCELLANEOUS PRODUCTS OF BASE METAL

Certain Miscellaneous Products of Base Metal¹

I. Introduction

 Addition to GSP x Removal from GSP x Competitive-need-limit waiver Mexico²

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
7320.10.00	Leaf springs and leaves thereof of iron or steel	4%	Yes
7321.11.30	Stoves or ranges (other than portable) of iron or steel	4.2%	Yes

Description and uses.—The miscellaneous products of base metal covered in this digest include leaf springs and leaves of springs of iron or steel and stoves or ranges using gas or other fuels. Leaf springs and leaves for springs are used primarily for motor vehicle suspension; stoves or ranges are used for heating or cooking purposes.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	**20	**20	**20	**20	**20
Employment (1,000 employees)	**16	**16	**16	**16	**16
Shipments (million dollars)	**664	**736	**759	**743	**757
Exports (million dollars)	7	11	16	34	35
Imports (million dollars)	207	231	217	116	158
Consumption (million dollars)	**864	**956	**960	**825	**880
Import-to-consumption ratio (percent)	**24	**24	**23	**14	**18
Capacity utilization (percent)	**75	**75	**75	**75	**75

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—The competitive edge maintained by U.S. producers of products covered in this digest is largely the result of advantages in production technology, historical customer relationships, and aftersale services. In 1990, U.S. shipments of stoves or ranges accounted for approximately *** percent of total shipments of all products included in this digest. The number of workers manufacturing these products represented about *** of total digest employment.

¹ This digest includes the following HTS subheadings: 7320.10.00 and 7321.11.30.

² Waiver of competitive-need-limits for Mexico requested only with respect to HTS subheading 7321.11.30.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	158,282	100	-	**18
Imports from GSP countries:				
Total	53,636	34	100	**6
Mexico	42,314	27	79	**5
Brazil	3,697	2	7	** ⁽¹⁾
Venezuela	2,591	2	5	** ⁽¹⁾
Argentina	2,123	1	4	** ⁽¹⁾

¹ Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Approximately 80 percent of total imports consist of leaf springs and leaves thereof covered under HTS 7320.10.00.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.—U.S. producers of certain leaf springs and stoves or ranges provide manufacturing technology to their affiliated operations in Mexico. Therefore, the quality of these products from Mexico is generally comparable to products manufactured in the United States and other developed countries.

Competitiveness indicators for Brazil for all digest products

Ranking as a U.S. import supplier, 1990. 7

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Comment.—Given Brazil's significant advantage in labor costs, the price of leaf springs and stoves or ranges from that country are generally below comparable prices in the United States and other developed countries. Since the technology used to manufacture these products in Brazil is generally lagging that used in most developed countries, the quality of these products from Brazil tends to be inferior.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for Venezuela for all digest products

Ranking as a U.S. import supplier, 1990. 8

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Comment.—Venezuela's labor costs are considerably lower than such costs in the United States and developed countries. Consequently, the price of leaf springs and stoves or ranges from that country are generally below comparable prices in the United States and other developed countries. In addition, the technology used to manufacture these products in Venezuela is generally lagging that used in most developed countries, hence, the quality of these products from Venezuela is generally below that in developed countries.

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Comment.—With the exception of Mexico, the price and quality of imports of leaf springs and stoves or ranges from GSP countries are usually below that of the United States and other developed countries.

V. Position of interested parties

Petitioner.—General Electric Company and Controladora Mabe, S.A. de C.V., requested that the President grant a waiver of the competitive-need limits for gas cooking ranges from Mexico provided under HTS subheading 7321.11.30. Allegedly, by granting a waiver the U.S. government would support the continued viability of a substantial Mexican operation that has a beneficial impact on both domestic economic interest and Mexican interest.

The Magic Chef Company, a company within the Maytag Corporation, petitioned for removal of GSP benefits with respect to gas cooking ranges from Mexico, alleging that even with a 4.2 percent ad valorem duty on these imported products, it will be difficult for some of the smaller U.S. producers to stay in business in face of General Electric's imports. Magic Chef also opposes a waiver of the competitive-need limits with respect to gas ranges from Mexico.

Support.—United States Senator Jim Sasser supports the petition filed by the Magic Chef Company to remove gas cooking ranges imported from Mexico from the GSP. Senator Sasser also supports Magic Chef's opposition to the petition filed by General Electric, requesting a waiver of the competitive-need limits with respect to gas cooking ranges from Mexico.

Steve D. Bivens, from the Tennessee House of Representatives, requests restoration of the current 4.2 percent ad valorem duty on imports of gas cooking ranges from Mexico. According to Representative Bivens, imposition of the duty is necessary if Magic Chef is to remain competitive in Tennessee and the United States.

Amana Refrigeration, Inc., requests a revocation of any preferential duty treatment on gas ranges from Mexico. According to Amana, imports from Mexico account for over 75 percent of total U.S. imports of gas ranges.

Opposition.—Rassini S.A. de C.V. and Rassini International (Rassini) opposes the removal of leaf springs and leaves of springs from GSP eligibility. According to Rassini, imports of these products from Mexico have accounted for a declining share of total U.S. imports since they exceeded the competitive-need limits in 1982.

VI. Summary of probable economic effects--Removal

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VI. Summary of probable economic effects--Competitive-need-limit waiver (Mexico)

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Table I.

Digest No.
73201000Digest Title: Certain miscellaneous products of base metal
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	129,185	143,580	136,809	38,635	63,402
Mexico.....	28,718	27,015	30,414	31,775	42,314
West Germany.....	16,941	27,112	16,778	11,105	13,868
Japan.....	16,973	19,894	16,434	15,241	10,949
United Kingdom...	698	636	1,304	2,641	8,348
Ireland.....	0	80	15	263	5,137
Brazil.....	1,011	1,136	1,960	3,619	3,697
Venezuela.....	1,647	1,173	1,557	1,721	2,591
Argentina.....	563	822	1,687	3,697	2,123
India.....	137	296	247	960	1,537
China.....	269	252	343	2,528	1,133
Thailand.....	950	1,559	1,232	797	979
Rep So Africa....	1,328	1,287	869	557	442
Korea.....	2,037	1,521	2,382	1,389	411
Taiwan.....	1,583	1,276	1,098	349	378
All other.....	5,046	3,532	3,686	1,071	976
Total.....	207,085	231,170	216,815	116,346	158,282
GSP Total.....	34,059	32,761	37,882	42,829	53,636
Percent					
Canada.....	62.4	62.1	63.1	33.2	40.1
Mexico.....	13.9	11.7	14.0	27.3	26.7
West Germany.....	8.2	11.7	7.7	9.5	8.8
Japan.....	8.2	8.6	7.6	13.1	6.9
United Kingdom...	.3	.3	.6	2.3	5.3
Ireland.....	.0	1/	1/	.2	3.2
Brazil.....	.5	.5	.9	3.1	2.3
Venezuela.....	.8	.5	.7	1.5	1.6
Argentina.....	.3	.4	.8	3.2	1.3
India.....	.1	.1	.1	.8	1.0
China.....	.1	.1	.2	2.2	.7
Thailand.....	.5	.7	.6	.7	.6
Rep So Africa....	.6	.6	.4	.5	.3
Korea.....	1.0	.7	1.1	1.2	.3
Taiwan.....	.8	.6	.5	.3	.2
All other.....	2.4	1.5	1.7	.9	.6
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	16.4	14.2	17.5	36.8	33.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.

73201000

HTS No.

73201000

Digest Title: Certain miscellaneous products of base metal
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	127,791	141,221	134,205	37,058	62,413
Mexico.....	28,693	26,885	29,764	31,073	25,812
West Germany.....	16,732	26,549	16,309	11,104	13,862
Japan.....	16,817	19,769	16,234	15,139	10,930
Venezuela.....	1,423	890	1,371	1,366	2,218
Argentina.....	563	822	1,685	3,697	2,076
Brazil.....	838	807	1,484	2,225	1,820
India.....	137	295	247	960	1,537
China.....	263	244	302	2,528	1,133
Thailand.....	950	1,558	1,232	794	979
Rep So Africa....	1,328	1,287	869	557	442
Korea.....	2,016	1,465	2,300	1,389	406
United Kingdom...	516	405	830	87	201
Taiwan.....	1,409	901	821	285	157
Yugoslavia.....	570	486	558	2	100
All other.....	3,947	2,384	2,248	693	332
Total.....	203,993	225,969	210,457	108,957	124,417
GSP Total.....	33,635	31,984	36,524	40,223	34,611
Percent					
Canada.....	62.6	62.5	63.8	34.0	50.2
Mexico.....	14.1	11.9	14.1	28.5	20.7
West Germany.....	8.2	11.7	7.7	10.2	11.1
Japan.....	8.2	8.7	7.7	13.9	8.8
Venezuela.....	.7	.4	.7	1.3	1.8
Argentina.....	.3	.4	.8	3.4	1.7
Brazil.....	.4	.4	.7	2.0	1.5
India.....	.1	.1	.1	.9	1.2
China.....	.1	.1	.1	2.3	.9
Thailand.....	.5	.7	.6	.7	.8
Rep So Africa....	.7	.6	.4	.5	.4
Korea.....	1.0	.6	1.1	1.3	.3
United Kingdom...	.3	.2	.4	.1	.2
Taiwan.....	.7	.4	.4	.3	.1
Yugoslavia.....	.3	.2	.3	1/	.1
All other.....	1.9	1.1	1.1	.6	.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	16.5	14.2	17.4	36.9	27.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
73201000
HTS No.
73211130

Digest Title: Certain miscellaneous products of base metal
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	25	130	650	702	16,502
United Kingdom...	182	231	473	2,554	8,147
Ireland.....	0	80	15	263	5,137
Brazil.....	173	329	476	1,394	1,876
Canada.....	1,394	2,359	2,604	1,576	989
Venezuela.....	224	283	186	354	373
Colombia.....	1	28	28	153	227
Taiwan.....	174	375	277	65	221
France.....	239	208	135	82	149
Denmark.....	2	4	18	118	101
Argentina.....	0	0	3	0	47
Belgium.....	2	6	9	0	35
Australia.....	50	3	1	0	27
Japan.....	156	124	200	102	19
West Germany.....	209	563	469	1	5
All other.....	262	479	813	25	10
Total.....	3,092	5,201	6,358	7,389	33,865
GSP Total.....	424	777	1,359	2,606	19,025
Percent					
Mexico.....	.8	2.5	10.2	9.5	48.7
United Kingdom...	5.9	4.4	7.4	34.6	24.1
Ireland.....	.0	1.5	.2	3.6	15.2
Brazil.....	5.6	6.3	7.5	18.9	5.5
Canada.....	45.1	45.4	41.0	21.3	2.9
Venezuela.....	7.2	5.4	2.9	4.8	1.1
Colombia.....	1/	.5	.4	2.1	.7
Taiwan.....	5.6	7.2	4.4	.9	.7
France.....	7.7	4.0	2.1	1.1	.4
Denmark.....	.1	.1	.3	1.6	.3
Argentina.....	.0	.0	1/	.0	.1
Belgium.....	.1	.1	.1	.0	.1
Australia.....	1.6	.1	1/	.0	.1
Japan.....	5.0	2.4	3.2	1.4	.1
West Germany.....	6.8	10.8	7.4	1/	1/
All other.....	8.5	9.2	12.8	.3	1/
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	13.7	14.9	21.4	35.3	56.2

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
73201000Digest Title: Certain miscellaneous products of base metal
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	2,564	4,103	8,039	23,525	26,984
United Kingdom...	845	2,977	3,244	1,898	1,285
Mexico.....	163	76	361	1,167	1,180
Korea.....	69	132	329	1,309	929
Australia.....	442	361	194	577	465
Japan.....	286	366	616	499	457
Portugal.....	0	0	6	0	296
Saudi Arabia.....	201	238	337	342	263
Panama.....	50	114	47	124	238
Singapore.....	112	128	155	328	211
West Germany.....	129	194	260	1,160	178
Ireland.....	213	189	413	133	147
Austria.....	5	2	2	2	125
Israel.....	29	45	26	103	117
France.....	322	102	147	38	110
All other.....	1,615	1,869	1,705	3,079	2,003
Total.....	7,046	10,895	15,881	34,285	34,988
GSP Total.....	1,212	1,252	1,237	2,837	2,689
Percent					
Canada.....	36.4	37.7	50.6	68.6	77.1
United Kingdom...	12.0	27.3	20.4	5.5	3.7
Mexico.....	2.3	.7	2.3	3.4	3.4
Korea.....	1.0	1.2	2.1	3.8	2.7
Australia.....	6.3	3.3	1.2	1.7	1.3
Japan.....	4.1	3.4	3.9	1.5	1.3
Portugal.....	.0	.0	1/	.0	.8
Saudi Arabia.....	2.9	2.2	2.1	1.0	.8
Panama.....	.7	1.0	.3	.4	.7
Singapore.....	1.6	1.2	1.0	1.0	.6
West Germany.....	1.8	1.8	1.6	3.4	.5
Ireland.....	3.0	1.7	2.6	.4	.4
Austria.....	.1	1/	1/	1/	.4
Israel.....	.4	.4	.2	.3	.3
France.....	4.6	.9	.9	.1	.3
All other.....	22.9	17.2	10.7	9.0	5.7
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	17.2	11.5	7.8	8.3	7.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 8301.40.60
CERTAIN LOCKS OF BASE METAL

Certain Locks of Base Metal

I. Introduction

___ Addition to GSP ___ Removal from GSP x Competitive-need-limit waiver Mexico

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
8301.40.60	Locks of base metal, other than padlocks, luggage locks, or locks used for motor vehicles or furniture	5.7%	Yes

Description and uses.—Certain locks of base metal includes door locks, locksets, and other locks suitable for use with interior or exterior doors (except garage, over-head, or sliding doors). The principal raw materials used in the production of these locks are zinc and copper, however, certain atmospheric conditions may require the use of stainless steel or other metals.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	**5	**5	**5	**5	**4
Employment (1,000 employees).	**3	**3	**3	**2	**2
Shipments (1,000 dollars).	**700,000	**720,000	**730,000	**715,000	**725,000
Exports (1,000 dollars).	40,725	57,229	66,287	51,894	67,981
Imports (1,000 dollars).	107,237	133,076	148,806	191,755	201,621
Consumption (1,000 dollars).	**766,512	**793,847	**812,519	**854,861	**858,640
Import-to-consumption ratio (percent).	**14	**17	**18	**22	**23
Capacity utilization (percent).	**75	**75	**75	**75	**75

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—Although U.S. producers of certain locks of base metal maintain advantages in product quality and technology, U.S. imports from major foreign suppliers have increased significantly during the last five years largely due to their relatively inexpensive prices.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	201,621	100	-	**23
Imports from GSP countries:				
Total	88,940	44	100	**10
Mexico	83,679	42	94	**10
Thailand	2,696	1	3	** ⁽¹⁾
Brazil	1,747	1	2	** ⁽¹⁾

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

Comment.—Several major U.S. producers of certain locks of base metal have established facilities in Mexico (Maquiladora operations) where locks are partially assembled and then reshipped to the United States for assembly into final products.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Comment.—Several U.S. producers of certain locks of base metal provide manufacturing technology to their affiliated lock operations in Mexico. Therefore, the quality of locks imported from those operations is generally comparable to locks produced in the United States. On an aggregate basis, however, the quality of locks from Mexico is somewhat inferior to locks produced in the United States.

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects—Competitive-need-limit waiver (Mexico)

★ ★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
83014060Digest Title: Certain locks of base metal
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	35,459	49,104	51,703	78,485	83,679
Taiwan.....	40,827	48,044	49,473	55,748	56,290
China.....	172	299	6,348	8,391	13,828
Canada.....	7,695	7,551	7,316	12,428	10,333
Spain.....	3,784	4,043	6,903	8,422	9,368
Korea.....	3,596	4,449	6,070	7,694	7,628
Hong Kong.....	4,876	6,312	6,977	4,294	3,319
Japan.....	4,013	5,278	4,488	4,536	3,015
Thailand.....	150	583	751	1,107	2,696
West Germany.....	863	1,544	1,439	1,617	2,097
United Kingdom...	1,653	2,007	2,193	1,419	1,820
Brazil.....	564	671	1,141	1,214	1,747
Italy.....	748	737	1,040	2,336	1,524
France.....	297	317	447	1,380	791
Portugal.....	118	169	306	366	593
All other.....	2,421	1,966	2,210	2,316	2,893
Total.....	107,237	133,076	148,806	191,755	201,621
GSP Total.....	36,589	50,722	53,921	81,188	88,950
Percent					
Mexico.....	33.1	36.9	34.7	40.9	41.5
Taiwan.....	38.1	36.1	33.2	29.1	27.9
China.....	.2	.2	4.3	4.4	6.9
Canada.....	7.2	5.7	4.9	6.5	5.1
Spain.....	3.5	3.0	4.6	4.4	4.6
Korea.....	3.4	3.3	4.1	4.0	3.8
Hong Kong.....	4.5	4.7	4.7	2.2	1.6
Japan.....	3.7	4.0	3.0	2.4	1.5
Thailand.....	.1	.4	.5	.6	1.3
West Germany.....	.8	1.2	1.0	.8	1.0
United Kingdom...	1.5	1.5	1.5	.7	.9
Brazil.....	.5	.5	.8	.6	.9
Italy.....	.7	.6	.7	1.2	.8
France.....	.3	.2	.3	.7	.4
Portugal.....	.1	.1	.2	.2	.3
All other.....	2.3	1.5	1.5	1.2	1.4
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	34.1	38.1	36.2	42.3	44.1

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest Title: Certain locks of base metal
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	13,655	21,476	19,336	16,738	22,621
Mexico.....	12,698	20,179	26,232	3,564	5,992
United Kingdom...	1,907	2,019	2,976	3,813	4,634
Thailand.....	346	317	981	1,124	3,581
Taiwan.....	440	344	943	614	2,949
Japan.....	301	275	1,148	2,290	2,548
Italy.....	429	390	830	1,779	2,270
Aruba.....	73	102	32	2,134	2,212
Hong Kong.....	432	827	1,099	1,914	2,126
Netherlands.....	410	541	444	1,145	1,667
West Germany.....	422	438	719	993	1,208
Korea.....	918	1,268	1,490	1,287	1,208
France.....	122	115	240	851	1,032
Guatemala.....	93	67	205	103	1,031
Australia.....	940	1,144	1,930	1,195	973
All other.....	7,541	7,726	7,683	12,352	11,929
Total.....	40,725	57,229	66,287	51,894	67,981
GSP Total.....	15,974	23,755	30,925	12,561	18,676
Percent					
Canada.....	33.5	37.5	29.2	32.3	33.3
Mexico.....	31.2	35.3	39.6	6.9	8.8
United Kingdom...	4.7	3.5	4.5	7.3	6.8
Thailand.....	.8	.6	1.5	2.2	5.3
Taiwan.....	1.1	.6	1.4	1.2	4.3
Japan.....	.7	.5	1.7	4.4	3.7
Italy.....	1.1	.7	1.3	3.4	3.3
Aruba.....	.2	.2	1/	4.1	3.3
Hong Kong.....	1.1	1.4	1.7	3.7	3.1
Netherlands.....	1.0	.9	.7	2.2	2.5
West Germany.....	1.0	.8	1.1	1.9	1.8
Korea.....	2.3	2.2	2.2	2.5	1.8
France.....	.3	.2	.4	1.6	1.5
Guatemala.....	.2	.1	.3	.2	1.5
Australia.....	2.3	2.0	2.9	2.3	1.4
All other.....	18.5	13.5	11.6	23.8	17.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	39.2	41.5	46.7	24.2	27.5

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 8407.34.20.80

CERTAIN SPARK-IGNITION INTERNAL COMBUSTION ENGINES

Certain Spark-ignition Internal Combustion Engines

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Brazil

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
8407.34.20.80 ¹	Certain spark-ignition internal combustion engines	3.1%	Yes

¹Brazil has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 8407.34.20.

Description and uses.—These are spark-ignition reciprocating or rotary internal combustion piston engines, of a cylinder capacity exceeding 1,000 cc, for installation in road tractors and semi-trailers, public transport-type passenger motor vehicles, motor cars and other motor vehicles principally designed for the transport of persons, and motor vehicles for the transport of goods. Used and rebuilt engines are not included here. These engines generally are comprised of cylinders, pistons, connecting-rods, crank shafts, flywheels, and inlet and exhaust valves. They make use of the expansion force of a charge of flammable gas or vapor burned inside a combustion chamber.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	23	22	22	22	21
Employment (1,000 employees).	54	54	54	54	53
Shipments (1,000 dollars)	**5,137,700	**5,085,000	**5,186,700	**5,409,700	**5,418,000
Exports (1,000 dollars)	624,600	524,369	561,798	447,646	936,860
Imports (1,000 dollars)	2,100,754	2,313,137	2,415,748	1,481,888	2,244,647
Consumption (1,000 dollars)	**6,613,854	**6,873,768	**7,040,650	**6,443,942	**6,725,787
Import-to-consumption ratio (percent)	**32	**34	**34	**23	**33
Capacity utilization (percent).	74	72	72	72	71

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—Most U.S. automakers produce their own engines, either in the United States or in foreign subsidiaries. Therefore, brand loyalty plays a significant role in the U.S. engine market. Through foreign subsidiaries, especially in GSP countries, U.S. automakers often benefit from lower costs of production. It is reported that currently, GM and Ford are the only manufacturers that import passenger car engines from Brazil into the United States. GM's imports reportedly considerably outpace Ford's. GM and Ford import these engines from their Brazilian subsidiaries. Generally, U.S. engine manufacturers have an advantage over imported engines in terms of quality, brand loyalty, and technology.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	2,244,647	100	-	**33
Imports from GSP countries:				
Total	308,488	14	100	**5
Mexico	307,038	14	100	**5
Brazil	1,094	(1)	(1)	** ⁽¹⁾
Mozambique	347	(1)	(1)	** ⁽¹⁾

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Brazil for all digest products

Ranking as a U.S. import supplier, 1990. 7

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☐ No ☒

What is the price elasticity of U.S. demand? High ☐ Moderate ☒ Low ☐

Can production in the country be easily expanded or contracted
in the short term? Yes ☒ No ☐

Does the country have significant export markets besides the
United States? Yes ☐ No ☒

Could exports from the country be readily redistributed among
its foreign export markets? Yes ☐ No ☒

What is the price elasticity of import supply? High ☒ Moderate ☐ Low ☐

Price level compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

Quality compared with—

U.S. products. Above ☐ Equivalent ☒ Below ☐

Other foreign products Above ☐ Equivalent ☒ Below ☐

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects—Competitive-need-limit waiver (Brazil)

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Table I.

Digest No.
8407342080Digest Title: Certain spark-ignition internal combustion engines
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	958,799	1,136,858	1,344,717	691,885	1,222,309
West Germany.....	317,087	375,085	416,585	286,845	542,860
Mexico.....	573,640	598,695	486,010	330,336	307,038
Japan.....	118,692	151,583	127,725	160,292	158,970
France.....	8,626	3,565	3,703	920	4,856
United Kingdom...	1,751	3,281	3,929	6,094	4,813
Brazil.....	103,976	37,939	27,160	4,796	1,094
Spain.....	14	60	1,357	112	611
Denmark.....	0	1	37	0	515
Mozambique.....	0	287	0	0	347
Korea.....	145	57	135	328	270
Netherlands.....	5,390	2,700	1,498	2	251
Sweden.....	645	680	650	153	235
Luxembourg.....	0	0	3	12	187
Italy.....	11,870	2,154	2,005	53	133
All other.....	119	192	235	61	159
Total.....	2,100,754	2,313,137	2,415,748	1,481,888	2,244,647
GSP Total.....	677,616	637,004	513,299	335,141	308,488
Percent					
Canada.....	45.6	49.1	55.7	46.7	54.5
West Germany.....	15.1	16.2	17.2	19.4	24.2
Mexico.....	27.3	25.9	20.1	22.3	13.7
Japan.....	5.6	6.6	5.3	10.8	7.1
France.....	.4	.2	.2	.1	.2
United Kingdom...	.1	.1	.2	.4	.2
Brazil.....	4.9	1.6	1.1	.3	1/
Spain.....	1/	1/	.1	1/	1/
Denmark.....	.0	1/	1/	.0	1/
Mozambique.....	.0	1/	.0	.0	1/
Korea.....	1/	1/	1/	1/	1/
Netherlands.....	.3	.1	.1	1/	1/
Sweden.....	1/	1/	1/	1/	1/
Luxembourg.....	.0	.0	1/	1/	1/
Italy.....	.6	.1	.1	1/	1/
All other.....	1/	1/	1/	1/	1/
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	32.3	27.5	21.2	22.6	13.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
8407342080Digest Title: Certain spark-ignition internal combustion engines
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	610,018	508,102	504,645	379,684	862,726
Belgium.....	133	515	20,262	36,598	44,183
Mexico.....	5,129	6,689	8,930	499	14,027
United Kingdom...	892	921	13,536	24,865	13,022
Saudi Arabia.....	1,846	2,453	1,147	1,064	1,138
Kuwait.....	65	365	436	503	441
United Arab Em...	97	194	294	253	176
Netherlands.....	32	34	85	100	167
West Germany.....	496	219	183	642	162
Italy.....	8	10	24	177	134
Finland.....	13	33	37	41	115
Japan.....	713	310	1,317	520	109
Qatar.....	63	210	103	152	91
Venezuela.....	638	878	4,784	1,235	90
Norway.....	193	67	40	18	57
All other.....	4,264	3,368	5,975	1,294	221
Total.....	624,600	524,369	561,798	447,646	936,860
GSP Total.....	9,415	9,275	14,924	1,893	14,211
Percent					
Canada.....	97.7	96.9	89.8	84.8	92.1
Belgium.....	1/	.1	3.6	8.2	4.7
Mexico.....	.8	1.3	1.6	.1	1.5
United Kingdom...	.1	.2	2.4	5.6	1.4
Saudi Arabia.....	.3	.5	.2	.2	.1
Kuwait.....	1/	.1	.1	.1	1/
United Arab Em...	1/	1/	.1	.1	1/
Netherlands.....	1/	1/	1/	1/	1/
West Germany.....	.1	1/	1/	.1	1/
Italy.....	1/	1/	1/	1/	1/
Finland.....	1/	1/	1/	1/	1/
Japan.....	.1	.1	.2	.1	1/
Qatar.....	1/	1/	1/	1/	1/
Venezuela.....	.1	.2	.9	.3	1/
Norway.....	1/	1/	1/	1/	1/
All other.....	.7	.6	1.1	.3	1/
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	1.5	1.8	2.7	.4	1.5

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 8409.91.91

NON CAST-IRON PARTS FOR CERTAIN SPARK-IGNITION
INTERNAL COMBUSTION ENGINES

Non Cast-Iron Parts for Certain Spark-Ignition
Internal Combustion Engines

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Mexico¹

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
8409.91.91 ¹	Non cast-iron parts for certain spark-ignition internal combustion engines	3.1%	Yes

¹Mexico and Brazil have been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 8409.91.91.

Description and uses.—These are connecting rods and other non cast-iron parts for use in spark-ignition internal combustion piston engines, for installation in road tractors and semi-trailers, public transport-type passenger motor vehicles, motor cars and other motor vehicles principally designed for the transport of persons, and motor vehicles for the transport of goods.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	22	22	22	22	21
Employment (1,000 employees)	54	54	54	54	53
Shipments (1,000 dollars)	**856,290	**847,500	**864,450	**899,600	**900,000
Exports (1,000 dollars)	303,437	357,326	483,453	410,217	437,231
Imports (1,000 dollars)	763,120	897,294	1,017,518	1,014,226	948,514
Consumption (1,000 dollars)	**1,315,973	**1,387,468	**1,398,515	**1,503,609	**1,411,283
Import-to-consumption ratio (percent)	**58	**65	**73	**67	**67
Capacity utilization (percent)	**74	**72	**72	**72	**71

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—While engine-parts producers in Mexico are competitive in terms of cost of production, U.S. manufacturers of engine parts are stronger in terms of marketing methods, service, and brand loyalty. Some U.S. automakers who manufacture or assemble engines in Mexico use U.S. parts; this is reportedly due to both U.S. content and quality considerations and intra company exports.

¹ Mexico has been found sufficiently competitive and is subject to lower competitive need limits. Advice is requested on restoring normal limits for Mexico as well as a waiver of all competitive needs limits.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	948,514	100	-	**67
Imports from GSP countries:				
Total	104,593	11	100	**7
Mexico	61,188	7	59	**4
Brazil	35,709	4	34	**3
Argentina	4,167	(1)	4	** (1)
Israel ²	2,981	(1)	3	** (1)

¹ Less than 0.5 percent.

² Although imports of non cast-iron parts for certain spark ignition internal combustion engines from Israel are eligible for duty-free entry under the GSP, imports of this item during 1990 from Israel entered duty-free under the provisions of the United States-Israel Free Trade Area Implementation Act of 1985.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 3

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects—Competitive-need-limit waiver (Mexico)

★ ★ ★ ★ ★ ★ ★

VII. Summary of probable economic effects—Restoration (Mexico)

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
84099191

Digest Title: Non cast-iron parts for certain spark-ignition internal
combustion engines
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	364,988	347,289	376,843	403,048	374,134
Japan.....	125,577	194,846	231,910	269,188	293,001
Mexico.....	26,001	39,927	45,065	61,182	61,188
West Germany.....	58,175	82,577	84,427	84,025	57,330
Brazil.....	52,670	59,718	77,922	51,417	35,709
Austria.....	300	516	19,445	45,230	29,976
Italy.....	56,835	82,263	75,116	11,582	23,986
United Kingdom...	28,138	32,063	40,295	29,525	21,845
Taiwan.....	11,568	16,798	18,529	13,475	12,199
France.....	15,214	23,145	30,129	20,595	11,495
Argentina.....	1,099	813	1,331	2,756	4,167
Hong Kong.....	468	113	596	2,085	4,088
Israel.....	1,496	2,020	2,026	2,484	2,981
Korea.....	1,226	2,473	3,618	3,477	2,909
Spain.....	7,662	3,569	2,732	5,154	2,598
All other.....	11,704	9,165	7,534	9,005	10,907
Total.....	763,120	897,294	1,017,518	1,014,226	948,514
GSP Total.....	83,251	103,093	127,577	118,390	104,593
Percent					
Canada.....	47.8	38.7	37.0	39.7	39.4
Japan.....	16.5	21.7	22.8	26.5	30.9
Mexico.....	3.4	4.4	4.4	6.0	6.5
West Germany.....	7.6	9.2	8.3	8.3	6.0
Brazil.....	6.9	6.7	7.7	5.1	3.8
Austria.....	1/	.1	1.9	4.5	3.2
Italy.....	7.4	9.2	7.4	1.1	2.5
United Kingdom...	3.7	3.6	4.0	2.9	2.3
Taiwan.....	1.5	1.9	1.8	1.3	1.3
France.....	2.0	2.6	3.0	2.0	1.2
Argentina.....	.1	.1	.1	.3	.4
Hong Kong.....	.1	1/	.1	.2	.4
Israel.....	.2	.2	.2	.2	.3
Korea.....	.2	.3	.4	.3	.3
Spain.....	1.0	.4	.3	.5	.3
All other.....	1.5	1.0	.7	.9	1.1
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	10.9	11.5	12.5	11.7	11.0

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
84099191

Digest Title: Non cast-iron parts for certain spark-ignition internal
combustion engines
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	124,487	177,373	258,918	197,499	248,805
Mexico.....	83,970	70,435	93,242	91,995	50,307
West Germany.....	10,029	11,397	8,773	12,478	22,223
Venezuela.....	19,807	25,796	35,210	10,874	16,475
Japan.....	2,219	4,104	5,348	9,482	9,308
Saudi Arabia.....	7,387	8,486	8,893	10,256	9,291
Austria.....	1,787	1,525	2,153	4,307	8,751
Colombia.....	13,607	12,623	13,679	9,289	8,142
United Kingdom...	1,941	2,490	3,186	5,871	6,164
Australia.....	4,219	6,373	5,915	9,072	6,078
France.....	511	626	590	4,437	3,706
Turkey.....	631	699	1,014	858	3,481
Kuwait.....	1,977	2,148	3,590	4,083	2,760
Peru.....	2,493	2,788	2,618	1,006	2,682
Ecuador.....	2,792	2,797	2,158	2,584	2,592
All other.....	25,579	27,664	38,167	36,127	36,467
Total.....	303,437	357,326	483,453	410,217	437,231
GSP Total.....	137,849	126,778	162,384	135,928	104,412
Percent					
Canada.....	41.0	49.6	53.6	48.1	56.9
Mexico.....	27.7	19.7	19.3	22.4	11.5
West Germany.....	3.3	3.2	1.8	3.0	5.1
Venezuela.....	6.5	7.2	7.3	2.7	3.8
Japan.....	.7	1.1	1.1	2.3	2.1
Saudi Arabia.....	2.4	2.4	1.8	2.5	2.1
Austria.....	.6	.4	.4	1.0	2.0
Colombia.....	4.5	3.5	2.8	2.3	1.9
United Kingdom...	.6	.7	.7	1.4	1.4
Australia.....	1.4	1.8	1.2	2.2	1.4
France.....	.2	.2	.1	1.1	.8
Turkey.....	.2	.2	.2	.2	.8
Kuwait.....	.7	.6	.7	1.0	.6
Peru.....	.8	.8	.5	.2	.6
Ecuador.....	.9	.8	.4	.6	.6
All other.....	8.4	7.7	7.9	8.8	8.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	45.4	35.5	33.6	33.1	23.9

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 8415.82.00

CERTAIN AIR CONDITIONING MACHINES AND PARTS THEREOF

Certain Air Conditioning Machines and Parts Thereof¹

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Mexico²

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
8415.82.00 ¹	Air-conditioning machines.	2.2%	Yes
8415.90.00 ¹	Air-conditioning parts	2.2%	Yes

¹ Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheadings 8415.82.00 and 8415.90.00.

Description and uses.—Air-conditioning machines consist of motor-driven fans and elements for changing the temperature and humidity of air. A few of the most familiar types of air-conditioning machines covered in this digest are room or central station air-conditioning units, automotive and remote condenser type air-conditioners, and other year-round units such as heat pumps. These products are installed primarily in residential and commercial retail stores and office complexes. The air-conditioning parts which Carrier Corp., produces in Mexico for export to the U.S. are two types of evaporator coils which are imported without a motor-driven fan and without elements for changing the temperature and humidity. Additional parts covered by this digest include those for heat pumps and automotive air-conditioners.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	**57	**50	**48	**45	**45
Employment (1,000 employees).	**42	**38	**35	**32	**32
Shipments (million dollars).	6,484	6,379	6,455	6,980	*6,631
Exports (million dollars).	331	396	528	764	1,098
Imports (million dollars).	232	307	317	409	337
Consumption (million dollars).	6,385	6,290	6,244	6,625	*5,870
Import-to-consumption ratio (percent).	4	5	5	6	*6
Capacity utilization (percent).	*73	*75	*76	**77	**76

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—The U.S. industry producing air-conditioning machines and parts is predominately comprised of small- and medium-sized businesses, although large manufacturing firms account for approximately 70 percent of total production. Several of the largest firms in this industry are multinational firms that distribute their products globally, through direct export, wholly owned foreign subsidiaries, or through licensing arrangements. In recent years, this industry has been undergoing major structural changes such as mergers, acquisitions, and joint ventures with foreign firms in an effort to improve their competitive positions domestically and abroad. The bulk of U.S.

¹ This digest includes the following HTS subheadings: 8415.82.00 and 8415.90.00.

² Mexico has been found sufficiently competitive and is subject to lower competitive need limits. Advice is requested on restoring normal limits for Mexico as well as a waiver of all competitive need limits.

II. U.S. market profile—Continued

producers of these products purchase a substantial share of high-quality, low-cost, foreign components for inclusion in their products. These measures are largely the result of increases in price competition from foreign producers.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	337,277	100	-	*6
Imports from GSP countries:				
Total	90,067	27	100	*2
Mexico	85,345	25	95	*(1)
Venezuela	1,130	(1)	(1)	*(1)
Brazil	1,085	(1)	(1)	*(1)
Thailand	990	(1)	(1)	*(1)

¹ Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modifications to the GSP considered in this digest.

VI. Summary of probable economic effects--Competitive-need-limit-waiver (Mexico)

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VI. Summary of probable economic effects—Restoration (Mexico)

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Table I.

Digest No.
84158200Digest Title: Certain air conditioning machines and parts thereof
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	124,349	144,172	126,085	173,157	152,449
Mexico.....	48,132	73,301	83,966	131,191	85,345
Canada.....	28,857	36,382	35,036	33,932	30,496
Korea.....	3,199	10,843	28,513	17,861	27,065
United Kingdom...	4,553	7,177	6,897	15,199	11,741
West Germany.....	3,711	3,308	5,562	6,947	8,669
Singapore.....	2,001	2,254	2,891	4,558	3,961
France.....	5,205	7,193	7,275	8,450	3,681
Taiwan.....	4,802	13,211	7,882	2,544	2,767
Italy.....	1,680	755	825	1,482	1,593
Switzerland.....	394	610	463	1,688	1,492
Venezuela.....	331	34	40	1,145	1,130
Brazil.....	272	1,215	414	1,496	1,085
Thailand.....	0	35	92	823	990
Hong Kong.....	178	316	358	624	790
All other.....	4,573	6,149	10,651	7,491	4,023
Total.....	232,237	306,953	316,949	408,589	337,277
GSP Total.....	49,510	78,623	91,054	137,062	90,067
Percent					
Japan.....	53.5	47.0	39.8	42.4	45.2
Mexico.....	20.7	23.9	26.5	32.1	25.3
Canada.....	12.4	11.9	11.1	8.3	9.0
Korea.....	1.4	3.5	9.0	4.4	8.0
United Kingdom...	2.0	2.3	2.2	3.7	3.5
West Germany.....	1.6	1.1	1.8	1.7	2.6
Singapore.....	.9	.7	.9	1.1	1.2
France.....	2.2	2.3	2.3	2.1	1.1
Taiwan.....	2.1	4.3	2.5	.6	.8
Italy.....	.7	.2	.3	.4	.5
Switzerland.....	.2	.2	.1	.4	.4
Venezuela.....	.1	1/	1/	.3	.3
Brazil.....	.1	.4	.1	.4	.3
Thailand.....	.0	1/	1/	.2	.3
Hong Kong.....	.1	.1	.1	.2	.2
All other.....	2.0	2.0	3.4	1.8	1.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	21.3	25.6	28.7	33.5	26.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
84158200
HTS No.
84158200

Digest Title: Certain air conditioning machines and parts thereof
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	684	22,944	34,578	42,849	26,633
Japan.....	13,176	19,090	13,967	17,167	24,259
Korea.....	2,125	7,826	13,326	6,280	22,505
Canada.....	16,549	22,417	22,847	13,946	11,571
France.....	919	4,879	3,985	5,306	2,319
West Germany.....	576	593	629	1,083	1,818
Singapore.....	4	71	100	1,117	1,545
Taiwan.....	1,745	8,264	5,690	613	1,232
United Kingdom...	3,473	4,567	2,121	1,240	1,177
Italy.....	967	259	227	431	432
Sweden.....	61	156	538	404	356
Australia.....	96	98	19	974	343
Hong Kong.....	11	0	151	283	330
Malaysia.....	217	87	628	781	327
Switzerland.....	27	42	13	463	283
All other.....	703	1,768	1,946	1,047	856
Total.....	41,332	93,062	100,767	93,983	95,985
GSP Total.....	1,064	24,387	36,970	44,167	27,512
Percent					
Mexico.....	1.7	24.7	34.3	45.6	27.7
Japan.....	31.9	20.5	13.9	18.3	25.3
Korea.....	5.1	8.4	13.2	6.7	23.4
Canada.....	40.0	24.1	22.7	14.8	12.1
France.....	2.2	5.2	4.0	5.6	2.4
West Germany.....	1.4	.6	.6	1.2	1.9
Singapore.....	1/	.1	.1	1.2	1.6
Taiwan.....	4.2	8.9	5.6	.7	1.3
United Kingdom...	8.4	4.9	2.1	1.3	1.2
Italy.....	2.3	.3	.2	.5	.4
Sweden.....	.1	.2	.5	.4	.4
Australia.....	.2	.1	1/	1.0	.4
Hong Kong.....	1/	.0	.2	.3	.3
Malaysia.....	.5	.1	.6	.8	.3
Switzerland.....	.1	1/	1/	.5	.3
All other.....	1.7	1.9	1.9	1.1	.9
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	2.6	26.2	36.7	47.0	28.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.

84158200

HTS No.

84159000

Digest Title: Certain air conditioning machines and parts thereof
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	111,173	125,082	112,118	155,990	128,190
Mexico.....	47,448	50,356	49,388	88,343	58,712
Canada.....	12,308	13,965	12,188	19,987	18,925
United Kingdom...	1,079	2,609	4,776	13,959	10,563
West Germany.....	3,135	2,716	4,932	5,864	6,850
Korea.....	1,074	3,016	15,187	11,581	4,560
Singapore.....	1,998	2,183	2,792	3,441	2,416
Taiwan.....	3,057	4,947	2,191	1,931	1,535
France.....	4,286	2,314	3,291	3,144	1,361
Switzerland.....	367	567	449	1,225	1,209
Italy.....	713	496	598	1,051	1,162
Brazil.....	272	1,083	414	1,379	1,085
Venezuela.....	331	34	33	1,122	1,034
Thailand.....	0	1	8	694	747
Sri Lanka.....	0	0	0	183	539
All other.....	3,663	4,522	7,816	4,713	2,403
Total.....	190,905	213,891	216,182	314,606	241,292
GSP Total.....	48,446	54,236	54,083	92,895	62,555
Percent					
Japan.....	58.2	58.5	51.9	49.6	53.1
Mexico.....	24.9	23.5	22.8	28.1	24.3
Canada.....	6.4	6.5	5.6	6.4	7.8
United Kingdom...	.6	1.2	2.2	4.4	4.4
West Germany.....	1.6	1.3	2.3	1.9	2.8
Korea.....	.6	1.4	7.0	3.7	1.9
Singapore.....	1.0	1.0	1.3	1.1	1.0
Taiwan.....	1.6	2.3	1.0	.6	.6
France.....	2.2	1.1	1.5	1.0	.6
Switzerland.....	.2	.3	.2	.4	.5
Italy.....	.4	.2	.3	.3	.5
Brazil.....	.1	.5	.2	.4	.4
Venezuela.....	.2	1/	1/	.4	.4
Thailand.....	.0	1/	1/	.2	.3
Sri Lanka.....	.0	.0	.0	.1	.2
All other.....	1.9	2.1	3.6	1.5	1.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	25.4	25.4	25.0	29.5	25.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
84158200Digest Title: Certain air conditioning machines and parts thereof
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	92,421	123,789	138,830	218,272	486,222
Saudi Arabia.....	44,823	47,050	64,945	55,435	73,082
Mexico.....	22,171	22,801	35,882	66,278	52,269
United Kingdom...	11,017	11,426	13,922	29,465	50,463
West Germany.....	7,797	9,840	13,707	41,826	44,463
Hong Kong.....	8,795	17,395	21,228	31,027	31,809
France.....	9,060	10,456	12,270	20,950	30,531
Korea.....	4,013	4,439	5,151	10,182	24,540
Singapore.....	5,787	6,472	10,761	15,125	23,227
United Arab Em...	6,213	7,900	12,710	14,589	23,077
Taiwan.....	10,264	14,881	30,463	27,543	20,129
Japan.....	6,524	5,781	10,935	25,830	17,855
Thailand.....	2,233	5,196	7,708	12,160	16,106
Australia.....	5,529	5,932	9,048	17,862	15,885
Spain.....	1,673	2,545	5,757	8,005	11,733
All other.....	92,184	99,651	134,190	169,730	176,401
Total.....	330,502	395,554	527,507	764,280	1,097,791
GSP Total.....	84,561	93,399	128,884	176,962	178,868
Percent					
Canada.....	28.0	31.3	26.3	28.6	44.3
Saudi Arabia.....	13.6	11.9	12.3	7.3	6.7
Mexico.....	6.7	5.8	6.8	8.7	4.8
United Kingdom...	3.3	2.9	2.6	3.9	4.6
West Germany.....	2.4	2.5	2.6	5.5	4.1
Hong Kong.....	2.7	4.4	4.0	4.1	2.9
France.....	2.7	2.6	2.3	2.7	2.8
Korea.....	1.2	1.1	1.0	1.3	2.2
Singapore.....	1.8	1.6	2.0	2.0	2.1
United Arab Em...	1.9	2.0	2.4	1.9	2.1
Taiwan.....	3.1	3.8	5.8	3.6	1.8
Japan.....	2.0	1.5	2.1	3.4	1.6
Thailand.....	.7	1.3	1.5	1.6	1.5
Australia.....	1.7	1.5	1.7	2.3	1.4
Spain.....	.5	.6	1.1	1.0	1.1
All other.....	27.9	25.2	25.4	22.2	16.1
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	25.6	23.6	24.4	23.2	16.3

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 8428.90.00(pt)

GARAGE DOOR OPENERS

Garage Door Openers

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Mexico¹

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
8428.90.00(pt) ¹	Garage door openers	2%	Yes

¹ Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 8428.90.00.

Description and uses.—A garage door opener system is used to open sectional (up-and-over) or 1-piece garage doors in commercial buildings and private dwellings. A garage door system consists of a power unit (electric motor), electronics (transmitter and receiver), tee-rail guides, cable and chain assembly with pulley, and a door latching device or trolley.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	**18	**18	**18	**18	**18
Employment (1,000 employees)	**7,500	**7,500	**7,500	**7,850	**8,375
Shipments (1,000 dollars)	**600,000	**600,000	**657,755	**625,265	**741,930
Exports (1,000 dollars) ²	***	***	***	***	***
Imports (1,000 dollars) ²	***	***	***	***	***
Consumption (1,000 dollars)	***	***	***	***	***
Import-to-consumption ratio (percent)	***	***	***	***	***
Capacity utilization (percent)	**62	**62	62	**64	**80

¹ Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

² Import and export figures are estimates based on proprietary information supplied by one firm.

Comment.—According to industry sources, the United States is the world's largest market and producer of garage door opener systems. This industry can be characterized as a small, slow growth industry. Domestic demand for garage door opener systems has slowed somewhat during the last several years, according to industry officials, due to market saturation. This industry is comprised of large private companies and subsidiaries of multinational conglomerates. In order to maintain their competitive position, several U.S. manufacturers have either initiated cost reduction programs, or have relocated their production facilities to Mexico. U.S. producers supply all garage door opener systems consumed domestically either through domestic production, or through imports.

¹ Mexico has been found sufficiently competitive and is subject to lower competitive need limits. Advice is requested on restoring normal limits for Mexico as well as a waiver of all competitive needs limits.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

<u>Item</u>	<u>Imports¹</u> <u>1,000</u> <u>dollars</u>	<u>Percent</u> <u>of total</u> <u>imports</u>	<u>Percent</u> <u>of GSP</u> <u>imports</u>	<u>Percent</u> <u>of U.S.</u> <u>consumption</u>
Total	***	100	0	***
Imports from GSP countries:				
Total	***	100	100	***

¹ Mexico is currently the sole supplier of imports of garage door opener systems. There were no U.S. imports under the GSP during 1986-90. Import data were supplied by the sole importer of these items.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

V. Position of interested parties

No statements were received either in support of or in opposition to the proposed modification to the GSP considered in this digest.

VI. Summary of probable economic effects—Competitive need—limit waiver (Mexico)

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VI. Summary of probable economic effects—Restoration (Mexico)

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DIGEST NO. 8483.50.80

FLYWHEELS, PULLEYS, AND PULLEY BLOCKS, NESI

Flywheels, Pulleys, and Pulley Blocks, Nesi

I. Introduction

X Addition to GSP ___ Removal from GSP ___ Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
8483.50.80	Flywheels, pulleys, and pulley blocks, nesi.	5.7%	Yes

Description and uses.—Flywheels are used in virtually all piston engines to maintain a constant speed through centrifugal force. Pulleys are wheels that transmit rotary movement from one location to another by means of an endless belt or rope. They are widely used in conveyors and other material handling machinery.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	**50	**50	**50	**50	**50
Employment (1,000 employees).	**1	**2	**2	**2	**2
Shipments (1,000 dollars).	**120,350	**126,150	**133,400	**140,650	**145,000
Exports (1,000 dollars).	1,163	1,567	1,758	6,576	49,595
Imports (1,000 dollars).	14,974	23,253	28,449	84,708	135,499
Consumption (1,000 dollars).	**134,160	**147,836	**160,091	**218,782	**230,904
Import-to-consumption ratio (percent).	**11	**16	**18	**39	**59
Capacity utilization (percent).	**65	**65	**70	**85	**70

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—Flywheels are parts of internal combustion engines installed largely in motor vehicles, and to a lesser extent, in ships and construction equipment. Engine manufacturers purchase flywheels from U.S. suppliers under long-term, high volume contracts and change suppliers infrequently because of the high cost of supplier certification. Imports from GSP countries have historically consisted of articles sold in the replacement market, rather than to original-equipment manufacturers (OEMs), or of castings which require further machining and assembly. Flywheels account for 89 percent of all imported products, and about two thirds of imports from GSP beneficiary countries. Pulleys consist of wheels which are installed in conveyors and other material-handling machinery. Producers of such machinery and distributors of replacement parts provide the principal markets for these articles. Services by distributors tend to determine the level of sales of imported pulleys and quality, price, and delivery largely determine sales of flywheels to OEMs.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	135,499	100	-	**59
Imports from GSP countries:				
Total	2,970	2	100	**1
Brazil	1,305	1	44	**1
Thailand	807	1	27	** ⁽¹⁾
Mexico	690	1	23	** ⁽¹⁾
Argentina	76	⁽¹⁾	3	** ⁽¹⁾

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Brazil for all digest products

Ranking as a U.S. import supplier, 1990. 6

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Comment.—U.S. consumers of flywheels for motor-vehicle applications go through a process of qualifying their sources of such parts. This is a lengthy process that attempts to ensure quality and delivery capabilities of the producer. This practice would apply to the vast majority of flywheels imported under this HTS subheading.

U.S. consumers of pulleys, nesi, prefer high quality pulleys for their material handling, especially conveyor, operations. High quality pulleys are usually packaged with a variety of services by U.S. distributors, including application engineering.

Competitiveness indicators for Thailand for all digest products

Ranking as a U.S. import supplier, 1990. 12

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Comment.—U.S. consumers of flywheels for motor-vehicle applications go through a process of qualifying their sources of such parts. This is a lengthy process that attempts to ensure quality and delivery capabilities of the producer. This practice would apply to the vast majority of flywheels imported under this HTS subheading.

U.S. consumers of pulleys, nesi, prefer high quality pulleys for their material handling, especially conveyor, operations. High quality pulleys are usually packaged with a variety of services by U.S. distributors, including application engineering.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 13

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Comment.—U.S. consumers of flywheels for motor-vehicle applications go through a process of qualifying their sources of such parts. This is a lengthy process that attempts to ensure quality and delivery capabilities of the producer. This practice would apply to the vast majority of flywheels imported under this HTS subheading.

U.S. consumers of pulleys, nesi, prefer high quality pulleys for their material handling, especially conveyor, operations. High quality pulleys are usually packaged with a variety of services by U.S. distributors, including application engineering.

IV. Competitiveness profiles, GSP suppliers—Continued

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers?	Yes	<u>X</u>	No	___
What is the price elasticity of U.S. demand?	High	<u>X</u>	Moderate	___ Low ___
Can production in the country be easily expanded or contracted in the short term?	Yes	<u>X</u>	No	___
Does the country have significant export markets besides the United States?	Yes	<u>X</u>	No	___
Could exports from the country be readily redistributed among its foreign export markets?	Yes	<u>X</u>	No	___
What is the price elasticity of import supply?	High	<u>X</u>	Moderate	___ Low ___
Price level compared with—				
U.S. products.	Above	___	Equivalent	___ Below <u>X</u>
Other foreign products	Above	___	Equivalent	___ Below <u>X</u>
Quality compared with—				
U.S. products.	Above	___	Equivalent	___ Below <u>X</u>
Other foreign products	Above	___	Equivalent	___ Below <u>X</u>

Comment.—U.S. consumers of flywheels for motor-vehicle applications go through a process of qualifying their sources of such parts. This is a lengthy process that attempts to ensure quality and delivery capabilities of the producer. This practice would apply to the vast majority of flywheels imported under this HTS subheading.

U.S. consumers of pulleys, nesi, prefer high quality pulleys for their material handling, especially conveyor, operations. High quality pulleys are usually packaged with a variety of services by U.S. distributors, including application engineering.

V. Position of interested parties

Support.—The Export Promotion Center of Turkey (IGEME) supports the petition requesting the addition of HTS subheading 8483.50.80 to the list of eligible articles for the GSP. IGEME is the principal Turkish Government agency responsible for export promotion. The major article of interest to Turkish companies, and hence to IGEME, are flywheels used in automotive, tractor, and agricultural machinery engines. IGEME believes that GSP eligibility would partially offset the disadvantages it now faces in exporting flywheels to the United States. These include higher transportation costs and warehousing costs, as well as being unknown in the U.S. market. IGEME notes that current U.S. imports from GSP eligible countries are negligible, and believes that granting GSP treatment would therefore have no adverse impact on U.S. producers or employment.

VI. Summary of probable economic effects—Addition

* * * * *

Table I.

Digest No.
84835080Digest Title: Flywheels, pulleys, and pulley blocks, nesl
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	3,179	3,413	5,172	50,254	91,691
West Germany.....	2,398	3,159	3,103	11,059	15,336
Japan.....	1,401	1,503	2,638	8,617	13,002
United Kingdom...	1,914	950	1,045	2,444	2,815
Switzerland.....	1,910	1,720	1,912	3,075	2,719
Brazil.....	63	132	198	404	1,305
Italy.....	613	527	759	1,464	1,219
Taiwan.....	1,189	1,317	1,061	1,221	1,052
Korea.....	242	626	460	1,025	1,049
Sweden.....	179	222	434	536	965
France.....	281	358	674	712	853
Thailand.....	0	118	520	869	807
Mexico.....	32	118	522	716	690
Netherlands.....	212	285	274	415	411
Spain.....	700	787	768	394	313
All other.....	660	8,017	8,908	1,502	1,271
Total.....	14,974	23,253	28,449	84,708	135,499
GSP Total.....	140	468	1,446	2,216	2,970
Percent					
Canada.....	21.2	14.7	18.2	59.3	67.7
West Germany.....	16.0	13.6	10.9	13.1	11.3
Japan.....	9.4	6.5	9.3	10.2	9.6
United Kingdom...	12.8	4.1	3.7	2.9	2.1
Switzerland.....	12.8	7.4	6.7	3.6	2.0
Brazil.....	.4	.6	.7	.5	1.0
Italy.....	4.1	2.3	2.7	1.7	.9
Taiwan.....	7.9	5.7	3.7	1.4	.8
Korea.....	1.6	2.7	1.6	1.2	.8
Sweden.....	1.2	1.0	1.5	.6	.7
France.....	1.9	1.5	2.4	.8	.6
Thailand.....	.0	.5	1.8	1.0	.6
Mexico.....	.2	.5	1.8	.8	.5
Netherlands.....	1.4	1.2	1.0	.5	.3
Spain.....	4.7	3.4	2.7	.5	.2
All other.....	4.4	34.5	31.3	1.8	.9
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	.9	2.0	5.1	2.6	2.2

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990.

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

Table II.

Digest No.
84835080Digest Title: Flywheels, pulleys, and pulley blocks, nesl
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	751	1,325	1,197	2,256	39,165
Mexico.....	78	42	93	1,788	3,757
Korea.....	43	1/	42	323	3,437
Sweden.....	3	3	37	69	407
Singapore.....	1	3	27	194	270
Ireland.....	1/	1/	7	58	268
Netherlands.....	3	2	21	64	247
Venezuela.....	23	23	12	212	220
Brazil.....	7	2	1	8	177
United Kingdom...	42	33	72	269	162
Australia.....	7	8	3	55	143
Chile.....	2	4	5	3	142
Belgium.....	6	2	16	89	119
Israel.....	5	3	1	32	117
West Germany.....	4	1	10	101	98
All other.....	185	115	216	1,055	867
Total.....	1,163	1,567	1,758	6,576	49,595
GSP Total.....	169	136	178	2,540	4,884
Percent					
Canada.....	64.5	84.5	68.1	34.3	79.0
Mexico.....	6.7	2.7	5.3	27.2	7.6
Korea.....	3.7	1/	2.4	4.9	6.9
Sweden.....	.2	.2	2.1	1.1	.8
Singapore.....	.1	.2	1.5	2.9	.5
Ireland.....	1/	1/	.4	.9	.5
Netherlands.....	.3	.1	1.2	1.0	.5
Venezuela.....	2.0	1.4	.7	3.2	.4
Brazil.....	.6	.1	.1	.1	.4
United Kingdom...	3.6	2.1	4.1	4.1	.3
Australia.....	.6	.5	.2	.8	.3
Chile.....	.2	.3	.3	.1	.3
Belgium.....	.5	.1	.9	1.4	.2
Israel.....	.5	.2	.1	.5	.2
West Germany.....	.4	.1	.5	1.5	.2
All other.....	15.9	7.4	12.3	16.0	1.7
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	14.5	8.7	10.1	38.6	9.8

1/ Less than \$500 or less than 0.1 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990.

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

DIGEST NO. 8527.21.1010

CAR RADIO/CASSETTE PLAYER COMBINATIONS

Car Radio/Cassette Player Combinations

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Brazil¹

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
8527.21.10 ¹	Car radio/cassette player combination	3.7%	Yes

¹ Brazil and Mexico have been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 8527.21.10.

Description and uses.--Car radio/cassette player combinations are combinations of radiobroadcast receivers and audio cassette playback machines intended for installation and use in an automobile or truck.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	11	8	5	5	*8
Employment (1,000 employees).	**3	**2	**1	**1	**2
Shipments (1,000 dollars)	*385,000	*307,000	*143,000	*107,000	*100,000
Exports (1,000 dollars)	7,421	12,770	22,081	41,586	113,648
Imports (1,000 dollars)	1,118,376	1,207,845	1,333,303	1,204,708	959,685
Consumption (1,000 dollars)	*1,495,955	*1,502,075	*1,454,222	*1,270,122	*927,037
Import-to-consumption ratio (percent)	*75	*80	*92	*95	*100
Capacity utilization (percent).	**61	**67	**70	**70	**70

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.--U.S. producers of car radio/cassette player combinations are subsidiaries of U.S. automobile manufacturers. They have moved some of their radio/cassette player combinations production facilities off-shore, either to maquiladoras in Mexico, or to countries such as Brazil, where labor costs are lower and the U.S. auto manufacturer has an auto assembly plant. The U.S. auto manufacturer is not likely to change the source of radio/cassette player combinations in the short term.

¹ Brazil has been found sufficiently competitive and is subject to lower competitive-need limits. Advice is requested on restoring normal limits for Brazil as well as a waiver of all competitive-need limits.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	959,685	100	-	*100
Imports from GSP countries:				
Total	296,246	31	100	*32
Mexico	200,640	21	68	*22
Brazil	83,429	9	28	*9
Malaysia	9,768	.1	3	*.1
Philippines	1,797	(¹)	1	*(¹)

Note.--Because of rounding, figures may not add to the totals shown.

¹ Less than 0.5 percent.

Comment.--U.S. production has been replaced by imports from maquiladoras in Mexico.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Brazil for all digest products

Ranking as a U.S. import supplier, 1990. 4

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No
What is the price elasticity of U.S. demand? High Moderate X Low
Can production in the country be easily expanded or contracted
in the short term? Yes X No
Does the country have significant export markets besides the
United States? Yes No X
Could exports from the country be readily redistributed among
its foreign export markets? Yes No X
What is the price elasticity of import supply? High Moderate X Low

Price level compared with--

U.S. products. Above Equivalent X Below
Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent X Below
Other foreign products Above Equivalent X Below

Comment.--The major Brazilian exporter to the United States is a subsidiary of a U.S. automobile manufacturer. U.S. auto manufacturers generally supply their entertainment electronics needs by subsidiaries and affiliates, not by purchase from other manufacturers.

V. Position of interested parties

Petitioner:--Ford Motor Company is a producer of automobiles and trucks, and components and subassemblies for cars and trucks, including car radio/cassette player combinations. Ford claims that waiving the competitive-need limit for GSP would benefit the industrialization of Brazil, and would also enable Ford to become more price-competitive with companies importing foreign cars into the United States while at the same time strengthening the U.S. component supply base.

VI. Summary of probable economic effects--Competitive-need-limit waiver (Brazil)

★ ★ ★ ★ ★ ★ ★

VI. Summary of probable economic effects--Restoration (Brazil)

Table I.

Digest No.
8527211010Digest Title: Car radios / cassette player combinations
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Japan.....	550,875	453,885	393,531	359,959	332,651
Mexico.....	216,210	280,550	426,554	314,592	200,640
Korea.....	95,945	166,319	215,929	179,595	163,726
Brazil.....	80,138	97,882	98,999	97,969	83,429
Singapore.....	18,542	31,626	43,812	72,362	63,353
Canada.....	111,779	76,954	68,500	93,118	44,823
China.....	285	11,733	19,634	22,745	25,958
Taiwan.....	16,456	30,817	28,285	23,796	15,049
Hong Kong.....	15,011	31,719	23,563	25,951	13,881
Malaysia.....	73	2,425	4,790	8,463	9,768
West Germany.....	10,988	22,488	9,104	3,742	3,686
Philippines.....	629	0	0	991	1,797
Thailand.....	247	8	0	305	423
France.....	131	233	86	416	198
Kenya.....	226	2	225	63	154
All other.....	841	1,204	292	639	149
Total.....	1,118,376	1,207,845	1,333,303	1,204,708	959,685
GSP Total.....	297,536	380,868	530,598	422,509	296,246
Percent					
Japan.....	49.3	37.6	29.5	29.9	34.7
Mexico.....	19.3	23.2	32.0	26.1	20.9
Korea.....	8.6	13.8	16.2	14.9	17.1
Brazil.....	7.2	8.1	7.4	8.1	8.7
Singapore.....	1.7	2.6	3.3	6.0	6.6
Canada.....	10.0	6.4	5.1	7.7	4.7
China.....	1/	1.0	1.5	1.9	2.7
Taiwan.....	1.5	2.6	2.1	2.0	1.6
Hong Kong.....	1.3	2.6	1.8	2.2	1.4
Malaysia.....	1/	.2	.4	.7	1.0
West Germany.....	1.0	1.9	.7	.3	.4
Philippines.....	.1	.0	.0	.1	.2
Thailand.....	1/	1/	.0	1/	1/
France.....	1/	1/	1/	1/	1/
Kenya.....	1/	1/	1/	1/	1/
All other.....	.1	.1	1/	.1	1/
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	26.6	31.5	39.8	35.1	30.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest Title: Car radios / cassette player combinations
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	951	1,006	1,002	20,558	69,030
Mexico.....	1,587	4,304	12,799	14,094	37,647
Paraguay.....	267	187	131	531	1,563
Venezuela.....	426	744	881	357	827
Japan.....	597	238	478	1,637	626
Singapore.....	4	10	84	441	525
Hong Kong.....	114	107	281	43	340
El Salvador.....	43	62	63	41	303
Colombia.....	299	141	116	243	263
Brazil.....	349	512	308	146	239
Taiwan.....	129	217	247	322	197
Panama.....	92	303	321	144	180
Guatemala.....	133	318	339	157	174
Austria.....	3	4	9	7	171
Korea.....	10	46	39	1,046	167
All other.....	2,417	4,572	4,982	1,819	1,397
Total.....	7,421	12,770	22,081	41,586	113,648
GSP Total.....	4,865	9,604	17,710	16,831	41,960
Percent					
Canada.....	12.8	7.9	4.5	49.4	60.7
Mexico.....	21.4	33.7	58.0	33.9	33.1
Paraguay.....	3.6	1.5	.6	1.3	1.4
Venezuela.....	5.7	5.8	4.0	.9	.7
Japan.....	8.0	1.9	2.2	3.9	.6
Singapore.....	.1	.1	.4	1.1	.5
Hong Kong.....	1.5	.8	1.3	.1	.3
El Salvador.....	.6	.5	.3	.1	.3
Colombia.....	4.0	1.1	.5	.6	.2
Brazil.....	4.7	4.0	1.4	.4	.2
Taiwan.....	1.7	1.7	1.1	.8	.2
Panama.....	1.2	2.4	1.5	.3	.2
Guatemala.....	1.8	2.5	1.5	.4	.2
Austria.....	1/	1/	1/	1/	.2
Korea.....	.1	.4	.2	2.5	.1
All other.....	32.6	35.8	22.6	4.4	1.2
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	65.6	75.2	80.2	40.5	36.9

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 8527.29.0040

AM/FM CAR RADIOS

AM/FM Car Radios

I. Introduction

X Addition to GSP Removal from GSP Competitive-need-limit waiver

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
8527.29.00	AM/FM car radios	8%	Yes

Description and uses.--Car radios are radiobroadcast receivers intended for installation and use in automobiles and trucks.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	6	***	***	***	***
Employment (1,000 employees)	*2	***	***	***	***
Shipments (1,000 dollars)	*217,000	***	***	***	***
Exports (1,000 dollars)	70,572	90,432	91,708	44,096	103,557
Imports (1,000 dollars)	208,919	168,380	183,811	130,726	73,164
Consumption (1,000 dollars)	*355,347	***	***	***	***
Import-to-consumption ratio (percent)	*59	***	***	***	***
Capacity utilization (percent)	**61	***	***	***	***

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.--U.S. producers of AM/FM car radios are subsidiaries of U.S. automobile manufacturers. They have moved most of their radio production facilities off-shore, either to maquiladoras in Mexico, or to countries such as Brazil, where labor costs are lower and the U.S. auto manufacturer has an auto assembly plant. The U.S. auto manufacturer is not likely to change the source of radios in the short term.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	73,164	100	-	***
Imports from GSP countries:				
Total	49,838	68	100	***
Mexico	33,168	45	67	***
Brazil	16,385	22	33	***
Malaysia	285	(¹)	1	***

¹ Less than 0.5 percent.

Note.--Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High Moderate X Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.--Mexico is a major supplier to U.S. auto manufacturers.

Competitiveness indicators for Brazil for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High Moderate X Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Comment.--Brazil is a major supplier to U.S. auto manufacturers.

IV. Competitiveness profiles, GSP suppliers--Continued

Competitiveness indicators for Malaysia for all digest products

Ranking as a U.S. import supplier, 1990. 8

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent X Below

Other foreign products Above Equivalent X Below

IV. Competitiveness profiles, GSP suppliers--Continued

Competitiveness indicators for all GSP countries and for all digest products

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No
What is the price elasticity of U.S. demand? High Moderate X Low
Can production in the country be easily expanded or contracted
in the short term? Yes X No
Does the country have significant export markets besides the
United States? Yes X No
Could exports from the country be readily redistributed among
its foreign export markets? Yes X No
What is the price elasticity of import supply? High Moderate X Low
Price level compared with--
U.S. products. Above Equivalent X Below
Other foreign products Above Equivalent X Below
Quality compared with--
U.S. products. Above Equivalent X Below
Other foreign products Above Equivalent X Below

V. Position of interested parties

Petitioner.--Ford Motor Company is a producer of automobiles and trucks, and components and subassemblies for cars and trucks, including car radios. Ford claims that adding car radios to the list of items eligible for GSP treatment would benefit the industrialization of Brazil, and would also enable Ford to become more price-competitive with companies importing foreign cars into the United States while at the same time strengthening the U.S. component supply base.

VI. Summary of probable economic effects--Addition

★ ★ ★ ★ ★ ★ ★

V. Position of interested parties

Petitioner.--Ford Motor Company is a producer of automobiles and trucks, and components and subassemblies for cars and trucks, including car radios. Ford claims that adding car radios to the list of items eligible for GSP treatment would benefit the industrialization of Brazil, and would also enable Ford to become more price-competitive with companies importing foreign cars into the United States while at the same time strengthening the U.S. component supply base.

VI. Summary of probable economic effects--Addition

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
8527290040Digest Title: AM/FM car radios
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	100,710	77,278	105,077	73,723	33,168
Brazil.....	43,621	36,829	34,557	27,471	16,385
Japan.....	36,428	29,630	31,490	18,683	12,811
Singapore.....	9,171	17,611	7,121	4,741	6,304
Taiwan.....	419	521	1,037	1,597	2,437
Korea.....	2,475	2,482	3,449	3,424	620
China.....	24	155	312	665	538
Malaysia.....	166	5	0	0	285
West Germany.....	627	1,861	335	228	171
Hong Kong.....	439	482	222	89	170
Iceland.....	0	0	0	0	141
France.....	133	45	73	49	61
Spain.....	0	0	0	0	40
Canada.....	14,639	832	122	13	17
United Kingdom...	60	99	11	21	16
All other.....	7	551	6	21	0
Total.....	208,919	168,380	183,811	130,726	73,164
GSP Total.....	144,503	114,112	139,633	101,197	49,838
Percent					
Mexico.....	48.2	45.9	57.2	56.4	45.3
Brazil.....	20.9	21.9	18.8	21.0	22.4
Japan.....	17.4	17.6	17.1	14.3	17.5
Singapore.....	4.4	10.5	3.9	3.6	8.6
Taiwan.....	.2	.3	.6	1.2	3.3
Korea.....	1.2	1.5	1.9	2.6	.8
China.....	1/	.1	.2	.5	.7
Malaysia.....	.1	1/	.0	.0	.4
West Germany.....	.3	1.1	.2	.2	.2
Hong Kong.....	.2	.3	.1	.1	.2
Iceland.....	.0	.0	.0	.0	.2
France.....	.1	1/	1/	1/	.1
Spain.....	.0	.0	.0	.0	.1
Canada.....	7.0	.5	.1	1/	1/
United Kingdom...	1/	.1	1/	1/	1/
All other.....	1/	.3	1/	1/	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	69.2	67.8	76.0	77.4	68.1

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
8527290040Digest Title: AM/FM car radios
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	59,636	67,175	61,678	32,179	88,869
Mexico.....	2,562	14,469	16,276	4,274	7,780
Italy.....	208	98	474	662	1,704
United Kingdom...	819	189	758	450	685
Finland.....	0	16	0	6	619
Philippines.....	27	22	4	23	330
Singapore.....	3	52	301	429	307
Korea.....	904	1,314	496	669	298
West Germany.....	485	1,231	1,294	103	282
Saudi Arabia.....	21	30	2	401	261
Venezuela.....	91	294	150	279	233
Paraguay.....	2,390	1,424	462	261	203
Netherlands.....	88	75	10	41	201
Peru.....	0	0	1	0	147
Hong Kong.....	3	344	3,276	46	137
All other.....	3,335	3,701	6,525	4,274	1,503
Total.....	70,572	90,432	91,708	44,096	103,557
GSP Total.....	6,262	17,803	19,154	7,157	9,568
Percent					
Canada.....	84.5	74.3	67.3	73.0	85.8
Mexico.....	3.6	16.0	17.7	9.7	7.5
Italy.....	.3	.1	.5	1.5	1.6
United Kingdom...	1.2	.2	.8	1.0	.7
Finland.....	.0	1/	.0	1/	.6
Philippines.....	1/	1/	1/	.1	.3
Singapore.....	1/	.1	.3	1.0	.3
Korea.....	1.3	1.5	.5	1.5	.3
West Germany.....	.7	1.4	1.4	.2	.3
Saudi Arabia.....	1/	1/	1/	.9	.3
Venezuela.....	.1	.3	.2	.6	.2
Paraguay.....	3.4	1.6	.5	.6	.2
Netherlands.....	.1	.1	1/	.1	.2
Peru.....	.0	.0	1/	.0	.1
Hong Kong.....	1/	.4	3.6	.1	.1
All other.....	4.7	4.1	7.1	9.7	1.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	8.9	19.7	20.9	16.2	9.2

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 8539.90.00

PARTS FOR ELECTRICAL FILAMENT OR DISCHARGE LAMPS

Parts for Electrical Filament or Discharge Lamps

I. Introduction

☐ Addition to GSP ☐ Removal from GSP ☒ Competitive-need-limit waiver Mexico¹

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent <u>ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985?
8539.90.00 ¹	Parts for electrical filament or discharge lamps.	3.9%	Yes

¹Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 8539.90.00.

Description and uses.—The parts classified in this digest are various articles of ceramic or metallic materials that are used in the production of electrical discharge or filament lamps (bulbs or tubes). These parts include glass or quartz lamp blanks (bulbs or tubes), lamp bases (sockets), metallic filaments and electrodes, and filament mounts.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	*28	*30	*33	*35	*35
Employment (1,000 employees).	**4	**4	**4	**4	**4
Shipments (1,000 dollars)	**375,000	**380,000	**390,000	**390,000	**400,000
Exports (1,000 dollars)	11,882	14,853	26,973	53,024	83,319
Imports (1,000 dollars)	46,012	52,933	59,668	23,416	45,846
Consumption (1,000 dollars)	**409,130	**418,080	**422,695	**360,392	**362,527
Import-to-consumption ratio (percent) . . .	**11	**13	**14	**6	**13
Capacity utilization (percent).	*78	*80	*85	*86	*87

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—U.S. producers of these products typically employ very highly automated production processes such as stamping and glassblowing. The industry is dominated by 3 large multinational firms that produce a wide range of lighting products. These producers have consolidated their operations in recent years and invested in more efficient equipment in order to achieve greater production economies of scale. Despite the fact that the production of these lamps is relatively capital intensive, an increasing amount of U.S. production was shifted to Mexico during the period in order to take advantage of the relatively low labor rates in that country.

¹ Mexico has been found sufficiently competitive and is subject to lower competitive need limits. Advice is requested on restoring normal limits for Mexico as well as a waiver of all competitive needs limits.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	45,846	100	-	**13
Imports from GSP countries:				
Total	31,093	68	100	**9
Mexico.	30,437	66	98	**8
Brazil.	319	1	1	** ⁽¹⁾
Malaysia.	186	(¹)	1	** ⁽¹⁾

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes ☐ No ☒

What is the price elasticity of U.S. demand? High ☒ Moderate ☐ Low ☐

Can production in the country be easily expanded or contracted
in the short term? Yes ☒ No ☐

Does the country have significant export markets besides the
United States? Yes ☐ No ☒

Could exports from the country be readily redistributed among
its foreign export markets? Yes ☐ No ☒

What is the price elasticity of import supply? High ☒ Moderate ☐ Low ☐

Price level compared with—

U.S. products. Above ☐ Equivalent ☐ Below ☒

Other foreign products Above ☐ Equivalent ☒ Below ☐

Quality compared with—

U.S. products. Above ☐ Equivalent ☐ Below ☒

Other foreign products Above ☐ Equivalent ☒ Below ☐

Comment.—Significantly less than one half of total U.S. imports from Mexico constitute foreign value added as the result of the rationalized production operations of U.S. producers in Mexico under HTS subheading 9802.00.80. These operations are highly labor intensive and due to the relatively low volumes of production, there is virtually no economic incentive in automating them in the United States.

V. Position of interested parties

Support.—The GE Lighting Division of the General Electric Co. (GE) filed statements and presented public testimony on October 2, 1991, in support of its Mexican affiliate, Lamparas General Electric, S.A. de C.V., which is the petitioner in the instant investigation. GE sends assorted parts to Mexico where they are assembled into "mounts", which support the filament or filament tube in various filament incandescent electric lamps. Most of the finished components are subsequently reentered under the provision of HTS subheading 9802.00.80. These mounts are used exclusively in specialty lighting and general commercial and industrial lighting products.

GE contends in its petition that the granting of a competitive need waiver would help to increase its price competitiveness vis-a-vis its major foreign competitors in the Far East (particularly Japan, Korea, and Taiwan). GE further argues that this increased competitiveness would benefit the U.S. and Mexican workers that support their rationalized operations in Mexico and provide economic benefits to both countries. GE has indicated in public testimony that without the cost savings afforded by its subassembly production in Mexico, it would be forced to abandon all operations on these lamps to its competitors in the Far East.

VI. Summary of probable economic effects—Competitive-need-limit waiver (Mexico)

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VII. Summary of probable economic effects—Restoration (Mexico)

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Table I.

Digest Title: Parts for electrical filament or discharge lamps.
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	2,903	4,197	4,140	12,226	30,437
Netherlands.....	441	510	400	4,747	5,839
West Germany.....	3,763	3,997	4,910	1,249	2,736
China.....	190	1,002	2,436	398	1,343
Japan.....	11,462	13,208	14,069	1,564	960
Taiwan.....	6,029	8,891	9,530	1,282	875
Canada.....	3,358	4,045	4,065	232	721
France.....	441	464	385	119	530
Belgium.....	59	73	185	460	325
Brazil.....	39	125	141	8	319
Italy.....	326	222	288	58	285
United Kingdom...	2,588	3,029	3,566	321	258
Korea.....	2,590	2,760	4,170	169	231
Spain.....	25	199	189	60	209
Malaysia.....	233	176	251	14	186
All other.....	11,564	10,037	10,944	509	593
Total.....	46,012	52,933	59,668	23,416	45,846
GSP Total.....	7,163	6,849	7,050	12,478	31,093
Percent					
Mexico.....	6.3	7.9	6.9	52.2	66.4
Netherlands.....	1.0	1.0	.7	20.3	12.7
West Germany.....	8.2	7.6	8.2	5.3	6.0
China.....	.4	1.9	4.1	1.7	2.9
Japan.....	24.9	25.0	23.6	6.7	2.1
Taiwan.....	13.1	16.8	16.0	5.5	1.9
Canada.....	7.3	7.6	6.8	1.0	1.6
France.....	1.0	.9	.6	.5	1.2
Belgium.....	.1	.1	.3	2.0	.7
Brazil.....	.1	.2	.2	1/	.7
Italy.....	.7	.4	.5	.2	.6
United Kingdom...	5.6	5.7	6.0	1.4	.6
Korea.....	5.6	5.2	7.0	.7	.5
Spain.....	.1	.4	.3	.3	.5
Malaysia.....	.5	.3	.4	.1	.4
All other.....	25.1	19.0	18.3	2.2	1.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	15.6	12.9	11.8	53.3	67.8

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
85399000Digest Title: Parts for electrical filament or discharge lamps.
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	1,120	3,598	9,958	21,375	34,990
Canada.....	4,404	4,156	4,099	8,907	18,824
Japan.....	440	435	936	3,672	5,299
Korea.....	145	331	357	1,395	4,163
West Germany.....	231	231	219	3,687	3,099
Brazil.....	819	693	622	1,083	2,786
United Kingdom...	402	498	505	1,330	1,766
Belgium.....	214	390	307	983	1,216
Venezuela.....	418	375	603	987	1,191
France.....	547	521	385	798	902
Colombia.....	367	394	324	305	719
Taiwan.....	41	91	36	676	639
Argentina.....	400	382	203	685	568
Costa Rica.....	23	89	197	1,215	529
Israel.....	20	70	22	256	524
All other.....	2,292	2,597	8,201	5,669	6,103
Total.....	11,882	14,853	26,973	53,024	83,319
GSP Total.....	4,435	6,663	17,038	28,485	44,189
Percent					
Mexico.....	9.4	24.2	36.9	40.3	42.0
Canada.....	37.1	28.0	15.2	16.8	22.6
Japan.....	3.7	2.9	3.5	6.9	6.4
Korea.....	1.2	2.2	1.3	2.6	5.0
West Germany.....	1.9	1.6	.8	7.0	3.7
Brazil.....	6.9	4.7	2.3	2.0	3.3
United Kingdom...	3.4	3.4	1.9	2.5	2.1
Belgium.....	1.8	2.6	1.1	1.9	1.5
Venezuela.....	3.5	2.5	2.2	1.9	1.4
France.....	4.6	3.5	1.4	1.5	1.1
Colombia.....	3.1	2.7	1.2	.6	.9
Taiwan.....	.3	.6	.1	1.3	.8
Argentina.....	3.4	2.6	.8	1.3	.7
Costa Rica.....	.2	.6	.7	2.3	.6
Israel.....	.2	.5	.1	.5	.6
All other.....	19.3	17.5	30.4	10.7	7.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	37.3	44.9	63.2	53.7	53.0

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 8544.51.80

CERTAIN INSULATED ELECTRICAL CONDUCTORS

Certain Insulated Electrical Conductors¹

I. Introduction

___ Addition to GSP ___ Removal from GSP X Competitive-need-limit waiver Mexico

HTS subheadings	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
8544.51.80 ¹	Certain conductors with fittings, from 81V to 1,000V.	5.3%	Yes
8544.59.20	Certain conductors of copper, without fittings, from 81V to 1,000V	5.3%	Yes

¹ Mexico has been proclaimed by the President as non-eligible for GSP treatment for articles included under HTS subheading 8544.51.80.

Description and uses.—The articles classified above are various electrical conductors that have been insulated with rubber, plastic, and other insulating materials. Articles classified under HTS subheading 8544.51.80 have had various plugs, sockets, and end effectors fitted to them, while those of HTS subheading 8544.59.20 have no such attachments. Conductors in the latter product category are usually wound on spools until they are put into use. These articles are used as power cords for assorted electrical products (such as fans and other household appliances), as well as in a myriad of other electrical applications, to safely transmit electrical currents. These specific products are rated for use in electrical circuits of 81 volts to 1,000 volts.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number).	**55	**55	**60	**60	**65
Employment (1,000 employees).	**12	**13	**16	**19	**20
Shipments (1,000 dollars)	**2,270,000	**2,490,000	**2,930,000	**3,660,000	**3,850,000
Exports (1,000 dollars)	134,800	182,248	244,819	177,531	176,154
Imports (1,000 dollars)	385,247	487,023	575,124	603,591	639,182
Consumption (1,000 dollars)	**2,520,447	**2,794,775	**3,260,305	**4,086,060	**4,313,028
Import-to-consumption ratio (percent)	**15	**17	**18	**15	**15
Capacity utilization (percent).	**75	**80	**80	**82	**85

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.—U.S. production of certain insulated electrical conductors is generally highly automated and capital intensive. The attachment of end effectors and certain other finishing operations, however, can involve a significant amount of manual labor. For this reason, many U.S. producers have gradually rationalized such operations by transferring them to such low-wage-rate area as Mexico. This rationalization has enabled U.S. producers to maintain varying degrees of price competitiveness vis-a-vis foreign merchandise. The import-to-consumption ratios for these products are consequently somewhat misleading as a significant percentage of U.S. imports, particularly from Mexico, are reimports of various U.S. components and materials.

¹ This digest includes the following HTS subheadings: 8544.51.80 and 8544.59.20.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	639,182	100	-	**15
Imports from GSP countries:				
Total	371,863	58	100	**9
Mexico	314,648	49	85	**7
Peru	11,301	2	3	** ⁽¹⁾
Brazil	8,357	1	2	** ⁽¹⁾
Thailand	7,906	1	2	** ⁽¹⁾

¹Less than 0.5 percent.

Note.—Because of rounding, figures may not add to the totals shown.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Mexico for all digest products

Ranking as a U.S. import supplier, 1990. 1

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes No X

Could exports from the country be readily redistributed among
its foreign export markets? Yes No X

What is the price elasticity of import supply? High X Moderate Low

Price level compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Quality compared with—

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Comment.—Approximately one half of the value of U.S. imports from Mexico constitute foreign value added as the result of the maquiladora assembly operations of U.S. producers in Mexico under HTS subheading 9802.00.80.

V. Position of interested parties

Support.—The GE Wiring Devices Division of General Electric Co. (GE) in written submissions to the Commission and in public testimony on October 2, 1991, supports the petitioner Productos de Control, S.A. de C.V. in the instant investigation. The latter company is GE's Mexican affiliate in a joint production operation involving household extension cords classified under HTS subheading 8544.51.80. These entries benefit significantly from the provision of HTS subheading 9802.00.80.

GE contends that the granting of a waiver to Mexico for these products would increase GE's competitive position with respect to its principal foreign competitors (the Peoples Republic of China, Korea, and Taiwan). This in turn, would not only benefit the Mexican workers involved in these border operations, but also the workers employed by the U.S. companies that supply raw materials to GE's Mexican affiliate and result in little or no negative impact on the U.S. industry producing these products.

Woods Wire Products, Inc. also supports the petition with respect to a waiver for Mexico for products entered under HTS subheading 8544.51.80, specifically for electrical extension cords. Woods Wire is a major U.S. producer of these and other wiring products. Woods contends that a waiver to Mexico would have no adverse economic impact on the U.S. industry producing these products. The company further indicates that the use of Mexico as a source of supplemental supply to the U.S. market is beneficial not only to Woods but also to the U.S. companies that supply components and materials, such as copper, brass blades, packaging material, and filler for wire to Mexican assembly operations.

VI. Summary of probable economic effects—Competitive-need-limit waiver (Mexico)

* * * * *

Table I.

Digest No.
85445180Digest Title: Certain insulated electrical conductors
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	133,781	177,734	184,240	302,354	314,648
Taiwan.....	74,857	95,495	125,069	91,845	86,877
Canada.....	46,742	48,836	66,324	58,599	59,420
Japan.....	55,789	70,710	85,883	54,942	54,851
West Germany.....	9,340	11,891	18,092	12,743	14,692
China.....	445	839	3,388	7,429	12,390
Peru.....	2,287	2,263	3,317	8,652	11,301
Brazil.....	1,930	1,261	1,097	7,493	8,357
Thailand.....	6,158	14,718	10,736	4,051	7,906
Korea.....	8,277	10,674	17,905	6,875	6,958
Venezuela.....	2,166	1,756	1,884	4,639	6,569
Sweden.....	857	1,796	2,321	2,964	6,530
United Kingdom...	3,642	3,804	7,426	6,540	6,376
Hong Kong.....	3,741	7,446	7,626	6,092	5,870
Malaysia.....	84	243	81	770	5,394
All other.....	35,151	37,557	39,735	27,605	31,044
Total.....	385,247	487,023	575,124	603,591	639,182
GSP Total.....	159,528	210,284	212,710	342,337	371,863
Percent					
Mexico.....	34.7	36.5	32.0	50.1	49.2
Taiwan.....	19.4	19.6	21.7	15.2	13.6
Canada.....	12.1	10.0	11.5	9.7	9.3
Japan.....	14.5	14.5	14.9	9.1	8.6
West Germany.....	2.4	2.4	3.1	2.1	2.3
China.....	.1	.2	.6	1.2	1.9
Peru.....	.6	.5	.6	1.4	1.8
Brazil.....	.5	.3	.2	1.2	1.3
Thailand.....	1.6	3.0	1.9	.7	1.2
Korea.....	2.1	2.2	3.1	1.1	1.1
Venezuela.....	.6	.4	.3	.8	1.0
Sweden.....	.2	.4	.4	.5	1.0
United Kingdom...	.9	.8	1.3	1.1	1.0
Hong Kong.....	1.0	1.5	1.3	1.0	.9
Malaysia.....	1/	1/	1/	.1	.8
All other.....	9.1	7.7	6.9	4.6	4.9
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	41.4	43.2	37.0	56.7	58.2

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.

85445180

HTS No.

85445180

Digest Title: Certain insulated electrical conductors
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	128,102	161,384	162,448	237,113	255,937
Taiwan.....	70,965	89,929	119,428	80,618	72,729
Japan.....	48,526	65,205	79,480	51,429	49,753
Canada.....	17,017	18,070	25,428	20,020	20,219
China.....	408	829	3,365	6,764	12,110
West Germany.....	8,260	10,275	15,684	8,532	11,824
Sweden.....	732	1,219	1,814	2,721	6,057
Thailand.....	6,158	14,718	10,736	2,042	5,897
Malaysia.....	84	243	81	767	5,313
Dominican Rep....	396	2,038	1,406	1,353	5,262
Korea.....	5,838	7,941	13,149	4,885	4,562
Hong Kong.....	3,687	7,350	7,266	5,113	4,547
United Kingdom...	2,958	2,963	6,162	3,632	3,368
Haiti.....	4,909	3,299	2,520	1,360	3,301
Singapore.....	3,613	4,565	7,770	2,638	2,976
All other.....	17,788	20,206	20,929	17,102	13,571
Total.....	319,441	410,235	477,665	446,087	477,427
GSP Total.....	144,932	185,692	179,204	251,454	280,467
Percent					
Mexico.....	40.1	39.3	34.0	53.2	53.6
Taiwan.....	22.2	21.9	25.0	18.1	15.2
Japan.....	15.2	15.9	16.6	11.5	10.4
Canada.....	5.3	4.4	5.3	4.5	4.2
China.....	.1	.2	.7	1.5	2.5
West Germany.....	2.6	2.5	3.3	1.9	2.5
Sweden.....	.2	.3	.4	.6	1.3
Thailand.....	1.9	3.6	2.2	.5	1.2
Malaysia.....	1/	.1	1/	.2	1.1
Dominican Rep....	.1	.5	.3	.3	1.1
Korea.....	1.8	1.9	2.8	1.1	1.0
Hong Kong.....	1.2	1.8	1.5	1.1	1.0
United Kingdom...	.9	.7	1.3	.8	.7
Haiti.....	1.5	.8	.5	.3	.7
Singapore.....	1.1	1.1	1.6	.6	.6
All other.....	5.6	4.9	4.4	3.8	2.8
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	45.4	45.3	37.5	56.4	58.7

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table I.

Digest No.
85445180
HTS No.
85445920

Digest Title: Certain insulated electrical conductors
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	5,679	16,350	21,792	65,241	58,711
Canada.....	29,725	30,766	40,896	38,579	39,201
Taiwan.....	3,892	5,566	5,641	11,227	14,148
Peru.....	2,142	2,263	3,317	8,536	11,146
Brazil.....	1,171	172	880	3,595	7,474
Venezuela.....	2,166	1,756	1,879	4,574	6,569
Japan.....	7,263	5,504	6,403	3,513	5,097
Yugoslavia.....	1,337	1,838	2,823	5,420	3,812
United Kingdom...	685	841	1,264	2,908	3,008
West Germany.....	1,080	1,616	2,409	4,211	2,868
Korea.....	2,439	2,733	4,756	1,991	2,396
Thailand.....	0	0	0	2,008	2,009
Hong Kong.....	54	96	360	980	1,323
Israel.....	966	467	576	694	1,285
Sweden.....	125	576	507	243	473
All other.....	7,082	6,242	3,956	3,783	2,236
Total.....	65,807	76,787	97,458	157,503	161,755
GSP Total.....	14,596	24,592	33,506	90,883	91,396
Percent					
Mexico.....	8.6	21.3	22.4	41.4	36.3
Canada.....	45.2	40.1	42.0	24.5	24.2
Taiwan.....	5.9	7.2	5.8	7.1	8.7
Peru.....	3.3	2.9	3.4	5.4	6.9
Brazil.....	1.8	.2	.9	2.3	4.6
Venezuela.....	3.3	2.3	1.9	2.9	4.1
Japan.....	11.0	7.2	6.6	2.2	3.2
Yugoslavia.....	2.0	2.4	2.9	3.4	2.4
United Kingdom...	1.0	1.1	1.3	1.8	1.9
West Germany.....	1.6	2.1	2.5	2.7	1.8
Korea.....	3.7	3.6	4.9	1.3	1.5
Thailand.....	.0	.0	.0	1.3	1.2
Hong Kong.....	.1	.1	.4	.6	.8
Israel.....	1.5	.6	.6	.4	.8
Sweden.....	.2	.8	.5	.2	.3
All other.....	10.8	8.1	4.1	2.4	1.4
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	22.2	32.0	34.4	57.7	56.5

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
85445180Digest Title: Certain insulated electrical conductors
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	19,171	46,205	77,756	59,582	49,719
Canada.....	24,874	32,460	40,904	27,798	42,687
United Kingdom...	16,513	19,045	22,297	9,476	8,276
Saudi Arabia.....	2,668	1,480	2,391	6,850	7,910
West Germany.....	10,404	10,569	11,462	7,965	7,207
Japan.....	6,905	6,862	8,039	10,698	6,962
Singapore.....	1,753	2,902	4,600	7,434	6,250
Taiwan.....	1,638	2,866	5,186	4,276	5,683
Hong Kong.....	775	1,076	2,686	6,749	5,444
Netherlands.....	4,484	2,571	3,447	2,119	3,698
France.....	10,182	14,139	15,112	2,242	3,691
Jamaica.....	466	205	358	734	3,281
Thailand.....	116	205	732	327	2,324
Ireland.....	254	509	1,567	2,083	2,202
Korea.....	3,410	3,241	3,216	3,668	2,059
All other.....	31,185	37,914	45,065	25,531	18,760
Total.....	134,800	182,248	244,819	177,531	176,154
GSP Total.....	34,219	67,364	99,289	73,643	63,501
Percent					
Mexico.....	14.2	25.4	31.8	33.6	28.2
Canada.....	18.5	17.8	16.7	15.7	24.2
United Kingdom...	12.3	10.4	9.1	5.3	4.7
Saudi Arabia.....	2.0	.8	1.0	3.9	4.5
West Germany.....	7.7	5.8	4.7	4.5	4.1
Japan.....	5.1	3.8	3.3	6.0	4.0
Singapore.....	1.3	1.6	1.9	4.2	3.5
Taiwan.....	1.2	1.6	2.1	2.4	3.2
Hong Kong.....	.6	.6	1.1	3.8	3.1
Netherlands.....	3.3	1.4	1.4	1.2	2.1
France.....	7.6	7.8	6.2	1.3	2.1
Jamaica.....	.3	.1	.1	.4	1.9
Thailand.....	.1	.1	.3	.2	1.3
Ireland.....	.2	.3	.6	1.2	1.3
Korea.....	2.5	1.8	1.3	2.1	1.2
All other.....	23.1	20.8	18.4	14.4	10.6
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	25.4	37.0	40.6	41.5	36.0

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 9025.11.20

LIQUID-FILLED CLINICAL THERMOMETERS

Liquid-filled clinical thermometers

I. Introduction

 Addition to GSP Removal from GSP X Competitive-need-limit waiver Brazil¹

HTS subheading(s)	Short description	Col. 1 rate of duty (1/1/91) <u>Percent ad</u> <u>valorem</u>	Like or directly competitive article produced in the United States on Jan. 3, 1985? Yes
9025.11.20	Liquid-filled clinical thermometers for direct reading	17%	Yes

Description and uses.--A liquid-filled clinical thermometer, also known as a mercury-in-glass clinical thermometer, is a device for measuring body temperature. Such a thermometer consists essentially of a glass bulb, mercury, and a decal or silk screen scale on the glass stem tubing. Approximately two-third of these thermometers are purchased by medical institutions and the remainder are purchased at retail for household use.

2

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	3	3	2	2	2
Employment (1,000 employees)	***	***	***	***	***
Shipments (1,000 dollars)	***	***	***	***	***
Exports (1,000 dollars)	1,192	1,236	1,508	3,105	2,481
Imports (1,000 dollars)	4,966	5,789	6,999	4,896	5,850
Consumption (1,000 dollars)	***	***	***	***	***
Import-to-consumption ratio (percent)	***	***	***	***	***
Capacity utilization (percent)	***	***	***	***	***

¹Trade data for 1986-88 were converted from TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.--The number of companies producing clinical thermometers in the United States declined from three in 1986 to two in 1990. Employment in the industry * * * during the period which reflected the combined effect of * * * and a soft U.S. market for the liquid-filled clinical thermometers. The manufacturing process is highly labor intensive, but both the U.S. producers and the foreign producers in Brazil and India utilize the most advanced production processes available. Consequently, there are virtually no differences in the quality between the U.S.-produced thermometers and those imported from Brazil and India. Nearly *** of U.S. production was exported in 1990, the bulk of them to Canada, Japan, Brazil, Mexico, and the Western Europe. By size, the U.S. producers are relatively small companies compared with the distributors of the thermometers imported from Brazil and India. These distributors have a marked price advantage primarily because of lower production costs in the two countries and also have a distinct distribution advantage because both the distributors produce and distribute a large number of medical products.

¹ Brazil and India have been found "sufficiently competitive" and are subject to lower competitive-need limits. Advice is requested on restoring normal limits for Brazil as well as a waiver of all competitive need limits.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	5,850	100	-	***
Imports from GSP countries:				
Total	5,690	97	100	***
India	3,194	55	56	***
Brazil	1,990	34	35	***
Columbia	504	9	9	***
Mexico	2	(¹)	(¹)	***

¹ Less than 0.5 percent.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--India and Brazil are the major suppliers of liquid-filled clinical thermometers to the United States. In 1990, they accounted for 89 percent of total imports and 91 percent of imports from all GSP eligible countries. Columbia was the only other significant GSP supplier accounting for the remaining 9 percent. Brazil, the second largest supplier of liquid-filled thermometers accounting for 34 percent of total imports in 1990, lost GSP eligibility for the product on July 1, 1987 after being found sufficiently competitive and was subject to reduced competitive need limits. In spite of having lost GSP eligibility, U.S. imports of liquid-filled thermometers from Brazil increased by 144 percent in 1988 over the 1987 level. Between 1988 and 1990, however, U.S. imports from Brazil declined by 28 percent to \$2.0 million. Imports from India, the largest supplier of liquid-filled thermometers, fluctuated, but increased to \$3.2 million in 1990 from \$2.9 million in 1986, despite India losing GSP eligibility on July 1, 1990. Imports from Columbia have more than quadrupled since 1988, but such imports totaled only \$0.5 million or 9 percent of the total in 1990.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Brazil for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes x No

What is the price elasticity of U.S. demand? High x Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes x No

Does the country have significant export markets besides the
United States? Yes No x

Could exports from the country be readily redistributed among
its foreign export markets? Yes No x

What is the price elasticity of import supply? High x Moderate Low

Price level compared with--

U.S. products. Above Equivalent Below x

Other foreign products Above x Equivalent Below

Quality compared with--

U.S. products. Above Equivalent x Below

Other foreign products Above Equivalent x Below

Comment.--U.S. imports of liquid-filled clinical thermometers from Brazil compare in quality to those produced in the United States and imported from India. The U.S. importer of Brazilian thermometers, who is also a producer and distributor of large number of medical products, has competitive advantages against the U.S. producers primarily because of lower production costs in Brazil and distribution advantages at home. However, Brazilian products are less price competitive with those imported from India, the only other major U.S. supplier, because of relatively lower labor costs in India.

V. Position of interested parties

Petitioner--Becton Dickerson and Company, New Jersey. The petitioner requests that the competitive need limits for clinical thermometers from Brazil be waived because granting of a waiver would not adversely affect the U.S. industry. The petitioner states that its Becton Dickerson thermometer, imported from Brazil, is known for its brand name, serves different market segments and is more expensive than that produced domestically. According to the petitioner, a reduction of 17 percent duty will not permit the company to enter into market segments currently served by Florida Medical, the largest domestic manufacturer of liquid-filled clinical thermometers. The petitioner further states that the contraction of the U.S. industry producing liquid-filled clinical thermometers is attributed to a shift in use to the digital thermometers and is not caused by the GSP imports of liquid-filled clinical thermometers.

VI. Summary of probable economic effects--competitive-need-limit waiver (Brazil)

★ ★ ★ ★ ★ ★ ★

VI. Summary of probable economic effects--restoration (Brazil)

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
90251120Digest Title: Liquid-filled clinical thermometers for direct reading
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
India.....	2,915	4,205	3,407	2,665	3,194
Brazil.....	1,498	1,127	2,755	1,627	1,990
Colombia.....	134	59	111	278	504
Japan.....	264	317	136	160	109
China.....	2	3	19	51	52
Mexico.....	0	0	0	0	2
Canada.....	0	2	55	28	0
Panama.....	0	4	0	0	0
United Kingdom...	10	4	2	6	0
Netherlands.....	0	12	0	0	0
France.....	6	0	0	0	0
West Germany.....	0	0	1	0	0
Poland.....	0	0	3	0	0
Spain.....	48	0	0	0	0
Korea.....	27	0	148	0	0
All other.....	63	56	361	82	0
Total.....	4,966	5,789	6,999	4,896	5,850
GSP Total.....	4,547	5,396	6,277	4,570	5,690
Percent					
India.....	58.7	72.6	48.7	54.4	54.6
Brazil.....	30.2	19.5	39.4	33.2	34.0
Colombia.....	2.7	1.0	1.6	5.7	8.6
Japan.....	5.3	5.5	1.9	3.3	1.9
China.....	1/	1/	.3	1.0	.9
Mexico.....	.0	.0	.0	.0	1/
Canada.....	.0	1/	.8	.6	.0
Panama.....	.0	.1	.0	.0	.0
United Kingdom...	.2	.1	1/	.1	.0
Netherlands.....	.0	.2	.0	.0	.0
France.....	.1	.0	.0	.0	.0
West Germany.....	.0	.0	1/	.0	.0
Poland.....	.0	.0	1/	.0	.0
Spain.....	1.0	.0	.0	.0	.0
Korea.....	.5	.0	2.1	.0	.0
All other.....	1.3	1.0	5.2	1.7	.0
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	91.6	93.2	89.7	93.3	97.3

1/ Less than \$500 or less than 0.1 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990.

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

Table II.

Digest No.
90251120Digest Title: Liquid-filled clinical thermometers for direct reading
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Canada.....	325	403	343	1,077	405
Netherlands.....	34	23	30	243	236
Japan.....	57	59	117	238	180
Brazil.....	17	34	42	113	179
United Kingdom...	138	122	162	184	137
Italy.....	28	44	37	115	134
Spain.....	16	13	32	124	133
Australia.....	31	27	35	55	125
West Germany.....	35	43	55	23	124
Mexico.....	82	33	134	28	111
France.....	40	47	49	79	107
Costa Rica.....	3	4	2	41	86
New Zealand.....	19	6	10	64	83
Egypt.....	5	3	5	2	75
Taiwan.....	21	26	58	19	66
All other.....	341	349	395	700	300
Total.....	1,192	1,236	1,508	3,105	2,481
GSP Total.....	249	191	312	485	622
Percent					
Canada.....	27.3	32.6	22.8	34.7	16.3
Netherlands.....	2.8	1.8	2.0	7.8	9.5
Japan.....	4.8	4.8	7.8	7.7	7.2
Brazil.....	1.4	2.7	2.8	3.6	7.2
United Kingdom...	11.6	9.9	10.8	5.9	5.5
Italy.....	2.4	3.6	2.5	3.7	5.4
Spain.....	1.4	1.0	2.1	4.0	5.4
Australia.....	2.6	2.1	2.3	1.8	5.0
West Germany.....	2.9	3.5	3.6	.7	5.0
Mexico.....	6.9	2.7	8.9	.9	4.5
France.....	3.3	3.8	3.2	2.5	4.3
Costa Rica.....	.3	.3	.2	1.3	3.5
New Zealand.....	1.6	.5	.7	2.1	3.3
Egypt.....	.4	.2	.4	.1	3.0
Taiwan.....	1.8	2.1	3.8	.6	2.6
All other.....	28.6	28.2	26.2	22.5	12.1
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	20.9	15.5	20.7	15.6	25.1

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also includes data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 includes data only for January through September 1990.

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

DIGEST NO. 9502.10.40

NONSTUFFED DOLLS NOT OVER 33 CM IN HEIGHT

Nonstuffed Dolls Not Over 33 cm in Height

I. Introduction

___ Addition to GSP ___ Removal from GSP x Competitive-need-limit waiver Malaysia

HTS subheading	Short description	Col. 1 rate of duty (1/1/91)	Like or directly competitive article produced in the United States on Jan. 3, 1985?
		Percent ad valorem	
9502.10.40	Nonstuffed dolls, whether or not dressed, not over 33 cm in height	12%	Yes

Description and uses.--This digest covers nonstuffed dolls, whether or not dressed, not over 33 cm in height. Digest products include dolls that are "Barbie-sized" and smaller. Dolls portray, serve as an image of, or present a lifelike imitation of a human being. They may be used for the amusement of children or adults, or for decoration¹. Dolls are usually made of rubber, plastic, ceramic, or textile. They may be jointed, and have mechanisms that permit limb or head movement.

Nonstuffed dolls are generally constructed with plastic or vinyl torsos; however, they may also be made of textile material and filled with materials such as plastic beads or crushed nutshells. Nonstuffed dolls may also have plastic, metal, or other hard parts incorporated in the torso. Nonstuffed dolls differ from stuffed dolls by the material used to produce the torso. The U.S. Customs Service regards dolls as stuffed for tariff purposes when the stuffing material imparts the shape and form to the torso of the figure. However, when a hard ceramic or plastic overlay or chest plate is used along with the stuffing material, Customs considers the length of the chest plate in determining whether a doll is stuffed or not. If the chest plate extends below the top of the bust line, that is, below the top of the breasts, then the item is considered nonstuffed since the chest plate, rather than the stuffing material, is imparting the shape and form to the torso². The head, arms, and legs of both types of dolls may be of hard material such as vinyl or ceramic.

Nonstuffed dolls covered by this digest may be divided into two broad categories, toy dolls for play, and dolls for collection or decoration not generally considered for children's play. Of these two categories, toy dolls are by far the most significant in terms of trade in digest products. Collectible dolls generally are made larger than 33 cm in height, although smaller collectible dolls are also produced.

Nonstuffed toy dolls of the type covered by this digest may be further subdivided into three groups: baby dolls, fashion/action-adventure dolls, and mini-dolls. The baby dolls are available in many forms and in varying degrees of realism. The fashion/action-adventure dolls, such as Barbie and G.I. Joe, appeal to older children as a means to represent or simulate adult behavior. The third group, mini-dolls, includes other small dolls.

¹ U.S. Customs Service Ruling CLA-2 CO:R:C:G 081201, Tariff classification of certain troll figures, October 3, 1988.

² U.S. Customs Service Ruling CLA-2 CO:R:C:G 085293, Tariff classification of certain bride dolls, December 6, 1989.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	**28	**26	**24	**24	**23
Employment (number)	**330	**330	**310	**310	**300
Shipments (1,000 dollars)	**29,000	**27,000	**25,500	**23,000	**20,000
Exports (1,000 dollars)	1,254	1,352	2,983	3,785	3,875
Imports (1,000 dollars)	212,973	193,582	177,280	255,446	278,257
Consumption (1,000 dollars)	**240,719	**219,230	**199,797	**274,661	**294,382
Import-to-consumption ratio (percent) . .	**88	**88	**89	**93	**95
Capacity utilization (percent)	*72	*70	*70	*70	*70

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.--The United States is the world's largest market for the nonstuffed dolls covered by this digest. Domestic production of digest products is concentrated mostly in the assembly and finishing of baby dolls and the manufacturing of smaller higher-value collectible dolls that do not generally compete with imported dolls. A large percentage of domestic production involves the finishing and assembly of dolls by large toy firms from imported doll parts. Domestic shipments, estimated at **\$20 million in 1990, were down from **\$29 million in 1986 as production continued to move offshore.

The U.S. doll industry has moved offshore, for the most part, because of the high labor costs involved in doll manufacturing and finishing. This is especially true for cutting and sewing of doll clothing. One segment of the domestic non-collectible doll industry that has remained, however, involves the final assembly and finishing operations for certain dolls.

The imports-to-consumption ratio for nonstuffed dolls covered by this digest rose from **88 percent in 1986 to **95 percent in 1990. The domestic industry producing nonstuffed dolls not over 33 cm in height consists of approximately **23 establishments; of these, about **8 establishments have 20 employees or more. The remainder of the industry consists of small manufacturers of high value dolls.

Apparent U.S. consumption of nonstuffed dolls peaked in 1986 at **\$241 million, at the tail-end of the "Cabbage Patch Kids" fad. Consumer interest in dolls waned in 1987-88, and consumption fell to near the pre-1985 levels as the industry failed to introduce new "hit" toy dolls. Consumer interest in dolls picked up again in 1989-90, and consumption rebounded to **\$294 million, as doll buyers recovered from the earlier glut of dolls initiated by declining interest in "Cabbage Patch Kids" dolls.

Domestic employment in the doll industry has declined steadily during the past 5 years. Employment for production of digest products was estimated at **300 in 1990, down from **330 employees in 1986. This decline occurred as the toy industry continued to shift its emphasis from domestic manufacturing to design, marketing, and distribution. The lower labor costs available overseas, especially in Asia, have led the large U.S. toy producers to shift production to these areas by either establishing production facilities there, or by contracting for production through Asian manufacturers.

The major U.S. nonstuffed doll producers supply the mid-priced dolls, especially baby dolls, action/adventure, and fashion dolls. These domestic firms generally purchase doll parts overseas and assemble and finish them domestically. Small doll manufacturing firms generally produce higher value dolls, especially the smaller collectible dolls.

U.S. exports of digest products in 1990 amounted to about \$4 million, up from \$1 million in 1986. U.S. exports of nonstuffed dolls consist primarily of unfinished goods intended for further processing and reexport to the United States. During the period 1986-90, there were also some limited exports of higher value collectible dolls.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	278,257	100	-	**95
Imports from GSP countries:				
Total	56,055	20	100	**19
Malaysia	37,400	13	67	**13
Mexico	9,272	3	17	**3
Macao	6,135	2	11	**2
Philippines	1,295	1	2	** ⁽¹⁾

¹ Less than 0.5 percent.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--Imports from GSP-eligible suppliers of digest products increased from \$29 million in 1986 to \$56 million in 1990. Imports of digest products from Malaysia, the largest GSP supplier, increased from \$9 million in 1986 to \$37 million in 1990. Much of this increase occurred as manufacturers in Hong Kong and Taiwan shifted production to China, and to lower-labor cost areas such as Malaysia which remain eligible for GSP benefits. A significant portion of imports from Mexico were from maquiladora plants in that country. Imports from developed countries, especially Germany, are specialty products and include collectible dolls and other high-value dolls similar in quality to many U.S. products.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Malaysia for all digest products

Ranking as a U.S. import supplier, 1990. 2

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Quality compared with--

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent X Below

Comment.--Imports from GSP-eligible suppliers of digest products compete with certain segments of U.S. producers of digest products. Imports from Malaysia, the largest GSP-eligible supplier, are slightly higher in quality and price compared with imports from China, the largest supplier of digest products. A major U.S. company reportedly accounts for a large portion of Malaysia's production of digest products at its two plants there. Malaysia has retained GSP eligibility and as such, manufacturers in Hong Kong and other non-GSP-eligible countries are beginning to move production there to take advantage of GSP treatment for dolls.

V. Position of interested parties

Petitioner.--Mattel, Inc., El Segundo, CA. Mattel states that a waiver of the GSP's competitive-need-limits with respect to imports of digest products from Malaysia will enable Mattel to preserve GSP treatment for its shipments of Barbie and other nonstuffed dolls manufactured in the company's two plants in Malaysia. Mattel states that, with the exception of specialty collectible dolls, the company believes there is virtually no production of nonstuffed dolls remaining in the United States, and that specialty collectible doll production would be unaffected by the requested waiver. Consequently, according to Mattel, the waiver would not adversely affect U.S. industry.

VI. Summary of probable economic effects--competitive-need-limit waiver (Malaysia)

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Table I.

Digest No.
95021040Digest Title: Nonstuffed dolls not over 33 cm in height
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
China.....	59,665	84,662	114,410	181,898	200,972
Malaysia.....	9,363	16,315	17,694	29,703	37,400
Mexico.....	1,225	1,083	6,673	6,003	9,272
Taiwan.....	35,133	37,904	14,937	12,865	7,690
Macao.....	5,643	2,468	722	1,204	6,135
West Germany.....	1,358	1,897	2,601	2,742	5,452
Hong Kong.....	81,537	30,695	12,902	12,673	4,918
Philippines.....	11,868	11,855	1,695	2,215	1,295
Thailand.....	136	91	428	236	804
Japan.....	2,273	1,268	919	739	648
East Germany.....	157	922	1,057	855	561
Brazil.....	1	13	193	772	534
Korea.....	2,142	2,143	1,368	1,231	515
Soviet Union.....	74	133	66	508	402
Italy.....	239	139	301	181	367
All other.....	2,158	1,992	1,314	1,622	1,292
Total.....	212,973	193,582	177,280	255,446	278,257
GSP Total.....	28,560	32,136	27,815	40,870	56,057
Percent					
China.....	28.0	43.7	64.5	71.2	72.2
Malaysia.....	4.4	8.4	10.0	11.6	13.4
Mexico.....	.6	.6	3.8	2.3	3.3
Taiwan.....	16.5	19.6	8.4	5.0	2.8
Macao.....	2.6	1.3	.4	.5	2.2
West Germany.....	.6	1.0	1.5	1.1	2.0
Hong Kong.....	38.3	15.9	7.3	5.0	1.8
Philippines.....	5.6	6.1	1.0	.9	.5
Thailand.....	.1	1/	.2	.1	.3
Japan.....	1.1	.7	.5	.3	.2
East Germany.....	.1	.5	.6	.3	.2
Brazil.....	1/	1/	.1	.3	.2
Korea.....	1.0	1.1	.8	.5	.2
Soviet Union.....	1/	.1	1/	.2	.1
Italy.....	.1	.1	.2	.1	.1
All other.....	1.0	1.0	.7	.6	.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	13.4	16.6	15.7	16.0	20.1

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest Title: Nonstuffed dolls not over 33 cm in height
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	172	606	1,447	1,749	1,061
Canada.....	180	181	209	221	808
United Kingdom...	195	92	168	207	526
Hong Kong.....	11	19	216	596	167
Japan.....	103	89	199	293	157
Australia.....	68	31	133	107	114
Colombia.....	68	18	25	13	106
Spain.....	0	2	3	5	101
Taiwan.....	0	10	25	22	100
Netherlands.....	14	30	148	26	99
West Germany.....	126	21	23	30	85
Venezuela.....	1	0	0	17	73
Poland.....	0	0	2	0	64
Brazil.....	0	0	0	19	63
Ireland.....	0	0	0	0	59
All other.....	317	251	384	480	292
Total.....	1,254	1,352	2,983	3,785	3,875
GSP Total.....	464	736	1,622	2,159	1,528
Percent					
Mexico.....	13.7	44.9	48.5	46.2	27.4
Canada.....	14.4	13.4	7.0	5.9	20.9
United Kingdom...	15.6	6.8	5.6	5.5	13.6
Hong Kong.....	.9	1.4	7.2	15.7	4.3
Japan.....	8.3	6.6	6.7	7.7	4.0
Australia.....	5.4	2.3	4.4	2.8	2.9
Colombia.....	5.4	1.3	.8	.4	2.7
Spain.....	.0	.2	.1	.1	2.6
Taiwan.....	.0	.7	.8	.6	2.6
Netherlands.....	1.1	2.2	5.0	.7	2.5
West Germany.....	10.0	1.6	.8	.8	2.2
Venezuela.....	.1	.0	.0	.4	1.9
Poland.....	.0	.0	.1	.0	1.6
Brazil.....	.0	.0	.0	.5	1.6
Ireland.....	.0	.0	.0	.0	1.5
All other.....	25.2	18.6	12.9	12.7	7.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	37.0	54.5	54.4	57.0	39.4

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

DIGEST NO. 9502.10.80

CERTAIN NONSTUFFED DOLLS OVER 33 CM IN HEIGHT

Certain Nonstuffed Dolls Over 33 cm in Height

I. Introduction

 Addition to GSP Removal from GSP X Competitive-need-limit waiver Malaysia

HTS subheading	Short description	Col. 1 rate of duty (1/1/91) Percent ad valorem	Like or directly competitive article produced in the United States on Jan. 3, 1985?
9502.10.80	Certain nonstuffed dolls, whether or not dressed, over 33 cm in height	12%	Yes

Description and uses.--This digest covers nonstuffed dolls, whether or not dressed, over 33 cm in height that are not capable of electromechanical movement of body parts activated by, and synchronized with, an integral or accompanying tape player or microprocessor. Digest products include dolls that are larger than "Barbie"-sized dolls. Dolls portray, serve as an image of, or present a lifelike imitation of a human being. They may be used for the amusement of children or adults, or for decoration¹. Dolls are usually made of vinyl, rubber, plastic, ceramic, or textile. They may be jointed, and may have mechanisms that permit limb or head movement.

Nonstuffed dolls are generally constructed with plastic or vinyl torsos; however, they may also be made of textile material and filled with materials such as plastic beads or crushed nutshells. Nonstuffed dolls may also have plastic, metal, or other hard parts incorporated in the torso. Nonstuffed dolls differ from stuffed dolls by the material used to produce the torso. The U.S. Customs Service regards dolls as stuffed for tariff purposes when the stuffing material imparts the shape and form to the torso of the figure. However, when a hard ceramic or plastic overlay or chest plate is used along with the stuffing material, Customs considers the length of the chest plate in determining whether a doll is stuffed or not. If the chest plate extends below the top of the bust line, that is, below the top of the breasts, then the item is considered nonstuffed since the chest plate, rather than the stuffing material, is imparting the shape and form to the torso². The head, arms, and legs of both types of dolls may be of hard material such as vinyl or ceramic.

Nonstuffed dolls covered in this digest may be divided into two broad categories, dolls which are for collection or decoration and not generally considered for children's play, and children's toy dolls. This digest covers most of the collectible dolls, which are generally made larger than 33 cm in height because dolls of this size may display more detail. In general, collectible dolls are more expensive than play dolls at the retail level; however, there can be considerable price overlap between the higher priced play dolls and the lower priced collectibles.

Nonstuffed toy dolls of the type covered by this digest may be further subdivided into two groups: baby dolls and fashion/action-adventure dolls. Baby dolls are the most significant of the toy-type dolls in terms of trade and are available in many forms and in varying degrees of realism, while the fashion/action-adventure dolls appeal mostly to older children as a means to represent or simulate adult behavior.

¹ U.S. Customs Service Ruling CLA-2 CO:R:C:G 081201, Tariff classification of certain troll figures, October 3, 1988.

² U.S. Customs Service Ruling CLA-2 CO:R:C:G 085293, Tariff classification of certain bride dolls, December 6, 1989.

II. U.S. market profile

Profile of U.S. industry and market, 1986-90¹

Item	1986	1987	1988	1989	1990
Producers (number)	**35	**34	**34	**34	**34
Employment (number)	**450	**435	**425	**400	**390
Shipments (1,000 dollars)	**22,000	**18,000	**16,000	**17,000	**18,000
Exports (1,000 dollars)	855	922	2,034	2,581	2,642
Imports (1,000 dollars)	38,658	59,257	69,574	84,078	111,084
Consumption (1,000 dollars)	**59,803	**76,335	**83,540	**98,497	**126,442
Import-to-consumption ratio (percent)	**65	**78	**83	**85	**88
Capacity utilization (percent)	**76	**78	**78	**78	**78

¹Trade data for 1986-88 were converted from the TSUSA import statistics and Schedule B export statistics to the HTS. Because of the fundamental difference between the HTS classification system and the TSUSA/Schedule B, trade data for 1986-88 may not be directly comparable with HTS trade data for 1989-90.

Comment.--The United States is the world's largest market for the nonstuffed dolls covered by this digest. Domestic production is concentrated mostly in the manufacturing of larger, high-value, collectible dolls that do not generally compete with imported dolls. The assembly and finishing of certain toy baby dolls, however, is also performed domestically. Although most domestic production of digest products is done by small- to mid-sized manufacturers of collectible dolls, some domestic production is done by large toy firms which finish and assemble mid-value dolls from imported doll parts. Overall domestic shipments were estimated to be **\$18 million in 1990, down from **\$22 million in 1986. The U.S. doll industry has, for the most part, moved offshore because of the high labor costs involved in doll manufacturing and finishing. This is especially true for cutting and sewing of doll clothing. The manufacture of higher value collectible dolls has, for the most part, remained part of the domestic industry because of the level of skill required in finishing these dolls.

The imports-to-consumption ratio for nonstuffed dolls covered by this digest rose from **65 percent in 1986 to **88 percent in 1990. The domestic industry for digest products consists of approximately **34 establishments. Of these, about **10 establishments have 20 employees or more. The remainder of the industry consists of small manufacturers of limited production, high-value collectible dolls.

Apparent U.S. consumption of nonstuffed dolls increased steadily between 1986 and 1990 to **\$126 million as consumer interest in dolls has grown. Domestic employment in the doll industry, however, has declined steadily. Employment for production of digest products was estimated at **390 in 1990, down from **450 employees in 1986. This decline occurred as the toy industry continued to shift its emphasis from domestic manufacturing to marketing, design, and distribution. The lower labor costs available overseas, especially in China, have led the large toy producers to shift production to these areas by either establishing production facilities there, or by contracting for production through Asian manufacturers.

The major U.S. nonstuffed doll producers supply mid- to high-priced dolls, especially baby dolls. These domestic firms generally purchase doll parts overseas and assemble and finish them

domestically. Small- and mid-sized doll manufacturing firms generally produce higher value collectible dolls.

U.S. exports of digest products in 1990 amounted to nearly \$3 million, up from \$1 million in 1986. U.S. exports of digest dolls consist primarily of unfinished dolls intended for further processing in Mexico and of collectible dolls to Canada and the United Kingdom.

III. GSP import situation, 1990

U.S. imports and share of U.S. consumption, 1990

Item	Imports 1,000 dollars	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total	111,084	100	-	**88
Imports from GSP countries:				
Total	3,522	3	100	**3
Malaysia	1,521	1	43	**1
Philippines	1,057	1	30	**1
Thailand	682	1	19	**1
Macao	111	(1)	3	**1)

¹ Less than 0.5 percent.

Note.--Because of rounding, figures may not add to the totals shown.

Comment.--Imports of digest products from GSP-eligible countries increased from \$90,000 in 1986 to \$4 million in 1990. Imports of digest products from Malaysia, the largest GSP supplier, increased from almost nil in 1986 to almost \$2 million in 1990. Much of this increase occurred as manufacturers in Hong Kong began shifting production to lower labor cost areas that remain eligible for GSP benefits.

The major sources of imports of digest products to the United States shifted during 1986-90 from Hong Kong to China. This occurred as rising production costs in Hong Kong forced manufacturers there to shift production to lower labor-cost areas. Imports from China grew from \$5 million in 1986 to \$83 million in 1990. Much of the increase in imports from China was the result of increased U.S. demand and growing production capacity in China. Imports from developed countries, especially Germany, generally occupy specialty product market niches, such as collectible dolls, or other high-value dolls, similar in quality to many U.S. products.

IV. Competitiveness profiles, GSP suppliers

Competitiveness indicators for Malaysia for all digest products

Ranking as a U.S. import supplier, 1990. 6

Price elasticity:

Can the U.S. purchaser easily shift among this and other suppliers? Yes X No

What is the price elasticity of U.S. demand? High X Moderate Low

Can production in the country be easily expanded or contracted
in the short term? Yes X No

Does the country have significant export markets besides the
United States? Yes X No

Could exports from the country be readily redistributed among
its foreign export markets? Yes X No

What is the price elasticity of import supply? High X Moderate Low

Price level compared with--

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Quality compared with--

U.S. products. Above Equivalent Below X

Other foreign products Above Equivalent Below X

Comment.--Imports from GSP-eligible suppliers of digest products, which increased from \$90,000 in 1986 to almost \$4 million in 1990, do not generally compete directly with U.S.-produced dolls. Domestic products are generally of higher value and quality compared with imported products. Imports from Malaysia, the largest GSP-eligible supplier, are slightly higher in quality and price compared with imports from China, the largest supplier of digest products, but lower in quality and price compared with other Asian suppliers. Malaysia has a competitive advantage in the production of vinyl dolls because of their proximity to sources of rubber.

V. Position of interested parties

Petitioner.--Mattel, Inc., El Segundo, CA. Mattel states that a waiver of the GSP's competitive-need-limits with respect to imports of digest products from Malaysia will enable Mattel to preserve GSP treatment for its shipments of Barbie and other nonstuffed dolls manufactured in the company's two plants in Malaysia. Mattel states that, with the exception of specialty collectible dolls, the company believes there is virtually no production of nonstuffed dolls remaining in the United States, and that specialty collectible doll production would be unaffected by the requested waiver. Consequently, according to Mattel, the waiver would not adversely affect U.S. industry.

VI. Summary of probable economic effects--competitive-need-limit waiver (Malaysia)

★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★

Table I.

Digest No.
95021080Digest Title: Certain nonstuffed dolls over 33 cm in height
U.S. imports for consumption, principal sources, 1986-90

Source	1986	1987	1988	1989	1990
Value (1,000 dollars)					
China.....	5,305	22,469	38,081	50,400	82,703
Taiwan.....	3,986	11,572	15,471	19,610	13,364
Spain.....	2,598	1,116	4,710	3,110	3,155
Hong Kong.....	24,734	19,155	3,685	3,387	2,771
West Germany.....	620	1,038	1,743	1,290	2,623
Malaysia.....	17	373	603	1,469	1,521
Korea.....	403	1,148	1,627	1,081	1,304
Philippines.....	10	9	162	837	1,057
Thailand.....	14	44	53	107	682
France.....	18	171	238	408	457
Japan.....	481	1,015	715	559	397
Italy.....	184	165	202	275	373
East Germany.....	14	125	295	102	115
Macao.....	0	461	288	19	111
Canada.....	19	25	114	74	102
All other.....	256	371	1,588	1,351	348
Total.....	38,658	59,257	69,574	84,078	111,084
GSP Total.....	92	999	2,150	3,370	3,524
Percent					
China.....	13.7	37.9	54.7	59.9	74.5
Taiwan.....	10.3	19.5	22.2	23.3	12.0
Spain.....	6.7	1.9	6.8	3.7	2.8
Hong Kong.....	64.0	32.3	5.3	4.0	2.5
West Germany.....	1.6	1.8	2.5	1.5	2.4
Malaysia.....	1/	.6	.9	1.7	1.4
Korea.....	1.0	1.9	2.3	1.3	1.2
Philippines.....	1/	1/	.2	1.0	1.0
Thailand.....	1/	.1	.1	.1	.6
France.....	1/	.3	.3	.5	.4
Japan.....	1.2	1.7	1.0	.7	.4
Italy.....	.5	.3	.3	.3	.3
East Germany.....	1/	.2	.4	.1	.1
Macao.....	.0	.8	.4	1/	.1
Canada.....	1/	1/	.2	.1	.1
All other.....	.7	.6	2.3	1.6	.3
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	.2	1.7	3.1	4.0	3.2

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

Table II.

Digest No.
95021080Digest Title: Certain nonstuffed dolls over 33 cm in height
U.S. exports of domestic merchandise, by principal markets, 1986-90

Market	1986	1987	1988	1989	1990
Value (1,000 dollars)					
Mexico.....	117	413	987	1,193	723
Canada.....	123	123	143	151	551
United Kingdom...	133	63	115	141	359
Hong Kong.....	7	13	147	406	114
Japan.....	71	60	136	200	107
Australia.....	46	21	90	73	78
Colombia.....	46	12	17	9	72
Spain.....	0	2	2	3	69
Taiwan.....	0	7	17	15	68
Netherlands.....	9	21	101	18	67
West Germany.....	86	14	16	21	58
Venezuela.....	1/	0	0	11	50
Poland.....	0	0	2	0	43
Brazil.....	0	0	0	13	43
Ireland.....	0	0	0	0	41
All other.....	216	171	262	327	199
Total.....	855	922	2,034	2,581	2,642
GSP Total.....	316	502	1,106	1,472	1,042
Percent					
Mexico.....	13.7	44.9	48.5	46.2	27.4
Canada.....	14.4	13.4	7.0	5.9	20.9
United Kingdom...	15.6	6.8	5.6	5.5	13.6
Hong Kong.....	.9	1.4	7.2	15.7	4.3
Japan.....	8.3	6.6	6.7	7.7	4.0
Australia.....	5.4	2.3	4.4	2.8	2.9
Colombia.....	5.4	1.3	.8	.4	2.7
Spain.....	.0	.2	.1	.1	2.6
Taiwan.....	.0	.7	.8	.6	2.6
Netherlands.....	1.1	2.2	5.0	.7	2.5
West Germany.....	10.0	1.6	.8	.8	2.2
Venezuela.....	1/	.0	.0	.4	1.9
Poland.....	.0	.0	.1	.0	1.6
Brazil.....	.0	.0	.0	.5	1.6
Ireland.....	.0	.0	.0	.0	1.5
All other.....	25.2	18.6	12.9	12.7	7.5
Total.....	100.0	100.0	100.0	100.0	100.0
GSP Total.....	37.0	54.5	54.4	57.0	39.4

1/ Less than \$500 or less than 0.05 percent.

Note.--Because of rounding, figures may not add to totals shown. West Germany trade data for 1990 also include data from the former German Democratic Republic (East Germany) and Berlin for October through December 1990. East Germany trade data for 1990 include data only for January through September 1990.

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

APPENDIX A

**United States Trade Representative Request received
August 22, 1991, for Probable Economic Effect Advice**

DOCKET
NUMBER

1639

Office of the
Secretary
Int. Trade Commission

THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20508

August 21, 1991

The Honorable Anne Brunsdale
Acting Chairman
United States International Trade
Commission
500 E Street, S.W.
Washington, D.C. 20436

Dear Chairman Brunsdale:

The Trade Policy Staff Committee (TPSC) has recently announced in the Federal Register the acceptance of product petitions for modification of the Generalized System of Preferences (GSP) received as part of the 1991 annual review. Modifications to the GSP which may result from this review will be announced in early 1992 and become effective July 1, 1992. In this connection, I am making the requests listed below.

In accordance with sections 503(a) and 131(a) of the Trade Act of 1974 (the 1974 Act), and pursuant to the authority of the President delegated to the United States Trade Representative (USTR) by sections 4(c) and 8(c) and (d) of Executive Order 11846 of March 31, 1975, as amended, I hereby notify the Commission that the articles identified in Part A of the enclosed list are being considered for designation as eligible articles for purposes of the United States GSP, set forth in Title V of the 1974 Act.

Pursuant to sections 503(a) and 131(a) of the 1974 Act, I request that the Commission provide its advice, with respect to each article listed in Part A of the enclosed 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.

In providing its advice, I request the Commission to assume that the 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)(1) of the 1974 Act (except as noted in cases 91-29, 91-31, 91-34, and 91-36).

Under authority delegated by the President, pursuant to section 332(g) of the Tariff Act of 1930, I further request:

(a) with respect to each article listed in Part B of the enclosed 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 of the removal of the articles in Part B of the enclosed list from eligibility for duty-free treatment under the GSP;

(b) in accordance with section 504(c)(3)(A)(i) of the 1974 Act, that the Commission provide advice as to the probable economic effect on domestic industries producing like or directly competitive articles and on consumers of waiving the competitive need limits for countries specified with respect to the articles in Part C of the enclosed list and for Thailand with respect to the articles involved in case 91-29 (HTS subheading 2008.92.10), for Turkey with respect to the articles involved in case 91-31 (HTS subheading 2401.10.40), for Mexico with respect to the articles involved in case 91-34 (HTS subheading 2917.36.00), and for Argentina with respect to the articles involved in case 91-36 (HTS subheading 3301.13.00);

(c) that the Commission provide advice as to the probable economic effect on domestic industries producing like or directly competitive articles and on consumers of restoring the competitive need limits specified in section 504(c)(1) of the 1974 Act for Mexico with respect to the articles involved in each of the cases 91-54 (HTS subheading 0807.10.70), 91-55 (HTS subheading 0810.90.40(pt.)), 91-70 (HTS subheading 7402.00.00), 91-73 (HTS subheading 8409.91.91), 91-74 (HTS subheading 8415.82.00), 91-75 (HTS subheading 8415.90.00), 91-76 (HTS subheading 8428.90.00(pt.)), and 91-78 (HTS subheading 8539.90.00), all of the foregoing articles for which Mexico currently is subject to the reduced competitive need limits specified in section 504(c)(2)(B) of the 1974 Act, and for Brazil with respect to the articles involved in each of the cases 91-77 (HTS subheading 8527.21.1010) and 91-81 (HTS subheading 9025.11.20), all of the foregoing articles for which Brazil currently is subject to the reduced competitive need limits specified in section 504(c)(2)(B) of the 1974 Act; and,

(d) in accordance with section 504(d) of the 1974 Act which exempts from one of the competitive need limits in section 504(c) of the 1974 Act articles for which no like or directly competitive article was being produced in the United States on January 3, 1985, that the Commission provide advice with respect to whether products like or directly competitive with the articles in Part A of the

The Honorable Anne Brunsdale
Page Three

enclosed list and case 91-64 (HTS subheading 3926.90.87)
were being produced in the United States on January 3, 1985.

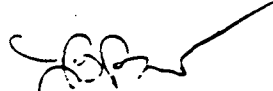
Under the provisions of the 1974 Act, the Commission has six months to provide the advice requested herein pursuant to sections 503(a) and 131(a) of the 1974 Act on Part A of the enclosed list. However, it would be greatly appreciated if all of the requested advice could be provided by November 22, 1991, in order to permit any actions to be taken on these items to be included in a presidential proclamation which should be issued in early April 1992. Also, to the maximum extent possible, it would be greatly appreciated if statistics (profile of U.S. industry and market and U.S. import data) and any other relevant information or advice be provided for each HTS subheading in the cases involved in this investigation.

I direct you to mark as "Confidential" those portions of the Commission's report and related working papers that contain the Commission's advice on the probable economic effect on United States industries producing like or directly competitive articles and on consumers. All other parts of the report are unclassified, but the overall classification marked on the front and back covers of the report should be "Confidential" to conform with the confidential sections contained therein. All business confidential information contained in the report should be clearly identified.

When the Commission's confidential report is provided to my Office, the Commission should at the same time issue a public version of the report containing only the unclassified sections, with any business confidential information deleted.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,



Joshua B. Bolten
Acting

Annex

Case No.	ETS Subheading	Article	Petitioner
(The bracketed language in this list has been included only to clarify the scope of the numbered subheadings 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>			
91-1	0409.00.00	Natural honey	Government of Mexico; Cooperative Society "Apiario el Borullo" S.C.L., Mexico
		Onions, shallots, garlic, leeks and other alliacaceous vegetables, fresh or chilled: Onions and shallots: (Onion sets) Other: Green (spring) onions	
91-2	0703.10.40(pt.)		Government of Mexico; Sociedad de Produccion Rural de R.L. "Hortalizas del Valle del Sol", Mexico
		Other vegetables, fresh or chilled: Other: Cilantro (leaves of the coriander plant)	
91-3	0709.90.40(pt.)		Asociacion Agricola Local de Productores de Hortalizas de Tijuana, "La Isleta", Mexico
		Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared: Potatoes whether or not cut or sliced but not further prepared	
91-4	0712.10.00		Government of Argentina; Federacion Argentina de Vegetales Industrializados, Argentina
		Onions: Powder or flour	
91-5	0712.20.20		Government of Mexico; Deshidratadora GAB, S.A. de C.V., Mexico
91-6	0712.20.40	Other	Government of Argentina; Government of Mexico; Deshidratadora GAB, S.A. de C.V., Mexico; Federacion Argentina de Vegetales Industrializados, Argentina
		Other vegetables; mixtures of vegetables: Garlic	do.
91-7	0712.90.40	Tomatoes	Government of Argentina; Federacion Argentina de Vegetales Industrializados, Argentina
91-8	0712.90.73		
		Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried: Figs: Whole: In immediate containers weighing with their contents over 0.5 kg each	
91-9	0804.20.40		Government of Mexico; Comercializadora Internacional Santa Anita, Mexico
91-10	0804.20.80	Other	do.
		Grapes, fresh or dried: Fresh: [If entered during the period from February 15 to March 31, inclusive, in any year; if entered during the period from April 1 to June 30, inclusive, in any year]	
91-11	0806.10.60	If entered at any other time	Government of Peru
		Dried: Raisins: (Made from seedless grapes)	
91-12	0806.20.20	Other raisins	Government of Mexico; Comercializadora Internacional Santa Anita, Mexico
		Peel of citrus fruit or melons (including watermelons), fresh, frozen, dried or provisionally preserved in brine, in sulfur water or in other preservative solutions: Lime	
91-13	0814.00.90(pt.)		Government of Peru
		Hop cones, fresh or dried, whether or not ground, powdered or in the form of pellets; lupulin: Hop cones, ground, powdered or in the form of pellets; lupulin	
91-14	1210.20.00		Bosmed Export-Import p.o. Zalec, Yugoslavia

Case No.	HTS Subheading	Article	Petitioner
A.	<u>Petitions to add products to the list of eligible articles for the Generalized System of Preferences. (con.)</u>		
		Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs: Fish, whole or in pieces, but not minced: Sardines, sardinella and brisling or sprats: In oil, in airtight containers: [Articles provided for in subheading 1604.13.10] Other:	
91-15	1604.13.30	Skinned or boned Other (including yellowtail): In airtight containers: In oil: Bonito, yellowtail and pollock	Government of Peru do.
		Malt extract; food preparations of flour, meal, starch or malt extract, not containing cocoa powder or containing cocoa powder in a proportion by weight of less than 50 percent, not elsewhere specified or included; food preparations of goods of headings 0401 to 0404, not containing cocoa powder or containing cocoa powder in a proportion by weight of less than 10 percent, not elsewhere specified or included: Other: Malted milk; articles of milk or cream not specially provided for: Cajeta	
91-17	1901.80.30(pt.)		Government of Mexico; Lacteos Cedral, S.A. de C.V., Mexic
		Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen: Olives: In a saline solution: Green in color: Not pitted: Ripe, in containers each holding less than 13 kg, drained weight, in an aggregate quantity not to exceed 730 metric tons entered in any calendar year Other: Described in additional U.S. note 4 to chapter 20	
91-18	2005.70.11		Government of Argentina; Government of Turkey; Federacion Argentina de Vegetales Industrializados, Argentina
91-19	2005.70.13		do.
91-20	2005.70.15		do.
91-21	2005.70.21	Pitted or stuffed: Place packed: Stuffed, in containers each holding not more than 1 kg, drained weight, in an aggregate quantity not to exceed 2,700 metric tons in any calendar year	Government of Argentina; Consorcio Olivarero Argentino, S.A Argentina
91-22	2005.70.22		do.
91-23	2005.70.25	Other	Government of Argentina; Government of Turkey; Consorcio Olivarero Argentino, S.A Argentina
		Not green in color: Canned: Not pitted Other than canned: (In airtight containers of glass or metal) Other	
91-24	2005.70.50		Government of Turkey
91-25	2005.70.75		do.
91-26	2005.70.83	Otherwise prepared or preserved: [Articles provided for in subheading 2005.70.81] Other	do.
		Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included: Pears	
91-27	2008.40.00		Government of Argentina; Federacion Argentina de Vegetales Industrializados, Argentina
91-28	2008.50.20	Apricots: Pulp Other, including mixtures other than those of subheading 2008.19: Mixtures: In airtight containers and not containing apricots, citrus fruits, peaches or pears	do.
91-29	2008.92.10 1/		Dole Packaged Foods Company, San Francisco, CA

1/ The IFSC requests advice on a waiver of competitive need for Thailand on the articles provided for in HTS subheading 2008.92.10.

Case No.	HTS Subheading	Article	Petitioner
A. Petitions to add products to the list of eligible articles for the Generalized System of Preferences. (con.)			
		Wine of fresh grapes, including fortified wines; grape must other than that of heading 2009: [Sparkling wine; Other wine; grape must with fermentation prevented or arrested by the addition of alcohol]	
91-30	2204.30.00	Other grape must	Government of Argentina
		Unmanufactured tobacco (whether or not threshed or similarly processed); tobacco refuse: Tobacco, not stemmed/stripped: Not containing wrapper tobacco, or not containing over 35 percent wrapper tobacco: Cigarette leaf: Oriental or Turkish type not over 21.6 cm in length	Tekel Tobacco, Turkey; Tobacco Products, Salt and Alcohol Enterprises General Directorate, Turkey; Directorate of Leaf and Tobacco Enterprises and Trade, Turkey
91-31	2401.10.40 1/		
		Cyclic hydrocarbons: [Cyclanes, cyclanes and cycloterpenes; Benzene; Toluene; Xylenes; Styrene; Ethylbenzene; Cumene] Other: [Articles provided for in subheadings 2902.90.10 through 2902.90.30, inclusive]	
91-32	2902.90.30	Other	Government of Argentina; PASA Petroquímica Argentina S.A., Argentina
		Cyclic alcohols and their halogenated, sulfonated, nitrated or nitrosated derivatives: Aromatic: Benzyl alcohol	
91-33	2906.21.00		Government of Mexico; Quest Internacional de Mexico, S.A. de C.V., Mexico
		Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulfonated, nitrated or nitrosated derivatives: Aromatic polycarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives: Terephthalic acid and its salts	
91-34	2917.36.00 2/		Petrocel, S.A., Mexico; Tereftalatos Mexicanos, S.A., Mexico
		Oxygen-function amino-compounds: Amino-acids and their esters, other than those containing more than one kind of oxygen function; salts thereof: [Lysine and its esters; salts thereof; Glutamic acid and its salts] Other: Aromatic: [Articles provided for in subheading 2922.49.10] Other: Drugs	
91-35	2922.49.20		Haarmann & Reimer, S.A., Mexico
		Essential oils (terpeneless or not), including concretes and absolutes; resinoids; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpene by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils: Essential oils of citrus fruit: Of lemon	
91-36	3301.13.00 3/		S.A. San Miguel, Argentina
		Other articles of plastics and articles of other materials of headings 3901 to 3914: Articles of apparel and clothing accessories (including gloves): [Gloves] Other	
91-37	3926.20.50		Government of Turkey

1/ The IFSC requests advice on a waiver of competitive need for key on the articles provided for in HTS subheading 2401.10.40.
2/ The petitioner also requests advice on a waiver of competitive need for Mexico on the articles provided for in HTS subheading 2917.36.00.
3/ The IFSC requests advice on a waiver of competitive need for Argentina on the articles provided for in HTS subheading 3301.13.00.

Case No.	HTS Subheading	Article	Petitioner
A. Petitions to add products to the list of eligible articles for the Generalized System of Preferences. (con.)			
		Other articles of plastics and articles, etc., (con.): Fittings for furniture, coachwork or the like: [Handles and knobs] "Other"	Government of Mexico; Distribuidora Kaber, S.A. de C.V., Mexico
91-38	3925.30.50		
		Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials: Of man-made textile materials: Made up fishing nets: Hand-twist string-drawn	Government of Mexico; Grupo Omi, Mexico
91-39	5608.11.0010		
		Ferroalloys: Ferrochromium: Containing by weight more than 4 percent of carbon Other: [Containing by weight more than 3 percent of carbon] Other	Etibank General Management, Turkey
91-40	7202.41.00		
91-41	7202.48.50		do.
		Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers (including spring washers) and similar articles, of iron or steel: Threaded articles: [Coach screws; Other wood screws; Screw hooks and screw rings; Self-tapping screws] Other screws and bolts, whether or not with their nuts or washers: Bolts and bolts and their nuts or washers entered in the same shipment	American Screw de Chile, S.A., Chile
91-42	7318.15.20		
91-43	7318.15.40		do.
		Machine screws 9.5 mm or more in length and 3.2 mm or more in diameter (not including cap screws)	
		[Studs] Other: Having shanks or threads with a diameter of less than 6 mm	do.
91-44	7318.15.60		
91-45	7318.16.00	Nuts	do.
		Transmission shafts (including camshafts and crankshafts) and cranks; bearing housings, housed bearings and plain shaft bearings; gears and gearing; ball screws; gear boxes and other speed changers, including torque converters; flywheels and pulleys, including pulley blocks; clutches and shaft couplings (including universal joints); parts thereof: Flywheels and pulleys, including pulley blocks: [Gray-iron casting or tackle pulleys, not over 6.4 cm in wheel diameter]	
91-46	8483.50.00	Other	Doktas Dokumculuk Ve Sanayi A.S., Turkey
		Reception apparatus for radiotelephony, radiotelegraphy or radiobroadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock: Radiobroadcast receivers not capable of operating without an external source of power, of a kind used in motor vehicles, including apparatus capable of receiving also radiotelephony or radiotelegraphy: [Combined with sound recording or reproducing apparatus] Other: FM only or AM/FM only	Ford Motor Company, Dearborn, MI
91-47	8527.29.0040		
B. Petitions to remove products from the list of eligible articles for the Generalized System of Preferences.			
91-48	4007.00.00	Vulcanized rubber thread and cord	North American Rubber Thread Company, Inc., Fall River, MA
		Cloth (including endless bands), grill, netting and fencing, of iron or steel wire; expanded metal of iron or steel: Grill, netting and fencing, welded at the intersection, of wire with a maximum cross-sectional dimension of 3 mm or more and having a mesh size of 100 cm ² or more	Oklahoma Steel & Wire Co., Inc. Madill, OK
91-49	7314.20.00		

Case No.	HTS Subheading	Article	Petitioner
B. <u>Petitions to remove products from the list of eligible articles for the Generalized System of Preferences. (con.)</u>			
91-50	7320.10.00	Springs and leaves for springs, of iron or steel: Leaf springs and leaves therefor	Detroit Steel Products Co., Inc., Morristown, IN; Spring Research Institute, Chicago, IL; Winamac Spring Co., Inc., Winamac, IN
		Stoves, ranges, grates, cookers (including those with subsidiary boilers for central heating), barbecues, braziers, gas rings, plate warmers and similar nonelectric domestic appliances, and parts thereof, of iron or steel: Cooking appliances and plate warmers: For gas fuel or for both gas and other fuels: (Portable) Other:	
91-51	7321.11.30	Stoves or ranges	Magic Chef Company, Cleveland, OH
C. <u>Petitions for waiver of competitive need limit for a product on the list of eligible products for the Generalized System of Preferences.</u>			
		Lettuce (<i>Lactuca sativa</i>) and chicory (<i>Cichorium</i> spp.), fresh or chilled: Lettuce: Head lettuce (cabbage lettuce): (If entered in the period from June 1 to October 31, inclusive, in any year)	
91-52	0705.11.40 (Mexico)	Other	Government of Mexico; Procesadora de Uvas S.P.R. de R.L., Mexico
		Malons (including watermelons) and papayas (papaws), fresh: Malons (including watermelons): Cantaloupes: (If entered during the period from August 1 to September 15, inclusive, in any year)	
91-53	0807.10.20 (Mexico)	If entered at any other time	Government of Mexico; Asociacion Agricola Local de Productores de Nuez Durango y Mansana de Sonora, Mexico
		(Watermelons; Ogen and Galia malons) Other: If entered during the period from December 1, in any year, to the following May 31, inclusive	do.
		Other fruit, fresh: Other: Prickly pears (cactus fig)	Government of Mexico; Asociacion Rural de Interes Colect: "El Gran Tunal" de R.L., Mexico; Union de Ejidos de Azapasco, Mexico; Union de Ejidos de Temascalapa, Mexico
		Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty capsules of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products: Other: Other: Corn chips; taco shells	Taco Bell Corporation, Irvine, CA
91-56	1905.90.90(pt.) (Mexico)	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid: Other: Other: Vegetables: Jalapeno and serrano peppers	Camara Nacional de la Industria de Conservas Alimenticias, Mexico; Empacadora del Noroeste, S.A. Mex
91-57	2001.90.39(pt.) (Mexico)		

Case No.	HTS Subheading	Article	Petitioner
C. Petitions for waiver of competitive need limit for a product on the list of eligible products for the Generalized System of Preferences. (con.)			
91-58	2603.00.00 (Mexico)	Copper ores and concentrates	Industrial Minera Mexico, S.A. de C.V., Mexico; Mexicana de Cobre, S.A. de C.V., Mexico Mexicana de Cananea, S.A. de C.V., Mexico
91-59	2838.01.00 (Chile)	Carbonates; percarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbonate: Other: Lithium carbonates	Cyprus Foote Mineral Company, Malvern, PA
		Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 3401: (Organic surface-active agents, whether or not put up for retail sale; Preparations put up for retail sale)	
		Other: Synthetic detergents	
91-60	3402.90.10 (Mexico)		Government of Mexico; Camara Nacional de la Industria de Aceites, Grasas Y Jabones, Mexico
91-61	3902.10.00 (Mexico)	Polymers of propylene or of other olefins, in primary forms: Polypropylene	Indelpro, S.A., Mexico
91-62	3902.30.00 (Mexico)	Propylene copolymers	do.
91-63	3920.71.00 (Mexico)	Other plates, sheets, film, foil and strip, of plastics, noncellular and not reinforced, laminated, supported or similarly combined with other materials: Of cellulose or its chemical derivatives: Of regenerated cellulose	Intermar, Inc., Dallas, TX; Masterpak, S.A. de C.V., Mexico
		Other articles of plastics and articles of other materials of headings 3901 to 3914: Other: Flexible plastic document binders with tabs, rolled or flat	
91-64	3928.90.07 1/ (Mexico)		IBICO, Inc., Elk Grove, IL; Spiral Binding Co., Totowa, NJ
91-65	6910.10.0030 (Mexico)	Ceramic sinks, washbasins, washbasin pedestals, baths, bidets, water closet bowls, flush tanks, urinals and similar sanitary fixtures: Of porcelain or china: Sinks and lavatories	Government of Mexico; Ceramica Diamante, Mexico
		Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china: Tableware and kitchenware: (Articles provided for in subheading 6912.00.10) Other: (Hotel or restaurant ware and other ware not household ware)	
		Other: (Available in specified sets) Other: (Articles provided for in subheading 6912.00.41)	
91-66	6912.00.44 (Brazil)	Mugs and other steins	Anheuser-Busch, Inc., St. Louis, MO

1/ The petitioner also requests advice on section 304(d) waiver (whether for the articles provided in HTS subheading 3928.90.07 were like or directly competitive articles produced in the United States on January 3, 1985).

Case No.	HTS Subheading	Article	Petitioner
C. <u>Petitions for waiver of competitive need limit for a product on the list of eligible products for the Generalized System of Preferences. (con.)</u>			
91-67	7113.19.10 (Peru)	Articles of jewelry and parts thereof, of precious metal or of metal clad with precious metal: Of precious metal whether or not plated or clad with precious metal: [Of silver, whether or not plated or clad with other precious metal] Of other precious metal, whether or not plated or clad with precious metal: Rings, curb, cable, chain and similar articles produced in continuous lengths, all the foregoing, whether or not cut to specific lengths and whether or not set with imitation pearls or imitation gemstones, suitable for use in the manufacture of articles provided for in heading 7113	Oroamerica, Inc., Burbank, CA
91-68	7321.11.30 (Mexico)	Stoves, ranges, grates, cookers (including those with subsidiary boilers for central heating), barbecues, braziers, gas rings, plate warmers and similar non-electric domestic appliances, and parts thereof, of iron or steel: Cooking appliances and plate warmers: For gas fuel or for both gas and other fuels: (Portable) Other: Stoves or ranges	Controladora Mabe, Mexico; General Electric Company, Fairfield, CT
91-68	7401.10.00 (Mexico)	Copper mattes; cement copper (precipitated copper): Copper mattes	Industrial Minera Mexico, S.A. de C.V., Mexico; Mexicana de Cobre, S.A. de C.V., Mexico Mexicana de Cananea, S.A. de C.V., Mexico
91-70	7402.00.00 (Mexico)	Unrefined copper; copper anodes for electrolytic refining	do.
91-71	8301.40.80 (Mexico)	Padlocks and locks (key, combination or electrically operated), of base metal; clasps and frames with clasps, incorporating locks, of base metal; keys and parts of any of the foregoing articles, of base metal: [Padlocks; Locks of a kind used for motor vehicles; Locks of a kind used for furniture] Other locks: [Luggage locks] Other	Schlage Lock Company, San Francisco, CA
91-72	8407.34.2080 (Brazil)	Spark-ignition reciprocating or rotary internal combustion piston engines: Reciprocating piston engines of a kind used for the propulsion of vehicles of chapter 87: Of a cylinder capacity exceeding 1,000 cc: To be installed in vehicles of subheading 8701.20, or heading 8702, 8703 or 8704: (Used or rebuilt) Other	General Motors Corporation, Detroit, MI
91-73	8409.91.91 (Mexico)	Parts suitable for use solely or principally with the engines of heading 8407 or 8408: [For aircraft engines] Other: Suitable for use solely or principally with spark-ignition internal combustion piston engines (including rotary engines): [Articles provided for in subheading 8409.91.10] Other: For vehicles of subheading 8701.20, or heading 8702, 8703 or 8704	Government of Mexico; Autoprecias, S.A. de C.V., Mexico; Morsa Industrial, S.A. de C.V., Mexico; Transmisiones Y Equipos Mecanicos, S.A. de C.V., Mexico

Case No.	HTS Subheading	Article	Petitioner
C. <u>Petitions for waiver of competitive need limit for a product on the list of eligible products for the Generalized System of Preferences. (con.)</u>			
		Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated; parts thereof: (Window or wall types, self-contained) Other, except parts: (Incorporating a refrigerating unit and a valve for reversal of the cooling/heat cycle)	
91-74	8415.82.00 (Mexico)	Other, incorporating a refrigerating unit	Carrier Corporation, Syracuse, NY
91-75	8415.80.00 (Mexico)	Parts	do.
		Other lifting, handling, loading or unloading machinery (for example, elevators, escalators, conveyors, teleferics): (Articles provided for in subheadings 8428.10.00 through 8428.60.00, inclusive)	
91-76	8428.60.00(pt.) (Mexico)	Other machinery: Garage door openers	The Chamberlain Group, Inc., Mogales, AZ
		Reception apparatus for radiotelephony, radiotelegraphy or radiobroadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock: Radiobroadcast receivers not capable of operating without an external source of power, of a kind used in motor vehicles, including apparatus capable of receiving also radiotelephony or radiotelegraphy: Combined with sound recording or reproducing apparatus: Radio-tape player combinations: Cassette type: Stereo	
91-77	8527.21.1010 (Brazil)		Ford Motor Company, Dearborn, MI
91-78	8539.90.00 (Mexico)	Electrical filament or discharge lamps, including sealed beam lamp units and ultraviolet or infrared lamps; arc lamps; parts thereof: Parts	Government of Mexico; Lamparas General Electric, S.A. de C.V., Mexico
		Insulated (including enameled or enameled) wire, cable (including coaxial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fiber cables, made up of individually sheathed fibers, whether or not assembled with electric conductors or fitted with connectors: (Articles provided for in subheadings 8544.11.00 through 8544.48.00, inclusive)	
		Other electric conductors, for a voltage exceeding 80 V but not exceeding 1,000 V: Fitted with connectors: (Fitted with modular telephone connectors) Other	
91-79	8544.51.00 (Mexico)		Government of Mexico; Multilac S.A. de C.V. Mexico; Productos de Control, S.A. de C.V., Mexico
		Other: Of copper	
91-80	8544.59.20 (Mexico)		Government of Mexico; Cordaflex, S.A. de C.V. Mexico
		Hydrometers and similar floating instruments, thermometers, pyrometers, barometers, hygrometers and psychrometers, recording or not, and any combination of these instruments; parts and accessories thereof: Thermometers, not combined with other instruments: Liquid-filled, for direct reading: Clinical	
91-81	9025.11.20 (Brazil)		Becton Dickinson and Company, Franklin Lakes, NJ; Becton Dickinson Industries Cirurgicas, Ltda., Brazil
		Dolls representing only human beings and parts and accessories thereof: Dolls, whether or not dressed: (Stuffed) Other: Not over 33 cm in height	
91-82	9502.10.40 (Malaysia)		Mattel, Inc., El Segundo, CA

Case No.	HTS Subheading	Article	Petitioner
C. <u>Petitions for waiver of competitive need limit for a product on the list of eligible products for the Generalized System of Preferences. (con.)</u>			
		Dolls representing only human beings and parts and accessories thereof (con.):	
		Dolls, whether or not dressed (con.):	
		Other (con.):	
		Other:	
		(Capable of electromechanical movement of body parts activated by, and synchronized with, an integral or accompanying cassette tape player or microprocessor)	
91-63	9502.10.80 (Malaysia)	Other	Mattel, Inc., El Segundo, CA

APPENDIX B

**U. S. International Trade Commission Notice of
Investigation and Hearing**

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

(Inv. Nos. TA-131-17, 503(a)-22, and 332-312)

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: Institution of investigation and scheduling of hearing.

Summary: On August 22, 1991, the Commission received a request from the U.S. Trade Representative (USTR) requesting certain Commission advice under sections 131, 503, and 504 of the Trade Act of 1974 and section 332(g) of the Tariff Act of 1930. Following receipt of that request, the Commission instituted investigation Nos. TA-131-17, 503(a)-22, and 332-312 in order to:

(1) provide advice, pursuant to sections 131(b) and 503(a) of the Trade Act of 1974 (19 U.S.C. 2151(b) and 2463(a)), with respect to each article listed in Part A of the attached Annex, as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the elimination of U.S. import duties under the Generalized System of Preferences (GSP);

(2) provide advice pursuant to section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g))--

(a) as to the probable economic effect on domestic industries producing like or directly competitive articles and on consumers of the removal of the articles listed in Part B of the attached Annex from eligibility for duty-free treatment under the GSP;

(b) in accordance with section 504(c)(3)(A)(i) of the Trade Act of 1974 as to the probable economic effect on domestic industries producing like or directly competitive articles and on consumers of waiving the competitive need limits for countries specified with respect to the articles listed in Part C of the attached Annex;

(c) as to the probable economic effect on domestic industries producing like or directly competitive articles and on consumers of restoring the competitive need limits specified in section 504(c)(1) of the 1974 Act for countries specified with respect to the articles listed in Part D; and

(d) in accordance with section 504(d) of the Trade Act of 1974, which exempts from one of the competitive need limits in section 504(c) of the Trade Act of 1974 articles for which no like or directly competitive article was being produced in the United States on January 3, 1985, with respect to whether products like or directly competitive with the articles in Part A of the

attached Annex and HTS subheading 3926.90.87 were being produced in the United States on January 3, 1985.

In providing its advice under (1), the Commission will assume, as requested by USTR, that the 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)(1) of the Trade Act of 1974 (except as noted in the USTR letter with respect to articles for Thailand included under HTS subheading 2008.92.10, for Turkey included under HTS subheading 2401.10.40, for Mexico included under HTS subheading 2917.36.00, and for Argentina included under HTS subheading 3301.13.00).

As requested by USTR, the Commission will seek to provide its advice not later than November 22, 1991.

EFFECTIVE DATE: August 28, 1991

FOR FURTHER INFORMATION CONTACT:

- (1) Agricultural products, Mr. J. Fred Warren (202-205-3311)
- (2) Textiles and apparel, Ms. Linda Shelton (202-205-3457)
- (3) Chemical products, Ms. Cynthia Trainor (202-205-3354)
- (4) Minerals and metals, Mr. David Lundy (202-205-3439)
- (5) Machinery and equipment, Mr. John Cutchin (202-205-3396)
- (6) General manufactures, Mr. Richardo Witherspoon (202-205-3489)
- (7) Services and electronic technology, Mr. John Kitzmiller (202-205-3387)

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 202-205-3091.

BACKGROUND: The letter from the USTR provided the following by way of background:

The Trade Policy Staff Committee (TPSC) announced in the Federal Register on August 26, 1991, the acceptance of product petitions for modification of the Generalized System of Preferences (GSP) received as part of the 1991 annual review. Modifications to the GSP which may result from this review will be announced in early 1992, and become effective July 1, 1992.


PUBLIC HEARING: A public hearing in connection with this investigation is currently scheduled to begin at 9:30 a.m. on October 1-3, 1991, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, D.C. All persons have the right to appear by counsel or in person, to present information, and to be heard. Persons wishing to appear at the public hearing should file a letter asking to testify with the Secretary, United States International Trade Commission, 500 E St., SW., Washington, DC 20436, not later than the close of business (5:15 p.m.) on September 16, 1991. In addition, persons testifying should file prehearing briefs (original and 14

copies) with the Secretary by the close of business on September 19, 1991. The deadline for filing post hearing briefs is the close of business on October 10, 1991. In the event that no requests to appear at the hearing are received by the close of business on September 16, 1991, the hearing will be cancelled. Any person interested in attending the hearing as an observer or non-participant may call the Secretary of the Commission (202-252-1808) after September 18, 1991 to determine whether the hearing will be held.

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 October 10, 1991. 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.

Hearing-impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on (202) 205-1810.

By order of the Commission.



Kenneth R. Mason
Secretary

Attachment

Issued: August 30, 1991

Annex I (HTS Subheadings)¹

A. Petitions to add products to the list of eligible articles for the Generalized System of Preferences.

0409.00.00	2005.70.75
0703.10.40(pt)	2005.70.83
0709.90.40(pt)	2008.40.00
0712.10.00	2008.50.20
0712.20.20	2008.92.10 ²
0712.20.40	2204.30.00
0712.90.40	2401.10.40 ³
0712.90.75	2902.90.50
0804.20.40	2906.21.00
0804.20.80	2917.36.00 ⁴
0806.10.60	2922.49.20
0806.20.20	3301.13.00 ⁵
0814.00.90(pt)	3926.20.50
1210.20.00	3926.30.50
1604.13.30	5608.11.0010
1604.19.25	7202.41.00
1901.90.30(pt)	7202.49.50
2005.70.11	7318.15.20
2005.70.13	7318.15.40
2005.70.15	7318.15.60
2005.70.21	7318.16.00
2005.70.22	8483.50.80
2005.70.25	8527.29.0040
2005.70.50	

B. Petitions to remove products from the list of eligible articles for the Generalized System of Preferences.

4007.00.00
7314.20.00
7320.10.00
7321.11.30

¹ See USTR Federal Register notice of August 26, 1991 (56 F.R. 42080) for article descriptions.

² Advice is also requested on waiving the competitive need limit for Thailand on articles in this subheading.

³ Advice is also requested on waiving the competitive need limit for Turkey on articles in this subheading.

⁴ Advice is also requested on waiving the competitive need limit for Mexico on articles in this subheading.

⁵ Advice is also requested on waiving the competitive need limit for Argentina on articles in this subheading

C. Petitions for waiver of competitive need limit for products on the list of eligible products for the Generalized System of Preference.

0705.11.40 (Mexico)	6912.00.44 (Brazil)
0807.10.20 (Mexico)	7113.19.10 (Peru)
0807.10.70 (Mexico) ⁶	7321.11.30 (Mexico)
0810.90.40(pt) (Mexico) ⁶	7401.10.00 (Mexico)
1905.90.90(pt) (Mexico)	7402.00.00 (Mexico) ⁶
2001.90.39(pt) (Mexico)	8301.40.60 (Mexico)
2008.92.10 (Thailand) ⁷	8407.34.2080 (Brazil)
2401.10.40 (Turkey) ⁷	8409.91.91 (Mexico) ⁶
2603.00.00 (Mexico)	8415.82.00 (Mexico) ⁶
2836.91.00 (Chile)	8415.90.00 (Mexico) ⁶
2917.36.00 (Mexico) ⁷	8428.90.00(pt) (Mexico) ⁶
3301.13.00 (Argentina) ⁷	8527.21.1010 (Brazil) ⁹
3402.90.10 (Mexico)	8539.90.00 (Mexico) ⁶
3902.10.00 (Mexico)	8544.51.80 (Mexico)
3902.30.00 (Mexico)	8544.59.20 (Mexico)
3902.71.00 (Mexico)	9025.11.20 (Brazil) ⁹
3926.90.87 (Mexico) ⁸	9502.10.40 (Malaysia)
6910.10.0030 (Mexico)	9502.10.80 (Malaysia)

D. Petitions for restoring of competitive need limit for products on the list of eligible products for the Generalized System of Preference.

0807.10.70 (Mexico) ¹⁰	8415.90.00 (Mexico) ¹⁰
0810.90.40(pt) (Mexico) ¹⁰	8428.90.00(pt) (Mexico) ¹⁰
7402.00.00 (Mexico) ¹⁰	8527.21.1010 (Brazil) ¹⁰
8409.91.91 (Mexico) ¹⁰	8539.90.00 (Mexico) ¹⁰
8415.82.00 (Mexico) ¹⁰	9025.11.20 (Brazil) ¹⁰

⁶ Advice is also requested on restoring the competitive need limit for Mexico on articles in this subheading.

⁷ Advice is also requested on adding this subheading to the list of GSP eligible products.

⁸ Advice is also requested, on whether products like or directly competitive with articles included in this subheading were produced in the United States on January 3, 1985.

⁹ Advice is also requested on restoring the competitive need limit for Brazil on articles in this subheading.

¹⁰ Advice is also requested on waiving the competitive need limit for the designated country on articles in this subheading.

APPENDIX C

List of Witnesses Appearing at the Commission Hearing

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

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

Inv. No. : TA-131-17, 503(A)-22, and 332-312

Date and Time : October 1-2, 1991 - 9:30 a.m.

Sessions were held in connection with the investigation in the Main Hearing Room 101,
U. S. International Trade Commission, 500 E Street, S.W., in Washington, D.C.

OCTOBER 1, 1991

WITNESS AND ORGANIZATION:

HTS NUMBER

Procesadora de Uvas, S.P.R.
and
Lynx Exportadora, S.A.
Lomas de San Francisco
Monterey, N.L., Mexico

0705.11.40
(Mexico)
(Lettuce)

Cesar Poblanno

Marvin R. Feldman

Porter, Wright, Morris & Arthur
Washington, D.C.
On behalf of

0709.90.40
(Cilantro)

Rancho Cardoso

Asociacion Agricola Local de Productores
de Hortalizas (La Isleta)

Francisco Cardoso, Rancho Cardoso, Tijuana

Salvador Cardoso, Rancho Cardoso, Tijuana

Jose Wong, C. W. Produce, Los Angeles, CA

Alphonso Cardoso

Leslie Alan Glick)--OF COUNSEL
- MORE -

WITNESS AND ORGANIZATION:**HTS
NUMBER**

National Association of
Growers and Processors for Fair Trade
Stockton, CA

0712.90.75
(Dried
(Tomatoes)

Gregory R. Pruett, Managing Partner,
Ingomar Packing Company.

Schramm & Associates, Inc.
Washington, D.C.
On behalf of

0806.10.60
(Fresh
(Grapes)

California Table Grape Commission

Robert Schramm)--OF COUNSEL

Brownstein, Zeidman and Schomer
Washington, D.C.
On behalf of

0807.10.20
0807.10.70
(Mexico)
(Melons)

Asociacion Agricola Local de
Productores de Nuez Durazno y
Manzana de Sonora

Fausto Bay
Gustavo Donnadiea

Irwin P. Altschuler)
)--OF COUNSEL
Donald Stein)

Porter, Wright, Morris & Arthur
Washington, D.C.
On behalf of

0807.10.20
(Mexico)
(Melons)

Rancho La Campana

Leslie Alan Glick)--OF COUNSEL

WITNESS AND ORGANIZATION:

Porter, Wright, Morris & Arthur
 Washington, D.C.
On behalf of

Camara Nacional de la Industria de
 Conservas Alimenticias

Jose Ruelas, Intermex, Inc.
 Arlington, Texas

Leslie Alan Glick)--OF COUNSEL

California Olive Association
 Sacramento, CA

Gary Oberti, President

Arnold & Porter
 Washington, D.C.
On behalf of

Country of Turkey

Okan Karagozoglu,
 Deputy Secretary General
 IGE - Export Promotion Center
 of Turkey
 Undersecretariat for Treasury and
 Foreign Trade
 Prime Minister, Republic of Turkey
 Ankara, Turkey
 S. Alev Kaymak
 Deputy General Director
 General Directorate of Exports
 Undersecretariat for Treasury and
 Foreign Trade
 Prime Ministry, Republic of Turkey
 Ankara, Turkey

Akin Istanbulu, Economic and Commercial Counselor

Noyan K. Gurel

C. Hasan Umur

Michael T. Shor)

Harold Paul Luks)

)--OF COUNSEL

- MORE -

C-5

HTS

NUMBER

2001.90.39

(Mexico)

(Jalapeno and
 Serrano Peppers)

2005.70.83

(Olives)

2005.70.11

2005.70.13

2005.70.15

2005.70.21

2005.70.22

2005.70.25

2005.70.50

2005.70.75

2005.70.83

(Olives)

**HTS
NUMBER
2008.40.00
(Argentina)
(Canned Pears)**

WITNESS AND ORGANIZATION:

**California Pear Growers
Sacramento, CA**

Jean-Mari Peltier, President

Carolyn Gleason, Attorney, McDermott, Will & Emery

**2008.50.20
Preserved
Fruit**

**McDermott, Will & Emery
Washington, D.C.
On behalf of**

The California Apricot Advisory Board

Gene Stokes, Manager

Carolyn B. Gleason)--OF COUNSEL

**2008.92.10
(Thailand)
(Prepared
fruits)**

**Freeman, Wasserman & Schneider
Washington, D.C.
On behalf of**

Dole Packaged Foods Company

Dede Preiest

David Gossack)--OF COUNSEL

WITNESS AND ORGANIZATION:

Arnold & Porter
 Washington, D.C.
On behalf of

**HTS
 NUMBER
 2401.10.40
 (Turkish
 Tobacco)**

Country of Turkey

Okan Karagozoglu,
 Deputy Secretary General
 IGEME - Export Promotion Center
 of Turkey
 Undersecretariat for Treasury and
 Foreign Trade
 Prime Minister, Republic of Turkey
 Ankara, Turkey

S. Alev Kaymak
 Deputy General Director
 General Directorate of Exports
 Undersecretariat for Treasury and
 Foreign Trade
 Prime Ministry, Republic of Turkey
 Ankara, Turkey

Akin Istanbulu, Economic and Commercial Counselor

Noyan K. Gurel

C. Hasan Umur

Michael T. Shor)
)--OF COUNSEL
 Harold Paul Luks)

Porter, Wright, Morris & Arthur
 Washington, D.C.

Industrial Minera Mexico, S.A. de C.V.

Leslie Alan Glick)--OF COUNSEL

2603.00.00
 7401.10.00
 7402.00.00
 (Mexico)
 (Copper ores,
 concentrates,
 mattes, unrefined
 copper)

- MORE -

WITNESS AND ORGANIZATION:

O'Connor & Hannan
 Washington, D.C.
On behalf of

**HTS
 NUMBER
 2902.90.50
 (Benzenoid
 Chemicals)**

Pasa Petroquimica Argentina S.A. ("PASA")

**Daniel Hawkinson, Marketing Manager,
 Specialties (American Sales & Purchases, Inc.)**

**Joseph H. Blatchford)
)--OF COUNSEL
 Guy C. Smith)**

**St. Maxens & Company
 Washington, D.C.
On behalf of**

**2917.36.00
 (Mexico)
 (Purified
 terephthalic
 acid)**

Petrocel, S.A.

**Carlos Lopez Amaya, Advisor to Legal Division
 of Grupo Industrial Alfa**

**Jaime Arnoldo Lozano,
 Petrocel Distribution Manager**

**Susan Presti)
)--St. Maxens & Co.
 Thomas F. St. Maxens)**

- MORE -

C-8

WITNESS AND ORGANIZATION:

**National Chamber of Edible Oils,
Fats and Soaps
Veronica Anzures, Mexico**

**Fabrica de Jabon La Corona
Procter & Gamble de Mexico
Colgate Palmolive
Sanchez y Martin
Detergentes y Jabones Sasil
Union Quimica
Industrial Jabonera La Esperanza**

Joaquin Zepeda, Vice President

Lucio Arguello, Vice President

St. Maxens & Company
Washington, D.C.
On behalf of

Indelpro, S.A.

**Carlos Lopez Amaya, Legal Advisor to
Grupo Industrial Alfa**

Daniel del Bosque, Indelpro Production Manager

Susan Presti)
)--St.Maxens Co.
Thomas F. St.Maxens)

**HTS
NUMBER
3402.90.10
(Mexico)
(Synthetic
Detergents)**

3902.10.00
(Polypropylene homo-
polymer)

3902.30.00
(Polypro-
lene copolymer)

HEARING WILL ADJOURN UNTIL 9:30 A.M. ON OCTOBER 2, 1991

OCTOBER 2, 1991

HTS
NUMBER
 3920.71.00
 (Cellophane)

WITNESS AND ORGANIZATION:

Powell, Goldstein, Frazer & Murphy
 Washington, D.C.
On behalf of

Flexel Inc.

Lindsey Walters, Chairman of the Board

J. B. Brooks, Secretary and Treasurer

James Strawn, District Supervisor

Richard M. Belanger)
)--OF COUNSEL
 Jonathon Knee)

Porter, Wright, Morris & Arthur
 Washington, D.C.
On behalf of

3920.71.00
 (Mexico)
 (Regenerated
 cellulose)

Masterpak, S.A. de C.V.

Intermex, Inc.

Roy Avera, President, Intermex, Inc.

Leslie Alan Glick)--OF COUNSEL

- MORE -

WITNESS AND ORGANIZATION:

Arnold & Porter
 Washington, D.C.
On behalf of

Country of Turkey

Okan Karagozoglu,
 Deputy Secretary General
 IGEME - Export Promotion Center
 of Turkey
 Undersecretariat for Treasury and
 Foreign Trade
 Prime Minister, Republic of Turkey
 Ankara, Turkey

S. Alev Kaymak
 Deputy General Director
 General Directorate of Exports
 Undersecretariat for Treasury and
 Foreign Trade
 Prime Ministry, Republic of Turkey
 Ankara, Turkey

Akin Istanbulu, Economic and Commercial Counselor

Noyan K. Gurel

C. Hasan Umur

Michael T. Shor)
)--OF COUNSEL
 Harold Paul Luks)

orter, Wright, Morris & Arthur
 Washington, D.C.
On behalf of

Spiral Binding Company

Valerie Pelgrini

Leslie Alan Glick)--OF COUNSEL

**HTS
 NUMBER
 3926.20.50
 (Plastic
 Articles
 & Other)**

**3926.90.87
 (Mexico)
 (Flexible
 Plastic
 Document)**

Binders

- MORE -

C-11

WITNESS AND ORGANIZATION:

North American Rubber Thread Co., Inc.
Fall River, MA

John Friar II, President

**HTS
NUMBER**

4007.00.00
(Vulcanized
rubber thread
and cord)

Brownstein Zeidman and Schomer
Washington, D.C.

Fabricas Orion, S.A.

Vitromex, S.A.

LAMOSA

John Coulter

Ricardo Gomez

Stephen P. Kersner

)--OF COUNSEL

6910.10.30
(Mexico)
(Ceramic
sinks and
lavatories)

- MORE -

C-12

**HTS
NUMBER****WITNESS AND ORGANIZATION:**

7202.41.00
7202.49.50
(Ferro-
chromium)

Arnold & Porter
Washington, D.C.
On behalf of

Country of Turkey

Okan Karagozoglu,
Deputy Secretary General
IGEME - Export Promotion Center
of Turkey
Undersecretariat for Treasury and
Foreign Trade
Prime Minister, Republic of Turkey
Ankara, Turkey

S. Alev Kaymak
Deputy General Director
General Directorate of Exports
Undersecretariat for Treasury and
Foreign Trade
Prime Ministry, Republic of Turkey
Ankara, Turkey

Akin Istanbulu, Economic and Commercial Counselor

Noyan K. Gurel

C. Hasan Umur

Michael T. Shor)
Harold Paul Luks)--OF COUNSEL)

Porter, Wright, Morris & Arthur
Washington, D.C.
On behalf of

7314.20.00
(Steel Wire
Fence Panels)

DeAcero, S.A. de C.V.

Leslie Alan Glick)--OF COUNSEL

- MORE -

WITNESS AND ORGANIZATION:**HTS
NUMBER**

IAS International Advisory Services Group LTD
 Washington, D.C.
On behalf of

7314.20.00
 (Steel Wire)

Oklahoma Steel and Wire Co., Inc.

Jeffrey W. Carr)--OF COUNSEL

Porter, Wright, Morris & Arthur
 Washington, D.C.
On behalf of

7320.10.00
 (Springs &
 Leaves for
 Springs)

Rassini, S.A.DE c.v.
 Rassini International

Enrique Villasenor, Rassini International

Leslie Alan Glick)--OF COUNSEL

Cameron & Hornbostel
 Washington, D.C.
On behalf of

7321.11.30
 (Base Metal
 Products)

Magic Chef Company
 (A division of Maytag Corporation)

J. Michael McDavitt, Senior Vice President,
 Marketing and Sales (vice Donald M. Lorton)

Douglas C. Horstman

William K. Ince)

)--OF COUNSEL

Michele C. Sherman)

WITNESS AND ORGANIZATION:

Arnold & Porter
Washington, D.C.
On behalf of

**HTS
NUMBER
8483.50.80
(Flywheels
and Pulleys)**

Country of Turkey

Okan Karagozoglu,
Deputy Secretary General
IGEME - Export Promotion Center
of Turkey
Undersecretariat for Treasury and
Foreign Trade
Prime Minister, Republic of Turkey
Ankara, Turkey

S. Alev Kaymak
Deputy General Director
General Directorate of Exports
Undersecretariat for Treasury and
Foreign Trade
Prime Ministry, Republic of Turkey
Ankara, Turkey

Akin Istanbulu, Economic and Commercial Counselor

Noyan K. Gurel

C. Hasan Umur

Michael T. Shor

)

)--OF COUNSEL

Harold Paul Luks

)

St. Maxens & Company
Washington, D.C.
On behalf of

**8527.21.1010
(Brazil)
(Tape Player
Radios);
and**

Ford Motor Company

John A. Armezzani, Supervisor
for International Trade Regulations

**8527.29.0040
(AM/FM Radios)**

Michael J. Walsh, Customs Coordinator

James H. Schemanske, Customs Coordinator

Thomas F. St. Maxens)--St. Maxens & Co.

- MORE -

WITNESS AND ORGANIZATION:

Frederick L. Ikenson
 Washington, D.C.
On behalf of

GE Lighting

John W. Hall, Product Manager,
 Incandescent Specialty Program

Frederick L. Ikenson)--OF COUNSEL

HTS
NUMBER
 8539.90.00
 (Mexico)
 (Parts for
 Electrical
 Filament or
 Discharge Lamps)

Frederick L. Ikenson
 Washington, D.C.
On behalf of

GE Wiring Devices

Tim A. Langfitt, Manager, Consumer Product Management

Frederick L. Ikenson)--OF COUNSEL

8544.51.80
 (Mexico)
 (Insulated
 electrical
 conductors)

Rode & Qualey
 New York, New York
On behalf of

Becton Dickinson and Company

Becton Dickinson Ind. Cirurgicas, Ltda.

Roy Weber, Esq., Becton Dickinson and Company

Eleanor Kelly-Kobayaski)--OF COUNSEL

9025.11.20
 (Brazil)
 Clinical
 Thermometers

- MORE -

WITNESS AND ORGANIZATION:

St. Maxens & Company
Washington, D.C.
On behalf of

Mattel, Inc.

Fermin Cuza, Assistant Treasure of
Foreign Trade Services

Susan Presti)
)--**St. Maxens & Co.**
Thomas F. St. Maxens)

HTS
NUMBER
9502.10.40
9502.10.80
(Malaysia)
(Non-stuffed
dolls

Tuttle & Taylor
Washington, D.C.
On behalf of

California-Arizona Citrus League

Processors Council of the California Citrus League

Bill Quarles

Julian B. Heron, Jr.

3301.13.00
(Essential
oil of
lemon)

Embassy of Mexico
Washington, D.C.
On behalf of

Union de Ejidos de Axapusco
Union de Ejidos de Temascalapa
(Organizations representing small producers
of prickly pear fruit)

Sotero Cruz

0810.90.40
(Prickly
pear)

Lacteos Cederal

Rodolfo Segovia

(Accompanied by Arturo Jessel, Embassy of Mexico)

1901.90.30
(Cajeta)

- MORE -

WITNESS AND ORGANIZATION:**HTS
NUMBER**

**Bogle & Gates
Washington, D.C.
On behalf of**

**0712.20.20
0712.20.40**

The American Dehydrated Onion and Garlic Association

Dennis Wittchow, Basic Vegetable Products

Robert G. Hayes)--OF COUNSEL

- END -

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APPENDIX D

Types of Trade Shifts Resulting from Modifications of
GSP Eligibility

Types of Trade Shifts Resulting from Modifications of GSP Eligibility

This report examines the probable economic effects of changing the GSP status of certain commodities and, in some cases, of certain commodities from particular countries. The major cases involve adding products to the list of articles eligible for GSP duty-free treatment and removing products or products from certain countries from the eligibility list.

Figure 1 illustrates the case of granting a product GSP duty-free status. The illustration is for a homogeneous product and shows the basic results of a tariff removal on a portion of imports. In addition, the illustration serves as a reference for departures from the case of perfect substitutes.

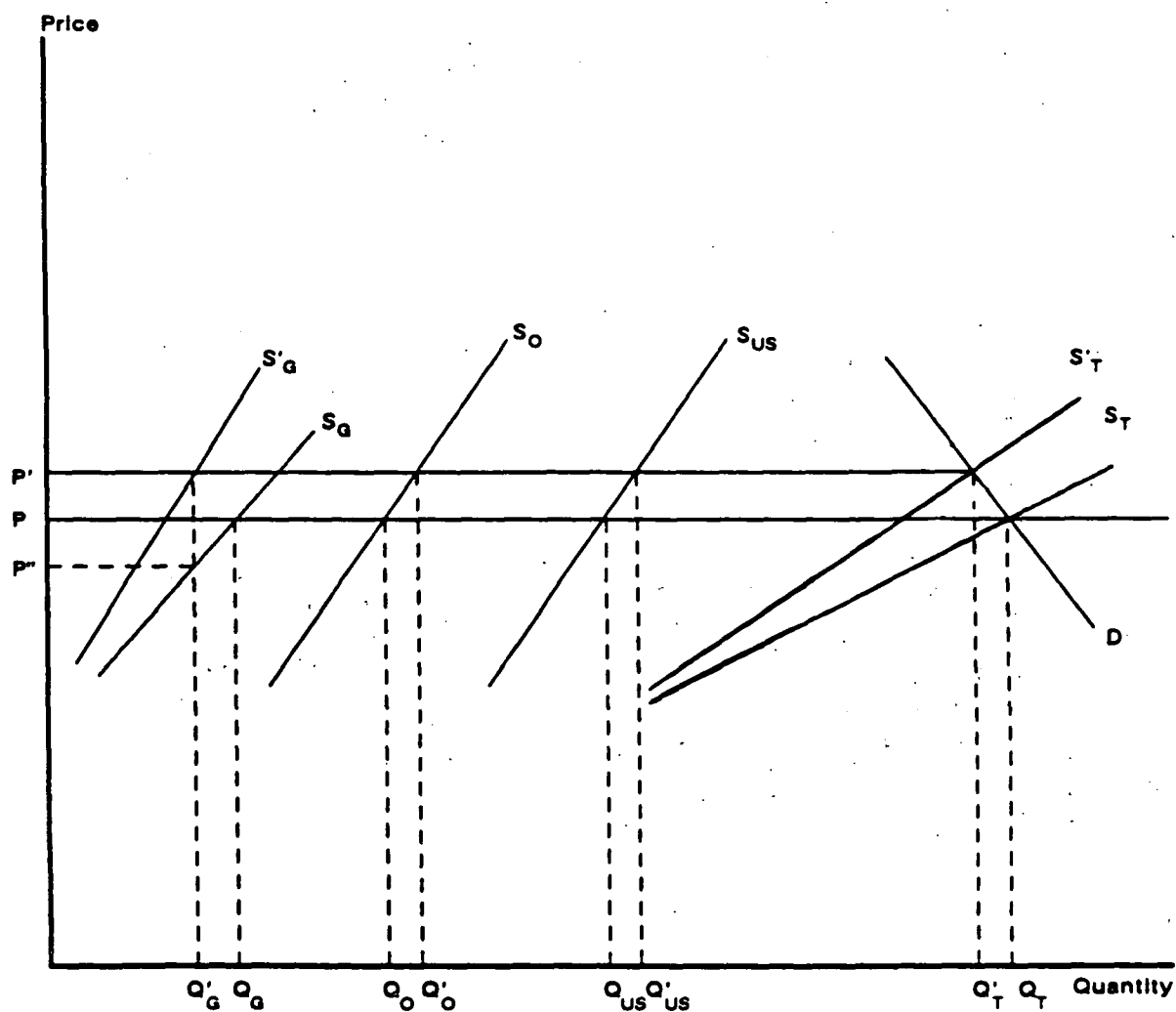
The removal of a tariff on a portion of imports is illustrated by the shift in the supply of affected imports from S'_G to S_G , with an increase in total supply from S'_T to S_T . The basic result of this tariff removal is a lower U.S. price, a greater overall quantity of the good purchased in the United States, a greater quantity of the good imported from GSP countries, and reductions in purchases from other foreign suppliers and from U.S. suppliers. In this case of perfect substitutes, the price change, the quantity change, and the division of the quantity change are mainly determined by the demand and supply elasticities, relative market shares, and the size of the tariff that is removed.

The most interesting of the supply elasticities is that of foreign suppliers not granted the tariff elimination. The more elastic this supply is, other things being the same, the smaller the price reduction will be and the smaller will be the displacement of U.S. production as a result of the tariff elimination. In the limit, where there is a perfectly elastic supply of other foreign imports, there will be no reduction in U.S. price or production. Imports granted duty-free status will displace only other imports.

The relative market share of the imports granted duty-free status and the size of the tariff that is eliminated will largely determine the shift in the total supply curve (assuming all supply curves are positively sloped). The shift in supply (from S'_T to S_T), given U.S. demand, will largely determine the change in the U.S. price. The smaller the market share of imports granted duty-free status, and the lower the tariff rate, the smaller will be the shift in supply. The smaller the shift in supply, the smaller the drop in U.S. price and in U.S. production.

The case where the duty-free status of a product is ended can also be illustrated using figure 1. In this case the shift is from the unprimed to the primed designations, e.g., a shift from S_0 to S'_0 . The comments made above with respect to supply elasticities, market shares and tariff rates apply in this case except with price and quantity changes reversed in direction from their changes in the original case.

Figure 1
The effects of a duty change on imports from GSP-eligible countries on the price of a good in the United States and quantities supplied by producers in the United States, GSP-eligible countries, other foreign countries, and total



Key to figure 1

- D = U.S. demand for the product
- S_g = supply to the U.S. market from GSP eligible countries without duty on these products
- S_o = supply to the U.S. market from other foreign countries
- S_{us} = supply to the U.S. market from U.S. producers
- S'_g = supply to the U.S. market from GSP eligible countries with duty on these products
- S_T = total supply to the U.S. market - this is the "horizontal sum" of S_g , S_o , and S_{us} . The "horizontal sum" is taken by summing the quantity supplied by all producers at each price to get the total quantity supplied at each price.
- S'_T = total supply to the U.S. market if the duty is assessed on the subject imports, the "horizontal sum" of S'_g , S_o , and S_{us} .

With no duty on GSP eligible products

- P = price paid by consumers and received by all suppliers
- Q_g = quantity supplied by GSP eligible countries
- Q_o = quantity supplied by other foreign countries
- Q_{us} = quantity supplied by U.S. producers
- Q_T = total quantity supplied = $Q_g + Q_o + Q_{us}$

With duty on GSP eligible products

- P' = price paid by U.S. consumers and received by U.S. suppliers and any foreign suppliers enjoying duty-free privileges
- P'' = price received by foreign suppliers that pay the duty. This is shown explicitly for the (formerly) GSP eligible suppliers. It is implicit for other suppliers that may be paying the duty. The duty = $T = P' - P''$
- Q'_g = quantity supplied by GSP eligible countries
- Q'_o = quantity supplied by other foreign countries
- Q'_{us} = quantity supplied by U.S. producers
- Q'_T = total quantity supplied = $Q'_g + Q'_o + Q'_{us}$

