

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

**Report to the President  
on Investigation Nos.  
TA-503(a)-9 and 332-130**



**USITC PUBLICATION 1215**

**DECEMBER 1981**



C O N T E N T S

	<u>Page</u>
Introduction-----	1
Presentation of probable effects advice:	
Commodity digests-----	3
TSUS item 791.28-----	4
TSUS items covered in prior investigations-----	4
Digest locator-----	5
Appendix A. U.S. Trade Representative request of July 30, 1981, for probable economic effect advice-----	A-1
Appendix B. U.S. International Trade Commission notice of investi- gation and hearing-----	B-1
Appendix C. List of witnesses appearing at the Commission hearing-----	C-1

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



## INTRODUCTION

On July 30, 1981, in accordance with sections 503(a) and 131(a) of the Trade Act of 1974 and pursuant to the authority of the President delegated to the U.S. Trade Representative (USTR) by Executive Order 11846, as amended by Executive Order 11947, the USTR furnished the United States International Trade Commission with a list of items which may be designated as eligible articles for purposes of the U.S. Generalized System of Preferences (GSP), set forth in title V of the Act. The USTR request, including the listing of concerned articles, is contained in appendix A.

Specifically, the USTR requested advice with respect to each listed item 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.

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

Section 504(d) of the Act exempts from one of the competitive-need limits in section 504(c) articles for which no like or directly competitive article was being produced in the United States on the date of enactment of the Act. Accordingly, pursuant to the authority of section 332(g) of the Tariff Act of 1930, the USTR requested that the Commission also provide advice with respect to whether products like or directly competitive with any articles contained in the concerned TSUS(A) items and also TSUS item 791.28 were being produced in the United States on January 3, 1975.

In response to the USTR request, the Commission on August 14, 1981, instituted investigation Nos. TA-503(a)-9 and 332-130 for the purpose of obtaining, to the extent practicable, information for use in connection with the preparation of advice requested by the USTR. The Commission notice of investigation and hearing is contained in appendix B. 1/

A public hearing in connection with the investigation was held in the Commission hearing room, 701 E Street NW., Washington, D.C. 20436, on November 3 and 4, 1981. All interested parties were afforded an opportunity to appear by counsel or in person, to produce evidence, and to be heard. Transcripts of the hearings and copies of briefs submitted by interested parties in connection with the investigation are attached. 2/

On November 20, 1981, the Commission, as requested by the USTR in early November, provided the USTR with expedited confidential advice on granting eligibility under the GSP to fresh mangoes entered under TSUS item 148.00. The advice on mangoes is resubmitted with this report.

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1/ The following Federal Register notices have been issued related to Investigation Nos. TA-503(a)-9 and 332-130:

<u>Date</u>	<u>Agency</u>	<u>Notice</u>	<u>Subject</u>
07/17/81	USTR	46 F.R. 37115	Initial notice.
08/26/81	ITC	46 F.R. 43120	Initial notice of ITC investigation and hearing.

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

PRESENTATION OF PROBABLE EFFECTS ADVICE

Commodity digests

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

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

1. Level of U.S. imports

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

2. U.S. industry

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

3. U.S. consumer

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

TSUS item 791.28

The Commission was also requested to provide advice for purposes of the competitive-need limits under section 504(c)(1)(B) of the Trade Act on whether products like or directly competitive with the leather footwear uppers classified under TSUS item 791.28 were being produced in the United States on January 3, 1975. A like item was being produced domestically on that date, although there was no commercial trade in the item. Domestic production of leather footwear uppers is for captive use.

TSUS items covered in prior investigations

In accordance with the USTR request, probable economic effect advice is not provided for the items listed below. These TSUS items were covered in investigation numbers TA-131(b)-5, TA-503(a)-7, and 332-113, and the probable effects of duty-free treatment under the GSP have not changed since that investigation.

121.40  
140.65  
153.0420  
161.57  
161.88  
169.04  
183.01  
411.64  
432.25  
436.00  
437.47



DIGEST LOCATOR

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

<u>Digest number</u>	<u>Commodity</u>
<u>AGRICULTURAL AND FOREST PRODUCTS</u>	
1001	Crabmeat, prepared or preserved, in airtight containers 114.20
1003	Bovine and certain other leather, not fancy 121.61 121.63
1005	Miscellaneous vegetables, n.e.s., fresh, chilled, or frozen 135.12 135.14 135.16 136.60 136.61 137.89
1007	Certain specified vegetables, fresh, chilled, or frozen 135.92(pt.) 136.20 136.22 137.10 137.50 137.63
1009	Certain processed vegetables 138.4250(pt.) 141.82 141.87
1011	Certain dried vegetables 140.40 140.75(pt.) 144.12
1013	Strawberries 146.76
1015	Tropical fruit, fresh 148.00 148.60 148.93
1017	Cantaloups, fresh 148.17

Digest  
number

Commodity

AGRICULTURAL AND FOREST PRODUCTS--Continued

1019	Certain prepared or preserved fruits 148.98    148.9820    150.02
1021	Miscellaneous fruit products 152.30    152.7640    154.90
1023	Certain ground pepper 161.84
1025	Certain brandy 168.78
1029	Certain marine sponges 190.85
1031	Blinds and similar articles, of upspun fibrous vegetable materials 222.50

TEXTILES AND TEXTILE PRODUCTS

3001	Sisal baskets 387.35(pt.)
3002	Woven or knit fabrics of vegetable fibers or of cotton, coated, filled, or laminated with rubber or plastics 355.65    355.6510
3003	Certain woven floor coverings 360.4640    360.4645
3005	Certain bedding 363.90
3007	Handwoven Jacquard-figured tapestries of cotton 364.07(pt.)

Digest  
number

Commodity

CHEMICALS AND RELATED PRODUCTS

4001	Certain intermediate chemicals 402.56    402.80    402.80(pt.)    403.45 403.45(pt.)    403.56(pt.)    405.08(pt.) 405.60(pt.)    406.28    406.36    406.64 406.84
4002	Benzenoid antidepressants, tranquilizers, and other psychotherapeutic agents, provided for in the Chemical Appendix to the Tariff Schedules TSUS); and amitriptyline hydrochloride 412.34    412.34(pt.)
4003	Certain essential oils 452.28    452.34    452.44
4004	Pectin 455.04
4005	Bicycle tires and tubes of rubber or plastics 772.48    772.57

MINERALS AND METALS

5001	Crude magnesite 522.61
6001	Low carbon ferrochromium 606.22
6002	Ferrosilicon chromium 606.42
6003	Brass plated wire strand of iron or steel 642.1110
6004	Columns, pillars, posts, beams, girders and similar structures of iron or steel 652.94    652.95    652.96

Digest  
number

Commodity

MACHINERY AND EQUIPMENT

6005                   Citizens Band (CB) radio transceivers  
                          (except hand-held)  
                          685.27

6006                   Record players, phonographs, record changers,  
                          turntables, and parts of the foregoing  
                          685.36

GENERAL MANUFACTURES

7001                   Certain luggage, handbags, and flat goods  
                          706.13     706.17(pt.)     706.2045  
                          706.6235

7003                   Stuffed dolls and parts of dolls  
                          737.2205     737.2240

7005                   Ball-point pens and ball-point pencils  
                          760.0520

TSUS ITEMS COVERED IN INV. NOS. TA-131(b)-5, TA-503(a)-7, and 332-113  
FOR WHICH PROBABLE EFFECTS ADVICE HAS NOT CHANGED

121.40	140.65	153.0420	161.57	161.88	169.04	183.01
411.64	432.25	436.00	437.47			

Digest No.  
1001

TITLE: CRABMEAT, PREPARED OR PRESERVED, IN AIRTIGHT CONTAINERS

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty		U.S. imports:		Product produced in the U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: rate	Current : col. 2 (1/1/81)	in 1980 : (\$1,000)	
114.20	Crabmeat, prepared or preserved, in airtight containers.	11% ad val.	1/ :	22.5% ad val.	12,503	Yes.

1/ No concession was granted on this item in the recent trade negotiations.

## II. Comment

Description and uses

This digest covers crabmeat, prepared or preserved (including pastes and sauces), in airtight containers. <sup>1/</sup> The major commercial species of crabs in the United States are the blue crab inhabiting principally the Chesapeake Bay and Gulf of Mexico Coasts, the king and snow crabs from the North Pacific Coast off Alaska, and the dungeness crab found off the Pacific Coast from Alaska to California. Other species, such as the red and rock crabs found off the New England Coast, are also utilized, but to a lesser degree. The principal difference between the various types of crabs is size--the king crab weighs about 8 pounds, the red crab about 2 pounds, the dungeness about 1 to 2 pounds, the rock crab about 6 ounces, and the blue crab about 4 to 7 ounces. Differences also exist in the texture and flavor of cold-water species, such as the king, snow, and dungeness crabs, and temperate-water species, such as the blue crab. Even after canning, the meats of the cold-water species have a firm texture and rich taste. They are generally used in main dishes, salads, and cocktails, whereas the finer texture and milder flavor of the meats of the temperate-water species lend than more favorably to use in crab cakes, stuffings, and other dishes in which crabmeat is one of several important ingredients. The cold-water species are principally marketed on the West Coast, although significant amounts are consumed in the East. The temperate-water species generally are marketed only in the East. Crabs are marketed live, frozen, fresh-cooked whole or in sections, or in the form of canned crabmeat, which includes the category under consideration for GSP treatment (TSUS item 114.20).

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<sup>1/</sup> Inasmuch as most trade consists of canned crabmeat, all of the products are referred to collectively as canned crabmeat in this digest.

Canned crabmeat is principally used by retail consumers and is generally packed in units of about 6 1/2 ounces (net weight).

#### U.S. consumption, production, and producers

Apparent U.S. consumption of canned crabmeat increased from 5.5 million pounds in 1976 to 9.5 million pounds in 1980 (table A-1), an increase of 73 percent. The ratio of imports to consumption increased steadily from 37 percent in 1976 to 55 percent in 1979 before falling slightly to 53 percent in 1980.

U.S. production of canned crabmeat increased from 3.9 million pounds, valued at \$13.6 million, in 1976 to 5.4 million pounds, valued at \$22.7 million, in 1978. U.S. production then declined each year to 4.9 million pounds in 1980. The value of production rose each year under review and reached \$24.0 million in 1980 (table A-1). The bulk of U.S. production of canned crabmeat is in Alaska.

In 1980 eleven U.S. plants produced canned crabmeat. Six plants in Alaska produced canned crabmeat, mostly king and snow crabmeat; two plants in Washington canned mostly dungeness, king, and snow crabmeat; one plant in Maine canned mostly red and rock crab meat; and, single plants in North Carolina and South Carolina canned mostly blue crabmeat.

During 1976-80, U.S. production of canned blue, red, and rock crabmeat (principally blue crabmeat) fluctuated from a low of 967,000 pounds, valued at \$2.7 million, in 1976 to a high of 2.1 million pounds, valued at \$6.7 million, in 1977. During the same period, U.S. production of canned dungeness, king, and snow crabmeat (including crab specialties) ranged from 2.9 million pounds, valued at \$10.9 million, in 1976 to 4.0 million pounds, valued at \$19.6 million, in 1979 (table A-2).

Fluctuations in the production of canned crabmeat are due to many factors, including the costs of canning and the availability of crabs for raw material. Returns are generally greater for marketing crabs in forms other than canned crabmeat, such as frozen sections or whole, cooked crabs, and thus the supply of crabs for canning may be limited.

#### U.S. exports

U.S. exports of canned crabmeat consist primarily of king and snow crabmeat. Exports increased irregularly from 370,000 pounds, valued at \$1.6 million, in 1976 to 866,000 pounds, valued at \$3.9 million, in 1979 before falling to 373,000 pounds, valued at \$2.2 million, in 1980 (table B). The decrease in exports in 1980 is attributed mainly to a depressed Japanese market. During January-June 1981, the quantity of U.S. exports of canned crabmeat dropped 65 percent from the comparable period of the previous year. Continued unfavorable foreign market conditions coupled with decreased landings of crabs for raw material contributed to this decline. The principal markets for U.S. exports of canned crabmeat are France, Japan, Sweden and the Netherlands.

#### U.S. imports

U.S. imports of canned crabmeat increased from 2.1 million pounds, valued at \$4.6 million, in 1976 to 5.0 million pounds, valued at \$12.5 million, in 1980 (table C). Most of the increase in imports is accounted for by a sharp rise in imports from Thailand. Such imports rose from 145,000 pounds, valued at \$196,000, in 1976 to 2.7 million pounds, valued at \$5.5 million, in 1980. Improvement in product quality and a relatively low unit value contributed to this increase. (The unit value of imports from Thailand averaged about a



fourth less than the average unit value for total imports during 1976-80.) Imports from Thailand consist principally of canned blue crabmeat. Imports from other countries are mainly both canned blue crabmeat and snow crabmeat. Other major sources of U.S. imports of canned crabmeat in 1980 were Taiwan, Canada, and Venezuela.

U.S. imports of canned crabmeat from designated GSP beneficiary countries increased irregularly during 1977-80, from 3.0 million pounds, valued at \$6.1 million, in 1977 to 4.4 million pounds, valued at \$10.0 million, in 1980 (table D). Increases in imports from Thailand (a designated GSP beneficiary country), as discussed above, accounted for the bulk of the increased imports. During 1977-80, the share of the total quantity of U.S. imports of canned crabmeat provided by designated GSP beneficiary countries ranged from 86 percent in 1977 to 93 percent in 1979. During the first half of 1981 that share was 95 percent. Thailand, Taiwan, and Venezuela were the leading designated GSP countries that supplied canned crabmeat to the United States during 1977-80. Thailand supplied 60 percent of total U.S. imports of canned crabmeat during January-June 1981, thus exceeding the competitive need limit.

The production of canned crabmeat historically has been a labor-intensive process, requiring that the meat be extracted from the shell by hand. Because of this, foreign producers, particularly those in designated GSP countries, which generally possess significantly lower labor costs, have been able to offer their product at much lower prices than U.S. producers. Currently, the U.S. industry is trying to mechanize its operations, at a high initial cost, in an attempt to improve its competitive position.

Position of interested parties

The Instituto de Comercio Exterior (ICE) Venezuela was the petitioner for this item.

There were no representations from interested parties concerning canned crabmeat during the investigations.

Digest No.  
1001--Con.

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Digest No.  
1001--Con.

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Table A-1.--Crabmeat, prepared or preserved (including pastes and sauces), in airtight containers: U.S. production, exports of domestic merchandise, imports for consumption, apparent consumption, and ratio of imports to consumption, 1976-80

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

Year	Production	Exports	Imports	Apparent Consumption	Ratio (percent) of imports to consumption
Quantity					
1976-----	3,856	370	2,053	5,539	37
1977-----	5,343	268	3,463	8,538	41
1978-----	5,354	462	4,053	8,945	45
1979-----	5,040	866	5,073	9,247	55
1980-----	<u>1/</u> 4,871	373	5,002	9,500	53
Value					
1976-----	13,559	1,562	4,597	<u>2/</u>	<u>2/</u>
1977-----	19,653	1,484	7,957	<u>2/</u>	<u>2/</u>
1978-----	22,655	3,076	9,503	<u>2/</u>	<u>2/</u>
1979-----	23,914	3,898	12,329	<u>2/</u>	<u>2/</u>
1980-----	<u>1/</u> 24,020	2,179	12,503	<u>2/</u>	<u>2/</u>
Unit value					
1976-----	\$3.52	\$4.22	\$2.24	-	-
1977-----	3.68	5.54	2.30	-	-
1978-----	4.23	6.66	2.34	-	-
1979-----	4.74	4.50	2.43	-	-
1980-----	<u>1/</u> 4.93	5.85	2.50	-	-

1/ Preliminary.

2/ Not meaningful.

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

Table A.2.--Crabmeat, prepared or preserved, in airtight containers: U.S. production, by type, 1976-80

Type	1976	1977	1978	1979	1980 <sup>1/</sup>
Quantity (1,000 pounds)					
Blue, red, and rock <sup>2/</sup> -----	967	2,119	1,439	1,017	1,950
Dungeness, king, and snow <sup>3/</sup> -----	2,889	3,224	3,915	4,023	2,921
Total-----	3,856	5,343	5,354	5,040	4,871
Value (1,000 dollars)					
Blue, red, and rock <sup>2/</sup> -----	2,698	6,715	5,903	4,335	7,426
Dungeness, king, and snow <sup>3/</sup> -----	10,861	12,938	16,752	19,579	16,594
Total-----	13,559	19,653	22,655	23,914	24,020
Unit value (per pound)					
Blue, red, and rock <sup>2/</sup> -----	\$2.79	\$3.17	\$4.10	\$4.26	\$3.81
Dungeness, king, and snow <sup>3/</sup> -----	3.76	4.01	4.28	4.87	5.68
Average-----	3.52	3.68	4.23	4.74	4.93

<sup>1/</sup> Preliminary.<sup>2/</sup> Production consists mostly of blue crabmeat.<sup>3/</sup> Production consists mostly of king and snow crabmeat. Also includes crab specialties.

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

Table B.--Crabmeat, prepared or preserved, in airtight containers: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	Quantity (pounds)					1981 January-June
	1976	1977	1978	1979	1980	
France	29,101	98,742	214,298	115,869	116,926	90,113
Japan	195,960	58,263	201,822	589,398	55,554	0
Sweden	14,960	7,275	0	15,650	44,175	3,150
Nethlds	39,799	25,763	0	17,940	39,263	19,950
Canada	29,725	30,800	29,450	115,701	74,931	67,575
Belgium	16,669	24,177	8,062	0	15,938	0
Italy	0	0	0	0	22,010	392
Cnry I	0	975	0	1,332	3,220	1,644
Indnsia	0	730	0	0	278	0
Guatmal	0	0	772	1,124	283	0
All other	43,913	21,225	7,688	8,915	98	6,611
Total	370,127	267,950	462,092	866,129	372,676	99,322
	Value (1,000 dollars)					
France	114	564	1,223	788	984	726
Japan	890	415	1,638	2,467	294	294
Sweden	68	36	-	109	273	273
Nethlds	185	131	-	139	269	24
Canada	69	105	115	325	162	157
Belgium	76	142	44	3	104	127
Italy	-	-	-	-	71	-
Cnry I	-	3	-	9	18	1
Indnsia	-	1	-	-	2	8
Guatmal	-	-	4	-	2	-
All other	159	87	51	49	1	14
Total	1,562	1,484	3,076	3,898	2,179	332
	Unit value (per pound)					
France	\$3.93	\$5.71	\$5.71	\$6.80	\$8.42	\$8.05
Japan	4.54	7.12	8.12	4.18	5.29	5.29
Sweden	4.56	5.00	-	6.99	6.18	6.18
Nethlds	4.64	5.10	-	7.77	6.85	7.89
Canada	2.32	3.42	3.90	2.81	2.16	1.87
Belgium	4.56	5.88	5.44	12.77	6.51	5.76
Italy	-	-	-	-	3.24	2.58
Cnry I	-	2.77	-	7.04	5.59	5.11
Indnsia	-	1.64	-	-	5.88	5.88
Guatmal	-	-	5.53	7.47	5.53	-
All other	3.63	4.08	6.68	5.49	10.61	2.18
Average	4.22	5.54	6.66	4.50	5.85	5.57

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

Table C.--Crabmeat, prepared or preserved, in airtight containers: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (pounds)					Value (1,000 dollars)	
	1976	1977	1978	1979	1980	1980	January-June-- 1981
Thailand	145,086	402,103	1,201,349	2,192,398	2,695,206	1,003,228	1,417,131
China	534,652	1,443,624	1,696,210	1,497,894	962,427	558,795	467,463
Canada	172,378	194,500	354,239	332,088	523,399	45,272	94,679
Venezuela	795,516	627,575	370,572	549,816	458,239	266,301	173,408
Mexico	19,349	432,046	319,869	279,560	204,343	91,010	28,056
Japan	261,414	268,037	33,231	25,424	62,022	22,865	17,496
Malaysia	0	0	28,350	147,000	63,908	0	117,600
Colombia	750	0	3,465	1,800	15,228	0	9,299
Sweden	6,883	3,968	7,458	5,103	5,415	1,892	3,549
Philippines	120	9,767	8,544	4,940	6,010	1,891	1,307
All other	117,044	81,591	29,485	36,872	5,924	2,427	44,692
Total	2,053,192	3,463,211	4,052,772	5,072,895	5,002,121	1,993,681	2,374,590
Value (1,000 dollars)							
Thailand	196	651	2,172	4,650	5,510	2,083	3,028
China	896	3,147	3,896	3,410	2,292	1,281	1,176
Canada	581	816	1,463	1,552	2,190	172	421
Venezuela	1,828	1,732	1,030	1,529	1,536	814	713
Mexico	19	457	627	693	512	229	73
Japan	829	986	109	79	239	80	82
Malaysia	-	-	49	282	98	-	237
Colombia	1	-	11	5	49	-	44
Sweden	25	26	58	42	46	15	22
Philippines	1	18	16	10	14	3	3
All other	220	123	74	77	15	6	122
Total	4,597	7,957	9,503	12,329	12,503	4,682	5,923
Unit value (per pound)							
Thailand	\$1.35	\$1.62	\$1.81	\$2.12	\$2.04	\$2.08	\$2.14
China	1.68	2.18	2.30	2.28	2.38	2.29	2.52
Canada	3.37	4.20	4.13	4.67	4.18	3.81	4.45
Venezuela	2.30	2.76	2.78	2.78	3.35	3.06	4.11
Mexico	1.00	1.06	1.96	2.48	2.51	2.52	2.59
Japan	3.17	3.68	3.28	3.10	3.86	3.50	4.71
Malaysia	-	-	1.72	1.92	1.54	-	2.02
Colombia	1.50	-	3.16	2.90	3.23	-	4.77
Sweden	3.61	6.43	7.76	8.14	8.47	7.95	6.17
Philippines	3.18	1.89	1.89	2.08	2.30	1.54	2.07
All other	1.88	1.51	2.49	2.08	2.56	1.49	2.74
Average	2.24	2.30	2.34	2.43	2.50	2.35	2.49

<sup>1</sup>/ Less than \$500.

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



Table D.--Crabmeat, prepared or preserved, in airtight containers: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (pounds)						
Gross imports	3,463,211	4,052,772	5,072,895	5,002,121	2,374,590	100
26 developed cttries, total	479,009	396,803	362,737	592,485	115,897	5
GSP countries, total	2,984,202	3,655,929	4,710,158	4,409,636	2,258,693	95
Thailand	402,103	1,201,349	2,192,398	2,695,206	1,417,131	60
China t	1,443,624	1,696,210	1,497,894	962,427	467,463	20
Venez	627,575	370,572	549,816	458,239	173,408	7
Mexico	432,046	319,869	279,560	204,343	28,056	1
Malaysia	0	28,350	147,000	63,908	117,600	5
Colomb	0	3,465	1,800	15,228	9,299	1/
Phil R	9,767	8,544	4,940	6,010	1,307	1/
India	0	0	0	3,375	0	
Other GSP	69,087	27,570	36,750	900	44,429	2
Other	0	40	0	0	0	
Value (1,000 dollars)						
Gross imports	7,957	9,503	12,329	12,503	5,923	100
26 developed cttries, total	1,852	1,637	1,673	2,478	526	9
GSP countries, total	6,104	7,866	10,656	10,025	5,397	91
Thailand	651	2,172	4,650	5,510	3,028	51
China t	3,147	3,896	3,410	2,292	1,176	20
Venez	1,732	1,030	1,529	1,536	713	12
Mexico	457	627	693	512	73	1
Malaysia	-	49	282	98	237	4
Colomb	-	11	5	49	44	1
Phil R	18	16	10	14	3	1/
India	-	-	-	11	-	
Other GSP	99	66	76	12	122	2
Other	-	2/	-	-	-	

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

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



TITLE: BOVINE AND CERTAIN OTHER LEATHER, NOT FANCY

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty 1/			U.S. imports:		Product produced in the U.S. on 1/3/75
		Current col. 1 (1/1/81)	Final concession: rate	Current col. 2 (1/1/81)	in 1980 (\$1,000)		
121.61	Bovine leather, not fancy-----	1%	Free 2/	25%		95,263	Yes.
121.63	Other leather, not fancy-----	5%	3/	25%		19,155	Yes.

1/ The symbol "%" indicates percent ad valorem.

2/ Based upon information received from the U.S. International Trade Commission's Office of Executive Liaison and Special Advisor for Trade Agreements on Oct. 22, 1981: (1) There is no agreement under the MTN on item 121.61; (2) Also, because Argentina failed to meet its obligations to eliminate its export tax on cattle hides, the President in Proclamation 4876 of Oct. 20, 1981, suspended the free col. 1 rate of duty which had become effective Oct. 1, 1981, and modified it to read "1% ad valorem" effective on Oct. 25, 1981, and (3) the LDDC rate of Free which ceased to exist when the col. 1 rate became free on Oct. 1, 1981, was not restored by Proclamation 4876.

3/ No concession was granted on this item in the recent trade negotiations.

## II. Comments

### Description and uses

Bovine (cattle hide) leather, not fancy.--Two basic types of leather are made from cattlehides. One of these is called heavy leather because it usually takes the full thickness of the hide and it is characterized by firmness, comparative rigidity, and strength. Leather used in making soles and machine belting belong to the heavy leather class. The second type includes the lighter and more flexible leather suitable for shoe uppers, clothing, upholstery, fancy leather goods, and many other products. The great bulk of all cattlehides are used in making leather for footwear.

Cattle side upper leather, made from cattle sides (half hides), is commonly used in the uppers of medium- and low-priced shoes. Most of the cattle side leather is too thick to be used in shoe uppers unless it has been cut into two or more thicknesses known as splits.

Cattlehide leather commonly used in traveling bags, suitcases, and other luggage, and straps for such articles, is usually made from hides which have been reduced in thickness.

Leather for use in gloves and garments is usually thin and soft. Such leather made from cattlehides is used mainly in the manufacture of work gloves, and only to a very limited extent in the manufacture of dress gloves or other garments.

Leather used for the manufacture of leather belts for transmitting power in machinery is usually made from high grade cattlehides which are strong, pliable, and durable.

Cattlehide leather is also used in the manufacture of numerous other articles, including handbags, wallets, and similar personal leather goods; sporting goods equipment; and saddles.

Some leather is embossed, printed, or otherwise decorated. Other leather has the original grain pattern accentuated. Such leather is termed "fancy leather" for tariff purposes, and is not covered by this investigation.

Other leather, not fancy.--Sheep and lamb leather, the most important other leather, in terms of value, is thinner than cattle or horse leather. Because of this, it is particularly well suited for gloves, garments, and shoe uppers and linings.

Among the other leather included herein is horsehide leather; of lesser importance is sharkskin leather, and the leather made from other wild-animal skins.

Horsehide leather from the butt end of a hide is made into cordovan leather for shoe uppers; leather from the remainder of the hide is used in wearing apparel and sporting goods. The bulk of the leather from other animals is used in expensive leather goods and footwear. Some of the leather is from skins of animals not indigenous to the United States. The principal wild animal leather considered herein is the leather of deer. Deerskins, when tanned into leather, are known in the trade as buckskins. The skins make a soft, pliable leather which is used for producing shoe uppers, moccasins, gloves, clothing, and fancy leather goods. The skins of kangaroo and wallaby (one of the smaller macropodine kangaroos) produce excellent shoe upper

leather. The heavier skins are usually vegetable tanned to make leather which is used chiefly in athletic shoes. The smaller, lighter-weight skins are generally chrome tanned and glazed or sueded for use in dress shoe uppers.

The skins of shark comprise the principal known trade in fish skins. Shark skins are made into a leather which is pliable and supple, but retains the durability and toughness of the original skin. It is virtually scuffproof and for this reason it is often used as a tip material for children's shoes. It is also used for the entire uppers of other shoes and for luggage, billfolds, belts, and small leather goods.

Fish skins other than shark skins are used chiefly in the manufacture of fish glue, but small quantities are also converted into leather.

#### U.S. customs treatment

Under the terms of the U.S.-Argentine cattle hide-leather agreement, which became effective October 1, 1979, the United States reduced its duties on cattle hide leather from 5 percent to 2 percent on October 1, 1979, to 1 percent October 1, 1980, and to zero on October 1, 1981. (In addition, the United States agreed to make scheduled concessions on imports of corned beef.)

In exchange, Argentina replaced its ban on cattle hide exports with an export tax of 20 percent. Argentina was obligated to reduce this tax to 15 percent on April 1, 1980, to 10 percent on October 1, 1980, to 5 percent on April 1, 1981, and to zero on October 1, 1981.

Argentina reduced its export tax on October 28, 1980, for cattle hides from 20 to 10 percent to comply with the agreement. (Argentina had failed to live up to its agreement to reduce the tax to 15 percent on April 1, 1980.) At the same time, the base export price for hides was raised from \$23 to \$25 per piece, apparently to reflect higher international prices. Argentina failed to implement its agreement to lower its export tax to zero on October 1, 1981. Also a 10 percent export refund was established for Argentine exports of semi-finished and finished leather. Because Argentina failed to eliminate the export tax, a Presidential Proclamation was signed on October 20, 1981, reinstating the 1 percent U.S. rate of duty on bovine leather, not fancy. The effective date of this Proclamation was October 25, 1981.

While Argentina does not export significant quantities of cattle hides to the United States, it does export to other countries, such as Japan and Mexico, that are markets for U.S. cattle hides. The agreement was designed to moderate rapidly increasing U.S. and world prices and preclude U.S. and world shortages of cattle hides.

U.S. consumption, production, and producers

Bovine (cattle hide) leather, not fancy.--The value of U.S. consumption of bovine leather, not fancy, increased steadily from \$898 million in 1976 to \$1,252 million in 1980, representing an increase of nearly 40 percent (table A-1). The increase reflected primarily an increase in unit value, especially in the unit value of U.S. produced leather. Imports accounted for about 8 percent of the value of consumption in 1980. The value of U.S. production also increased steadily, rising from \$877 million in 1976 to \$1,325 million in 1980.

There are probably 100 or fewer tanners in the United States who process cattle hides into leather and a small number account for the bulk of production.

Other leather, not fancy.--The value of U.S. consumption of leather, not fancy, increased steadily during 1976-79, rising from \$49 million in 1976 to \$125 million in 1979, but then dropped to \$31 million in 1980 (table A-2). Imports accounted for about 60 percent of the value of consumption in 1980, up sharply from 25 percent in 1979. The decline in 1980 reflected primarily a one-third drop in the quantity and a 35 percent drop in unit value of U.S. produced sheep and lamb leather.

There are probably only a dozen or so U.S. tanners of sheep and lamb skins, a third of these account for the bulk of production. There are relatively few commercial tanners of the other leather considered herein.

#### U.S. exports

Bovine leather, not fancy.--The value of U.S. exports of bovine leather, not fancy, increased steadily during 1976-80, rising from \$66 million in 1976 and 1977 to \$168 million in 1980, nearly a three-fold increase (table B-1). The PRC emerged as the major export market in 1980, accounting for \$38 million or almost one-fourth of the total, after taking only small quantities in earlier years, reflecting a general increase in PRC-US trade. Exports to Hong Kong and South Korea generally increased rapidly from 1976 to 1978 but then leveled off. Exports to Canada declined steadily--from \$26 million in 1976 to \$9 million in 1980, reflecting in part a decline in the purchasing power of the Canadian dollar because of the declining exchange rate.



Other leather, not fancy.--The value of U.S. exports of other leather, not fancy, fluctuated during 1976-80, with the peak of \$73 million in 1977 (table B-2) and the low of \$59 million in 1980. The PRC was the leading export market in 1980 accounting for \$9 million, after importing only negligible quantities in earlier years. The value of exports to South Korea rose from \$4 million in 1976 to \$13 million in 1979, before declining to \$9 million in 1980. Exports to Canada, the leading market in 1976, accounting for \$32 of the \$65 million exported, declined to \$8 million in 1980.

#### U.S. imports

Bovine leather, not fancy.--The value of U.S. imports of bovine leather, not fancy, has fluctuated widely during 1976-80, ranging from \$52 million in 1977 to \$120 million in 1979 (table C-1). Imports from Argentina, which have accounted for one-half to two thirds of total imports, ranged from \$26 million in 1977 to \$76 million in 1979. Much of the fluctuation probably resulted from the policies of the Argentine Government. The policies of that government have encouraged the exports of leather and leather goods and discouraged the export of cattle hides (see U.S. customs treatment section). U.S. imports from Canada increased steadily during 1976-80. Imports from countries eligible for GSP treatment have accounted for three-fourths or more of U.S. imports, with Argentina the principal supplier (table D-1). In part, because of large domestic production of reasonably priced raw cattle hides, the United States is generally considered to be competitive with other countries in the production of bovine leather in the absence of subsidized imports. Inasmuch as Argentina exceeded the competitive needs limit in the first half of 1981, imports from that country would not be eligible for GSP treatment.

Other leather, not fancy.--U.S. imports of other leather, not fancy, increased from \$15 million in 1976 to \$32 million in 1979 before declining to \$19 million in 1980 (table C-2). France is the leading supplier. Imports from countries eligible for GSP treatment ranged from \$5 million in 1978 to \$12 million in 1979 (table D-2). The high values in 1979 reflect, in part, unusually high unit values for sheep leather. Other leather, not fancy, is sold on very close margins and the imports and domestic products are of comparable quality. Because some foreign producers have better access to raw hides for tanning, the foreign industry in many instances is highly competitive.

Position of interested parties

The Government of Brazil was the petitioner for the items.

The Tanners' Council of America, Inc. did not oppose granting of GSP treatment to the items, contending that benefits can accrue to LDC's and that in almost all cases the U.S. industry can withstand the economic impact of the granting of such privilege. However, the Council contends that GSP treatment should not be granted to countries which deny free accessibility to U.S. tanners for raw materials (i.e. hides and skins).

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Table A-1.--Bovine leather, not fancy: U.S. production, exports, imports for consumption, and apparent consumption, by years, 1976-80

Period	Production	Exports	Imports	Apparent consumption	Ratio of imports to apparent consumption
-----Million dollars-----					---Percent---
1976-----	877	66	87	898	9.7
1977-----	1,005	66	52	991	5.2
1978-----	1,103	100	82	1,085	7.6
1979-----	<u>1/</u> 1,257	141	120	1,237	9.7
1980-----	<u>2/</u> 1,325	168	95	1,252	7.6

1/ Preliminary.

2/ Forecast.

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

Table A-2.--Other leather, not fancy: U.S. production, exports, imports for consumption, and apparent consumption, by years, 1976-80

(Million dollars)						
	Production	Exports	Imports	Apparent consumption	Ratio of imports to apparent consumption	
	-----Million dollars-----				-----Percent-----	
1976-----	99	65	15	49	30.6	
1977-----	120	73	18	65	27.7	
1978-----	172	68	18	122	14.8	
1979-----	164	71	32	125	25.6	
1980-----	71	59	19	31	61.3	

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

Table B-1.--Bovine leather not fancy: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June-- 1980 : 1981
China M-----	-	-	13	3,757	37,998	14,513
Hg Kong-----	6,494	6,261	15,685	22,406	20,125	8,885
Kor Rep-----	1,455	3,258	21,299	19,069	17,764	7,334
Canada-----	26,453	18,019	14,730	15,685	9,246	4,358
U King-----	1,566	2,997	3,737	10,667	7,991	4,336
Phil R-----	1,198	928	5,898	7,072	7,838	3,760
France-----	492	2,191	3,196	9,599	7,356	4,612
Mexico-----	3,979	4,347	5,602	4,744	6,543	2,401
All other-----	23,978	28,177	30,111	47,523	53,100	25,795
Total-----	65,615	66,178	100,271	140,522	167,962	75,995

1/ Less than 500.

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

Table B-2.--Other leather not fancy: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June-- 1980 : 1981
China M-----	3	-	2	-	9,423	160
Kor Rep-----	4,104	6,036	10,565	13,247	8,672	3,686
Canada-----	32,071	26,465	24,492	16,953	7,812	4,506
U King-----	2,994	6,041	6,500	8,087	6,702	4,295
Mexico-----	1,867	2,959	3,145	3,335	3,443	1,496
China t-----	2,413	4,619	4,303	6,205	3,364	2,952
Phil R-----	5,016	6,324	4,013	3,279	3,119	1,759
Fr Germ-----	2,663	3,898	2,024	1,831	2,207	1,137
All other-----	13,884	16,782	13,439	18,146	14,539	8,386
Total-----	65,014	73,124	68,482	71,083	59,282	28,378

1/ Less than 500.

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



Table B-1.--Bovine leather not fancy: U.S. exports of domestic merchandise, by principal markets, 1976-80,  
January-June 1980, and January-June 1981

Market	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June-- 1981
China M-----	-	-	13	3,757	37,998	14,513
Hg Kong-----	6,494	6,261	15,685	22,406	20,125	8,885
Kor Rep-----	1,455	3,258	21,299	19,069	17,764	7,334
Canada-----	26,453	18,019	14,730	15,685	9,246	4,358
U King-----	1,566	2,997	3,737	10,667	7,991	4,336
Phil R-----	1,198	928	5,898	7,072	7,838	3,760
France-----	492	2,191	3,196	9,599	7,356	4,612
Mexico-----	3,979	4,347	5,602	4,744	6,543	2,401
All other-----	23,978	28,177	30,111	47,523	53,100	25,795
Total-----	65,615	66,178	100,271	140,522	167,962	75,995

1/ Less than 500.

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

Table B-2.--Other leather not fancy: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June-- 1981
China M-----	3	-	2	-	9,423	160
Kor Rep-----	4,104	6,036	10,565	13,247	8,672	3,686
Canada-----	32,071	26,465	24,492	16,953	7,812	4,506
U King-----	2,994	6,041	6,500	8,087	6,702	4,295
Mexico-----	1,867	2,959	3,145	3,335	3,443	1,496
China t-----	2,413	4,619	4,303	6,205	3,364	2,952
Phil R-----	5,016	6,324	4,013	3,279	3,119	1,759
Fr Germ-----	2,663	3,898	2,024	1,831	2,207	1,137
All other-----	13,884	16,782	13,439	18,146	14,539	8,386
Total-----	65,014	73,124	68,482	71,083	59,282	28,378

1/ Less than 500.

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

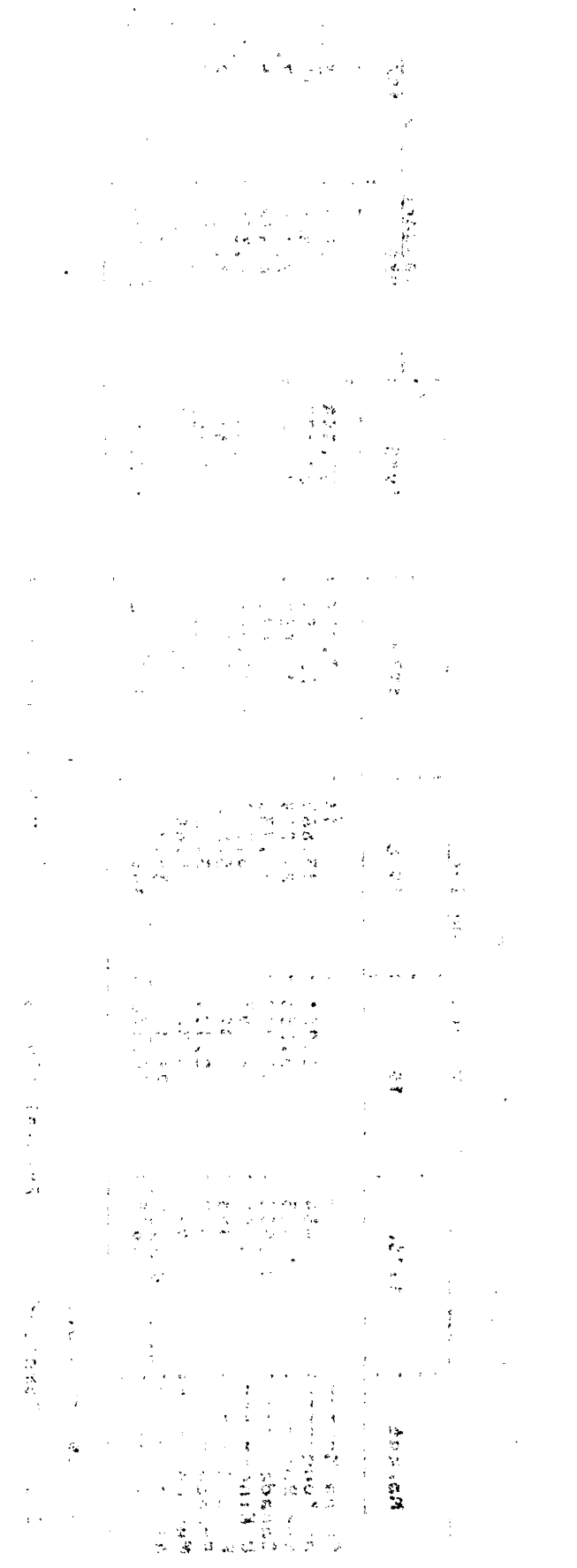


Table C-1.--Bovine leather not fancy: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	(In thousands of dollars)						
	1976	1977	1978	1979	1980	January-June-- 1980	January-June-- 1981
Argentina	46,643	26,287	50,239	76,023	56,607	26,309	45,827
Canada	7,813	8,401	10,735	11,685	18,822	8,389	10,466
Brazil	9,190	4,707	5,729	12,495	6,198	4,414	3,533
U Kingdom	4,158	2,717	3,083	2,326	2,769	1,132	1,884
Italy	1,493	348	1,640	2,242	1,329	721	1,964
Mexico	540	2,043	2,887	3,124	1,306	709	463
Sweden	303	272	359	287	818	274	478
France	789	328	448	627	770	369	406
All other	16,183	6,906	6,896	11,317	6,644	4,245	4,791
Total	87,112	52,009	82,015	120,126	95,263	46,563	68,813

1/ Less than 500.

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

Table C-2.--Other leather not fancy: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June-- 1981
France	4,826	5,074	6,572	6,044	4,823	2,529
Rep. of Spain	989	1,644	1,938	1,801	2,278	2,932
Spain	2,078	1,409	1,421	2,333	1,764	889
N. Zealand	587	966	890	3,472	1,743	916
Japan	506	409	174	697	1,473	622
U. Kingdom	1,137	1,293	886	1,655	1,472	685
Italy	131	158	510	1,908	1,034	562
Kor. Rep.	1	1	1	91	1,011	566
All other	5,027	6,687	5,646	13,630	3,556	1,404
Total	15,283	17,641	18,038	31,630	19,155	9,106

1/ Less than 500.

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

Table D-1.--Bovine leather not fancy: U.S. imports by certain world areas including designated GSP countries, 1977-80  
and Jan - June 1981

Item	1977	1978	1979	1980	1981		Percentage distribution
					January - Imports	June	
Gross imports	0	0	0	0	0	0	0
26 developed cttries, total	0	0	0	0	0	0	0
GSP countries, total	0	0	0	0	0	0	0
Argent	0	0	0	0	0	0	0
Brazil	0	0	0	0	0	0	0
Mexico	0	0	0	0	0	0	0
Colomb	0	0	0	0	0	0	0
Haiti	0	0	0	0	0	0	0
Chile	0	0	0	0	0	0	0
Uruguay	0	0	0	0	0	0	0
C Rica	0	0	0	0	0	0	0
Other GSP	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Value (1,000 dollars)							
Gross imports	52,009	82,015	120,126	95,263	68,813	100	
26 developed cttries, total	13,016	18,738	20,064	26,982	17,055	25	
GSP countries, total	38,581	63,121	99,642	68,008	51,119	74	
Argent	26,287	50,239	76,023	56,607	45,827	67	
Brazil	4,707	5,729	12,495	6,198	3,533	5	
Mexico	2,043	2,887	3,124	1,306	463	1	
Colomb	517	304	504	545	345	1	
Haiti	78	242	241	536	235	1/	
Chile	2,778	912	1,457	527	-		
Uruguay	806	1,715	1,656	498	452	1	
C Rica	42	455	1,866	421	13	1/	
Other GSP	1,324	638	2,277	1,370	251	1/	
Other	412	156	420	273	639	1	

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

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

Table D-2. Other leather not fancy: U.S. imports by certain world areas including designated GSP countries, 1977-80  
and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (number)						
Gross imports-----	0	0	0	0	0	0
26 developed cttries, total:	0	0	0	0	0	0
GSP countries, total-----	0	0	0	0	0	0
Kor Rep-----	0	0	0	0	0	0
India-----	0	0	0	0	0	0
Argent-----	0	0	0	0	0	0
Mexico-----	0	0	0	0	0	0
Bolivia-----	0	0	0	0	0	0
Botswan-----	0	0	0	0	0	0
Pakistan-----	0	0	0	0	0	0
China t-----	0	0	0	0	0	0
Other GSP-----	0	0	0	0	0	0
Other-----	0	0	0	0	0	0
Value (1,000 dollars)						
Gross imports-----	17,641	18,038	31,630	19,155	9,821	100
26 developed cttries, total:	10,054	11,668	17,213	13,424	6,535	67
GSP countries, total-----	6,155	4,912	11,972	3,967	2,488	25
Kor Rep-----	1	1	91	1,011	55	1
India-----	782	894	7,386	922	610	6
Argent-----	3,791	2,564	2,427	922	277	3
Mexico-----	619	523	440	385	98	1
Bolivia-----	14	60	171	226	19	1/
Botswan-----	107	145	270	103	54	1
Pakistan-----	16	13	409	92	138	1
China t-----	230	4	30	78	297	3
Other GSP-----	595	708	749	179	940	10
Other-----	1,431	1,457	2,444	1,764	798	8

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

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

TITLE: MISCELLANEOUS VEGETABLES, N.E.S., FRESH, CHILLED, OR FROZEN

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty 1/		U.S. imports in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current col. 1 (1/1/81)	Final concession: rate 2/ (1/1/81)		
135.12	Fresh, chilled, or frozen: Lima beans, if entered during November of any year.	2.1¢/lb. (4.7%) 4/	3/ 3.5¢/lb. (8%) 4/	0	Yes.
135.14	Lima beans, if entered during the period from December 1 in any year to the following: May 31, inclusive.	2.34¢/lb. (5.2%)	3/ 3.5¢/lb. (8.0%)	2	Yes.
135.16	Beans, other than lima	3.5¢/lb. (10%)	3/ 3.5¢/lb. (10%)	8,999	Yes.
136.60	Lettuce, if entered during the period from June 1 to October 31, inclusive, in any year.	0.4¢/lb. (3%)	3/ 2¢/lb. (14%)	1,110	Yes.
136.61	Lettuce, other	2¢/lb. (20%)	3/ 2¢/lb. (20%)	718	Yes.
137.89	Sweet potatoes and frozen yams.	19%	10%	898	Yes.

1/ The symbol "%" indicates percent ad valorem. The symbol "/" indicates per stated unit of quantity. For specific and compound rates, the ad valorem equivalent, based on the value of total imports in 1980 from most-favored-nation countries, except as noted, is shown in parenthesis, e.g. (AVE X.X%).

2/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through 5 equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1984.

3/ No concession was granted on this item in the recent trade negotiations.

4/ AVE based on dutiable imports in 1979.

Description and uses

Lima beans.--Lima beans are the seeds of an annual species of plant belonging to the legume family. This species occurs in both dwarf (bush) and pole, or climbing varieties. The bush varieties constitute virtually all of the commercial production. Though high in protein content, fresh and frozen lima beans are usually eaten as a cooked vegetable, rather than as a meat substitute. Lima beans covered by this digest are fresh, chilled, or frozen.

Beans, other than lima beans.--Beans other than lima, pertain primarily to the fruits of an annual leguminous plant in which the entire seed pod is consumed as a vegetable. Bean plants may be of either the pole or bush variety. For commercial purposes, the bush variety is by far the most important. Beans, other than lima, may be of either the green or wax type. Large quantities of beans are sold for processing, both for freezing and canning, and are reduced in size (cut or sliced). Although this digest includes frozen whole beans, only a small volume is frozen without first being reduced in size so discussion is devoted primarily to the fresh market product.

Lettuce.--Lettuce is a vegetable grown for its crisp, succulent leaves, which are used almost exclusively as an ingredient in salads or for garnishing salads and other dishes. Most lettuce is marketed in a chilled rather than a fresh form; it is not known to be marketed in a frozen state. Lettuce is one of the most important vegetable crops produced in the United States. Three types of lettuce are commonly grown in the United States--leaf, head, and romaine. Head lettuce, which is the best adapted to long-distance shipping, is the only kind available in most U.S. markets throughout the year.



Sweet potatoes and frozen yams.--The sweet potato (Ipomoea batatas) belongs to the morning glory family (Convolvulaceae). Two important types of sweet potatoes are grown in the United States. One has a seemingly dry, mealy flesh and the other a flesh of a soft, moist, sugary consistency when cooked. The soft fleshed varieties are of greater commercial importance in the United States than the dry-fleshed. The soft fleshed variety is often called "yam" in the trade. However, the true yam is of a different genus, Dioscorea.

The sweet potato can be boiled, baked, browned, fried, and candied. It can be used to make biscuits, bread, muffins, croquettes, pies, custards, cookies, or cakes. The bulk of the sweet potatoes used for food are prepared as needed from the fresh raw product and stored, shipped, distributed, and purchased by the ultimate consumer in this form.

Frozen yams are not believed to be an item of commerce.

#### U.S. consumption, production, and producers

Lima beans.--During 1976-80, annual U.S. apparent consumption of lima beans ranged from a low of 71.7 million pounds in 1976 to a high of 128.7 million pounds in 1979 (table A-1). Apparent consumption is supplied almost entirely by domestic production.

Data on apparent consumption and production of lima beans during the period November 1 of any year through May 31 of the following year is not available. However, it is believed that consumption is evenly spread throughout the year; whereas, domestic production is believed to fall primarily in the period June 1 through October 31. Data on the number of producers are not available.

Beans, other than lima beans.--During 1976-80, apparent consumption of fresh, chilled, or frozen beans, other than lima, ranged from a low of 289 million pounds in 1979 to a high of 314 million pounds in 1980 (table A-2). Domestic production of such beans ranged from a low of 281 million pounds, valued at \$73 million, in 1978 to a high of 313 million pounds, valued at \$62 million, in 1976. During 1976-80, the annual ratio of imports to consumption averaged 7 percent.

Florida is the principal producing State accounting for 45 percent of domestic production in 1980. California is the next largest producer. Data are not available on the number of producers of beans, other than lima.

Lettuce.--During 1976-80, U.S. apparent consumption of lettuce (in terms of quantity) increased steadily over the period from 5.2 billion pounds in 1976 to 6.0 billion pounds in 1980 (table A-3). Domestic production accounts for virtually all of consumption. Domestic production increased from 5.4 billion pounds, valued at \$462 million, in 1976 to 6.3 billion pounds, valued at \$565 million, in 1980. Domestic production is evenly distributed throughout the year, and prices generally are no lower in the summer-fall period than at other times of the year. California is the principal producing State, accounting for nearly 75 percent of U.S. production. Data are not available on the number of U.S. producers.

Sweet potatoes and frozen yams.--During 1976-80, U.S. apparent consumption of sweet potatoes declined irregularly from a high of 1.3 billion pounds in 1976 to a low of 1.1 billion pounds in 1980 (table A-4). U.S. production of sweet potatoes accounts for virtually all of U.S. consumption. From 1976 to 1980, domestic production steadily declined from 1.3 billion

pounds, valued at \$100 million, to 1.1 billion pounds, valued at \$131 million, continuing a long term declining trend in domestic production. Domestic production of sweet potatoes is concentrated in North Carolina, Louisiana, and California. Data on the number of producers are not available.

#### U.S. exports

Lima beans.--Data on U.S. exports of lima beans are not available, but Canadian import data on frozen lima beans give an approximation of U.S. exports. During 1976-80, Canadian imports of lima beans from the United States were very irregular; such shipments ranged from a high of 961,000 pounds (valued at \$288,000 Canadian) in 1976, to a low of 507,000 pounds (valued at \$181,000 Canadian) in 1977. U.S. exports of fresh lima beans and frozen lima beans other than to Canada are believed to be negligible.

Beans, other than lima beans.--Data on U.S. exports of beans, other than lima, are not available but Canadian import data for fresh or frozen green or wax beans gives an approximation of U.S. exports. Canadian imports were very erratic over the period 1976-80, declining from 19 million pounds (valued at \$4 million Canadian) in 1976 to 15 million pounds (valued at \$5 million Canadian) in 1978, before increasing to 19 million pounds (valued at \$6 million Canadian) in 1980.

Lettuce.--U.S. exports have shown no upward or downward trend in recent years. During 1976-80, exports ranged from a high of 367 million pounds, valued at \$40 million, in 1978 to a low of 302 million pounds, valued at \$40 million, in 1980 (table B). Canada is the principal U.S. export market,

accounting for over 70 percent of U.S. exports in 1980. Hong Kong is also an important market, accounting for nearly 11 percent of the export market in 1980.

Sweet potatoes and frozen yams.--Data on U.S. exports of sweet potatoes are not available, but Canadian import data for sweet potatoes gives an approximation of U.S. exports. During 1976-80, U.S. exports to Canada ranged from a low of 16 million pounds in 1977 to a high of 19 million pounds in 1979. U.S. exports to other countries are believed to be negligible.

#### U.S. imports

Lima beans.--U.S. imports of fresh, chilled, or frozen lima beans were negligible during 1976-80. Imports ranged from a low of 4,000 pounds (valued at \$2,000) in 1980 to a high of 29,000 pounds (valued at \$14,000) in 1979 (table C-1 and C-2). Portugal has been the only consistent supplier during the period and such imports are believed to be faba beans that have been misclassified as lima beans (table D-1). There are little or no differences between the imported and domestic lima beans covered by this digest.

Beans, other than lima beans.--Imports of beans, other than lima, have trended upward irregularly over the period 1976-80 from 12 million pounds, valued at \$1.4 million, in 1976, to 26 million pounds, valued at \$8.3 million, in 1978. Imports declined to 24 million pounds, valued at \$8.0 million, in 1979, before rising to 25 million pounds, valued at \$9 million, in 1980 (table C-3). Mexico accounts for the bulk of U.S. imports (table D-2). There is little or no difference between imported and domestic beans covered by this

digest. The majority of U.S. imports are concentrated in the months January through April. This is the same period when Florida is the only domestic producer.

Lettuce.--U.S. imports of lettuce are negligible when compared to U.S. production. During 1976-80, imports ranged from a low of 3 million pounds, valued at \$465,000, in 1976 to a high of 15 million pounds, valued at \$1.8 million, in 1980 (table C-4). Canada is the principal U.S. supplier (in terms of value) accounting for 55 percent of U.S. imports in 1980. Mexico is also an important source accounting for almost all of the remaining imports in 1980 (table D-3). The majority of U.S. lettuce imports are during the June 1 to October 31 period (TSUS item 136.60). However, in recent years, an increasing proportion of the imports were entered under TSUS item 136.61. Imports under TSUS item 136.60 consist primarily of leaf lettuce from Canada and competes with the small domestic crop produced in the Midwest. Such imports are not as well suited for long distance shipping as head lettuce.

Imports entering under TSUS item 136.61 during the November-May period consist largely of head lettuce produced in Mexico and greenhouse grown leaf lettuce from Canada. The Mexican lettuce crop is grown under similar climatic conditions to U.S. output in California with which it competes.

Sweet potatoes and frozen yams.--During 1976-80, U.S. imports of sweet potatoes have ranged from 7 million pounds, valued at \$797,000, in 1976 to 14 million pounds, valued at \$1.3 million, in 1978 (table C-5). The Dominican Republic accounts for virtually all of U.S. imports of sweet potatoes (table D-4). There are little or no differences between the imported and domestically produced sweet potatoes.

Position of interested parties

The petitioner for granting GSP treatment to all of the items covered by this digest was Jamaica.

The American Farm Bureau Federation opposes special unilateral tariff concessions to developing countries. The Federation states that tariff concessions should only be granted in the negotiating process where concessions are received as well as granted, and that the Generalized System of Preferences is inconsistent with the most-favored-nation principle. Such preferences create serious problems for some domestic producers, and many of the developing countries exporting agricultural products to the United States under the GSP are already highly competitive.

The Florida Farm Bureau Federation opposes granting duty-free treatment to imported fresh vegetables. The Federation states that the effect of additional competing produce, at times when Florida shipments of these commodities are heaviest, would depress the market even further and would have grave adverse economic influence upon Florida producers.

The Florida Fruit and Vegetable Association strongly opposes any consideration that vegetables be designated as articles eligible for GSP benefits and thereby be imported into the United States duty-free and in direct competition with Florida producers of vegetables. They state that, for nearly twenty years, Florida growers have struggled desperately against the heavy volume of imported products from Mexico, with some firms not surviving and others on the verge of economic collapse.

The Western Growers Association (WGA) opposes the granting of GSP status to lettuce because a reduction in tariffs will place domestic producers in a non-competitive situation; thus, there is a need to continue the current tariff provisions. GSP eligible countries have demonstrated their expertise in marketing their produce internationally on a competitive basis, according to the WGA.

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Table A-1.--Lima beans, fresh, chilled, or frozen.--Production, exports, of domestic merchandise imports for consumption, and apparent consumption, 1976-80

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

Year	Production <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption	Ratio (percent) of imports to apparent consumption
Quantity					
1976-----	72,700	961	10	71,749	<u>3/</u>
1977-----	109,400	507	28	108,921	<u>3/</u>
1978-----	115,200	694	22	114,528	<u>3/</u>
1979-----	129,640	940	29	128,729	<u>3/</u>
1980-----	86,860	677	4	86,187	<u>3/</u>
Value					
1976-----	11,125	288	4	10,841	<u>3/</u>
1977-----	19,903	181	7	19,729	<u>3/</u>
1978-----	22,144	285	4	21,863	<u>3/</u>
1979-----	25,247	330	14	24,931	<u>3/</u>
1980-----	18,887	211	2	18,678	<u>3/</u>
Unit value					
1976-----	\$0.15	\$0.30	\$0.37	-	-
1977-----	.18	.36	.26	-	-
1978-----	.19	.41	.19	-	-
1979-----	.19	.35	.47	-	-
1980-----	.22	.31	.45	-	-

1/ Production includes only lima beans produced for freezing purposes (shelled basis); production of lima beans for fresh market destinations is estimated to average 5-10 percent of production for freezing.

2/ Exports of lima beans to Canada only; value in Canadian dollars.

3/ Less than 0.5 percent.

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

Table A-2.--Beans, other than lima, fresh, chilled, or frozen: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1976-80

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

Year	Production	Exports <sup>1/</sup>	Imports	Apparent consumption	Ratio (percent) of imports to apparent consumption
Quantity					
1976-----	312,600	18,750	12,375	306,255	4
1977-----	288,400	15,325	17,486	290,561	6
1978-----	280,900	14,995	26,094	291,999	9
1979-----	307,100	16,727	24,400	289,073	8
1980-----	307,100	18,787	25,353	313,666	8
Value					
1976-----	62,253	4,076	1,356	<sup>2/</sup>	<sup>2/</sup>
1977-----	60,965	3,890	3,374	<sup>2/</sup>	<sup>2/</sup>
1978-----	73,310	5,220	8,283	<sup>2/</sup>	<sup>2/</sup>
1979-----	76,821	5,990	8,012	<sup>2/</sup>	<sup>2/</sup>
1980-----	81,439	6,495	8,999	<sup>2/</sup>	<sup>2/</sup>
Unit value					
1976-----	\$0.20	\$0.22	\$0.11	-	-
1977-----	.21	.25	.19	-	-
1978-----	.26	.35	.32	-	-
1979-----	.27	.36	.33	-	-
1980-----	.27	.35	.35	-	-

<sup>1/</sup> Exports of beans, other than lima, to Canada only; value in Canadian dollars.<sup>2/</sup> Not meaningful.

Source: Production data compiled from official statistics of the U.S. Department of Agriculture; exports compiled from statistics of the Canadian Department of Industry, Trade, and Commerce; import data compiled from official statistics of the U.S. Department of Commerce.

Table A-3.--Lettuce: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1976-80

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

Year	Production	Exports	Imports	Apparent consumption	Ratio (percent) of imports to apparent consumption
Quantity					
1976-----	5,593,100	360,801	3,037	5,235,336	0.1
1977-----	5,992,900	359,513	3,819	5,637,206	1
1978-----	6,027,500	367,356	5,681	5,665,825	1
1979-----	6,131,000	330,203	12,981	5,813,778	2
1980-----	6,321,400	302,100	15,155	6,034,455	3
Value					
1976-----	462,262	32,685	465	1/	1/
1977-----	415,951	32,405	401	1/	1/
1978-----	596,908	40,418	792	1/	1/
1979-----	566,073	37,585	2,232	1/	1/
1980-----	565,227	40,241	1,819	1/	1/
Unit value					
1976-----	\$0.08	\$0.09	\$0.15	-	-
1977-----	.07	.09	.10	-	-
1978-----	.10	.11	.14	-	-
1979-----	.09	.11	.17	-	-
1980-----	.09	.13	.12	-	-

1/ Not meaningful.

Source: Production data compiled from official statistics of the U.S. Department of Agriculture; export and import data compiled from official statistics of the U.S. Department of Commerce.

Table A-4.--Sweet potatoes and frozen yams: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1976-80

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

Year	Production	Imports	Exports	Apparent consumption	Ratio (percent) of imports to apparent consumption
Quantity					
1976-----	1,343,200	6,604	18,479	1,331,325	0.5
1977-----	1,239,500	12,906	15,911	1,236,495	1.0
1978-----	1,311,500	14,179	17,604	1,308,075	1.1
1979-----	1,337,000	13,133	19,484	1,330,649	1.0
1980-----	1,094,800	9,023	17,453	1,086,370	.8
Value					
1976-----	100,059	797	2,262	1/	1/
1977-----	129,592	1,595	2,248	1/	1/
1978-----	139,226	1,333	2,825	1/	1/
1979-----	119,093	1,331	2,813	1/	1/
1980-----	131,400	898	3,187	1/	1/
Unit value					
1976-----	\$0.07	\$0.12	\$0.12	-	-
1977-----	.11	.12	.14	-	-
1978-----	.11	.09	.16	-	-
1979-----	.09	.10	.14	-	-
1980-----	.12	.10	.18	-	-

1/ Not meaningful.

Source: Production data compiled from official statistics of the U.S. Department of Agriculture, import data compiled from official statistics of the U.S. Department of Commerce, export data compiled from official statistics of the Canadian Department of Industry, Trade and Commerce.



Table B.--Lettuce: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	1976	1977	1978	1979	1980	January-June--	
						1980	1981
	Quantity (1,000 pounds)						
Canada	332,155	327,924	332,221	286,976	249,006	120,578	189,530
Hg Kong	11,468	12,533	13,862	19,361	22,655	6,297	10,645
U King	5,177	6,120	4,795	7,466	5,934	2,828	5,773
Sweden	3,204	3,984	3,162	2,718	5,042	4,383	5,322
Nethlds	2,681	2,428	3,193	2,221	3,219	2,174	5,003
Mexico	1,410	1,353	1,857	1,884	2,437	1,610	1,087
N Antil	44	304	555	1,866	1,185	1,129	1,139
Fr Germ	3,852	3,248	5,372	4,336	4,757	1,550	1,001
All other	360,801	359,513	367,356	330,203	302,100	140,527	222,520
	Value (1,000 dollars)						
Canada	27,185	26,372	32,932	27,818	28,742	12,523	18,816
Hg Kong	2,115	2,288	2,638	3,623	4,387	1,224	2,086
U King	168	355	690	1,674	1,949	1,026	1,876
Sweden	1,124	1,257	1,156	1,851	1,883	992	1,216
Nethlds	697	807	778	714	1,124	409	1,240
Mexico	290	251	338	268	481	71	144
N Antil	333	302	486	467	451	168	216
Fr Germ	10	117	185	221	303	136	295
All other	762	657	1,216	949	922	403	538
Total	32,685	32,405	40,418	37,585	40,241	16,952	26,428
	Unit value (per pound)						
Canada	\$0.08	\$0.08	\$0.10	\$0.10	\$0.12	\$0.10	\$0.10
Hg Kong	0.18	0.18	0.19	0.19	0.19	0.19	0.20
U King	0.21	0.22	0.29	0.38	0.33	0.36	0.33
Sweden	0.22	0.21	0.24	0.25	0.24	0.23	0.23
Nethlds	0.22	0.20	0.25	0.26	0.22	0.19	0.25
Mexico	0.11	0.10	0.11	0.12	0.15	0.12	0.13
N Antil	0.24	0.22	0.26	0.25	0.18	0.15	0.19
Fr Germ	0.23	0.39	0.33	0.26	0.26	0.25	0.30
All other	0.20	0.20	0.23	0.22	0.19	0.20	0.18
Average	0.09	0.09	0.11	0.11	0.13	0.12	0.12

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

Table C-1.--Lima beans, fresh or frozen, if entered during November in any year: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1980	January-June-- 1981
Quantity (1,000 pounds)							
Portugal	0	0	5	17	0	0	0
Mexico	0	0	16	0	0	0	0
Total	0	0	21	17	0	0	0
Value (1,000 dollars)							
Portugal	-	-	2	7	-	-	-
Mexico	-	-	2	-	-	-	-
Total	-	-	4	7	-	-	-
Unit value (per pound)							
Portugal	-	-	\$0.42	\$0.45	-	-	-
Mexico	-	-	0.10	-	-	-	-
Average	-	-	0.18	0.45	-	-	-

1/ Less than 500.

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

Table C-2.--Lima beans, fresh or frozen, if entered during the period from December 1 in any year to the following May 31, inclusive: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1980	1981
Quantity (1,000 pounds)							
Portugal	1	6	0	4	4	4	0
Spain	0	0	0	8	0	0	0
Canada	0	1	1	0	0	0	1
Mexico	9	21	0	0	0	0	2
Total	10	28	1	12	4	4	3
Value (1,000 dollars)							
Portugal	1/	2	-	3	2	2	-
Spain	-	-	-	4	-	-	-
Canada	-	1/	1/	-	-	-	1
Mexico	3	5	-	-	-	-	1
Total	4	7	1/	6	2	2	2
Unit value (per pound)							
Portugal	\$0.66	\$0.41	-	\$0.58	\$0.45	\$0.45	-
Spain	-	-	-	0.44	-	-	-
Canada	-	0.38	0.43	-	-	-	0.53
Mexico	0.36	0.22	-	-	-	-	0.68
Average	0.37	0.26	0.43	0.49	0.45	0.45	0.62

1/ Less than 500.

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

Table C-3--Beans, other than Lima beans, fresh chilled or frozen: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 pounds)					
	1976	1977	1978	1979	1980	January-June-- 1981
Mexico	11,975	16,928	24,786	23,904	23,694	23,079
Canada	170	289	729	144	1,030	12
Dom Rep	119	106	321	143	411	232
Nicarag	0	17	33	9	48	0
Portugl	74	50	52	78	57	20
Peru	0	0	0	0	58	0
Japan	8	12	12	13	14	8
France	0	2	0	0	4	0
All other	29	81	162	109	37	28
Total	12,375	17,486	26,094	24,400	25,353	23,378
Value (1,000 dollars)						
Mexico	1,232	3,194	7,929	7,848	8,690	8,464
Canada	39	80	178	40	120	5
Dom Rep	35	15	60	22	61	32
Nicarag	-	5	11	4	31	-
Portugl	34	25	33	42	27	9
Peru	-	-	-	-	20	-
Japan	6	11	12	13	15	8
France	-	2	-	-	13	-
All other	10	42	60	43	23	16
Total	1,356	3,374	8,283	8,012	8,999	8,533
Unit value (per pound)						
Mexico	\$0.10	\$0.19	\$0.32	\$0.33	\$0.37	\$0.37
Canada	0.23	0.28	0.24	0.28	0.12	0.38
Dom Rep	0.29	0.14	0.19	0.15	0.15	0.14
Nicarag	-	0.29	0.33	0.40	0.65	-
Portugl	0.47	0.49	0.64	0.54	0.48	0.45
Peru	-	-	-	-	0.34	-
Japan	0.76	0.93	0.98	1.03	1.05	1.05
France	-	1.07	-	-	2.90	-
All other	0.34	0.52	0.37	0.40	0.61	0.57
Average	0.11	0.19	0.32	0.33	0.35	0.37

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

Table C-4--Lettuce: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1981
Quantity (1,000 pounds)						
Canada	2,798	3,779	4,578	8,009	7,441	395
Mexico	149	10	1,033	4,946	7,676	3,343
Belgium	0	1	0	0	1/	8
Nethlds	0	0	68	18	12	0
Dom Rep	33	23	3	3	16	60
Thailand	2	0	0	0	1	0
Japan	0	0	0	0	1/	0
China M	0	0	0	5	0	0
All other	55	5	2	0	0	3
<b>Total</b>	<b>3,037</b>	<b>3,819</b>	<b>5,681</b>	<b>12,981</b>	<b>15,155</b>	<b>7,658</b>
Value (1,000 dollars)						
Canada	435	393	529	998	991	112
Mexico	19	1	240	1,225	807	746
Belgium	-	1	-	-	13	1/
Nethlds	-	-	21	8	4	4
Dom Rep	5	4	-	1/	3	12
Thailand	1	-	-	-	1	-
Japan	-	-	-	-	1/	-
China M	-	-	-	1	-	-
All other	4	1	1	-	-	12
<b>Total</b>	<b>465</b>	<b>401</b>	<b>792</b>	<b>2,232</b>	<b>1,819</b>	<b>866</b>
Unit value (per pound)						
Canada	\$0.16	\$0.10	\$0.12	\$0.12	\$0.13	\$0.28
Mexico	0.13	0.13	0.23	0.25	0.11	0.10
Belgium	-	1.17	-	-	1.48	0.98
Nethlds	-	-	0.31	0.47	0.34	0.34
Dom Rep	0.16	0.15	-	0.11	0.16	0.16
Thailand	0.35	-	-	-	0.57	0.57
Japan	-	-	-	-	3.24	3.24
China M	-	-	-	0.22	-	-
All other	0.08	0.23	0.42	-	-	3.48
<b>Average</b>	<b>0.15</b>	<b>0.10</b>	<b>0.14</b>	<b>0.17</b>	<b>0.12</b>	<b>0.11</b>

1/ Less than 500.

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

Table C-5.--Sweet potatoes and frozen yams: U.S. imports for consumption, by principal sources, 1976-80,  
January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1981
Quantity (1,000 pounds)						
Dom Rep	2,703	6,764	13,904	12,448	8,995	3,521
Jamaica	27	30	50	590	19	7
Portugl	0	0	0	0	8	0
Colomb	1,368	2,457	220	75	0	0
Japan	19	36	5	3	0	0
Trinidad	5	3	0	13	0	0
Tonga	0	0	0	5	0	0
Canada	103	253	0	0	0	0
All other	2,380	3,362	0	0	0	0
Total	6,604	12,906	14,179	13,133	9,023	3,537
Value (1,000 dollars)						
Dom Rep	296	755	1,291	1,193	889	332
Jamaica	7	12	10	124	7	2
Portugl	-	-	-	-	3	3
Colomb	159	301	28	11	-	-
Japan	15	30	4	2	-	-
Trinidad	1	1	-	1	-	-
Tonga	-	-	-	1	-	-
Canada	14	36	-	-	-	-
All other	306	461	-	-	-	6
Total	797	1,595	1,333	1,331	898	337
Unit value (per pound)						
Dom Rep	\$0.11	\$0.11	\$0.09	\$0.10	\$0.10	\$0.08
Jamaica	0.27	0.40	0.21	0.21	0.35	0.26
Portugl	-	-	-	-	0.31	0.31
Colomb	0.12	0.12	0.13	0.14	-	-
Japan	0.78	0.82	0.87	0.61	-	-
Trinidad	0.07	0.14	-	0.08	-	-
Tonga	-	-	-	0.10	-	-
Canada	0.13	0.14	-	-	-	-
All other	0.13	0.14	-	-	-	0.29
Average	0.12	0.12	0.09	0.10	0.10	0.08

1/ Less than 500.

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

Note.--Imports are believed to be virtually all sweet potatoes.

Table D-1.-Lima beans, fresh, chilled or frozen (but not reduced in size nor otherwise prepared or preserved if entered during the period from November 1 in any year to the following May 31, inclusive): U.S. imports by certain world areas including designated GSP countries, 1977-80 and January-June 1981

Item	Quantity (1,000 pounds)				Value (1,000 dollars)	
	1977	1978	1979	1980	1980	January - June 1981
Gross imports	28	22	29	4	3	100
26 developed cttries, total	1	1	0	0	1	40
GSP countries, total	27	21	21	4	2	60
Portugal	6	5	21	4	0	60
Mexico	21	16	0	0	2	60
Other	0	0	8	0	0	0
Gross imports	7	4	14	2	2	100
26 developed cttries, total	2	2	-	-	1	34
GSP countries, total	7	4	10	2	1	66
Portugal	2	2	10	2	-	66
Mexico	5	2	-	-	1	66
Other	-	-	4	-	-	-

1/Less than 500.

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

Table D-2.--Beans, other than lima beans, fresh chilled or frozen: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (1,000 pounds)						
Gross imports	17,486	26,094	24,400	25,353	13,331	100
26 developed cttries, total	335	808	242	1,056	184	1
GSP countries, total	17,126	25,231	24,156	24,297	13,147	99
Mexico	16,928	24,786	23,904	23,694	12,523	94
Dom Rep	106	321	143	411	412	3
Nicarag	17	33	9	48	0	
Portugl	50	52	78	57	44	1/
Peru	0	0	0	0	0	
China t	0	23	9	58	5	1/
Hg Kong	0	12	1	20	0	
Phil R	3	1	1	5	3	1/
Other GSP	21	2	10	3	160	1
Other	25	56	2	0	0	
Value (1,000 dollars)						
Gross imports	3,374	8,283	8,012	8,999	4,269	100
26 developed cttries, total	121	218	85	153	131	3
GSP countries, total	3,243	8,048	7,926	8,846	4,138	97
Mexico	3,194	7,929	7,848	8,690	3,998	94
Dom Rep	15	60	22	61	66	2
Nicarag	5	11	4	31	-	
Portugl	25	33	42	27	22	1
Peru	-	-	-	20	-	
China t	-	9	6	11	3	1/
Hg Kong	-	4	2/	2	-	
Phil R	1	2	2/	2	3	1/
Other GSP	3	1	3	2	47	1
Other	10	17	1	-	-	

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

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



Table D-3, Lettuce: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (1,000 pounds)						
Gross imports	3,819	5,681	12,981	15,155	3,686	100
26 developed cttries, total	3,781	4,648	8,027	7,462	283	8
GSP countries, total	38	1,033	4,948	7,693	3,403	92
Mexico	10	1,033	4,946	7,676	3,343	91
Dom Rep	23	0	3	16	60	2
Thailand	0	0	0	1	0	0
Yugoslvy	5	0	0	0	0	0
China t	0	0	0	0	0	0
Other	0	0	5	0	0	0
Value (1,000 dollars)						
Gross imports	401	792	2,232	1,819	352	100
26 developed cttries, total	395	552	1,006	1,008	93	27
GSP countries, total	6	240	1,225	810	259	73
Mexico	1	240	1,225	807	247	70
Dom Rep	4	-	-	3	12	3
Thailand	-	-	-	1	-	-
Yugoslvy	1	-	-	-	-	-
China t	-	-	-	-	-	-
Other	-	-	1	-	-	-

1/ Less than 500.

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

Table D-4.--Sweet potatoes and frozen yams:U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (1,000 pounds)						
Gross imports	12,906	14,179	13,133	9,023	7,405	100
26 developed cttries, total	293	5	3	0	0	
GSP countries, total	12,450	14,175	13,129	9,023	7,405	100
Dom Rep	6,764	13,904	12,448	8,995	7,384	100
Jamaica	30	50	590	19	0	
Portugl	0	0	0	8	0	
Mexico	3,137	0	0	0	0	
Guatmal	0	0	0	0	0	
Nicarag	2/	0	0	19	0	1/
Haiti	0	0	0	0	0	
Dominca	2	0	0	0	0	
Other GSP	2,517	220	92	0	3	1/
Other	163	0	0	0	0	
Value (1,000 dollars)						
Gross imports	1,595	1,333	1,331	898	625	100
26 developed cttries, total	67	4	2	-	-	
GSP countries, total	1,477	1,329	1,329	898	625	100
Dom Rep	755	1,291	1,193	889	619	99
Jamaica	12	10	124	7	-	
Portugl	-	-	-	3	-	
Mexico	393	-	-	-	-	
Guatmal	-	-	-	-	-	
Nicarag	2/	-	-	-	5	1
Haiti	-	-	-	-	-	
Dominca	2/	-	-	-	-	
Other GSP	318	28	12	-	1	1/
Other	52	-	-	-	-	

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

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

TITLE: CERTAIN SPECIFIED VEGETABLES, FRESH, CHILLED, OR FROZEN

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty <sup>1/</sup>		U.S. imports: in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: rate (1/1/81)		
135.92 pt.	Vegetables, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): Cucumbers, if entered during the period from March 1 to April 30, inclusive, in any year.	3¢/1b. (22.6%)	2/ 3¢/1b. (22.6%)	15,615	Yes.
136.20	Eggplant, if entered during the period from April 1 to November 30, inclusive, in any year.	1.5¢/1b. (9.4%)	2/ 1.5¢/1b. (9.4%)	1,453	Yes.
136.22	Eggplant, other	1.1¢/1b. (6.7%)	2/ 1.5¢/1b. (9.2%)	4,532	Yes.
137.10	Peppers	2.5¢/1b. (8.1%)	2/ 2.5¢/1b. (8.1%)	54,040	Yes.
137.50	Squash	1.1¢/1b. (6.9%)	2/ 2¢/1b. (12.5%)	13,903	Yes.
137.63	Tomatoes, if entered during the period from November 15, in any year, to the last day of the following February, inclusive.	1.5¢/1b. (7.5%)	2/ 3¢/1b. (15.1%)	47,567	Yes.

<sup>1/</sup> The symbol "%" indicates percent ad valorem. The symbol "/" indicates per stated unit of quantity. For specific and compound rates, the ad valorem equivalent, based on the value of total imports in 1980 from most-favored-nation countries, is shown in parenthesis, e.g., (AVE X.X%).

<sup>2/</sup> No concession was granted on this item in the recent trade negotiations.

## II. Comment

Description and uses

Fresh cucumbers.--Cucumbers are the elongated, succulent fruit of a highly frost-sensitive vine. On the vine, cucumbers continue to grow in size from the time of blossoming to maturity; sizes at maturity depend on variety. They are harvested for use in all size ranges, generally defined by their length; the smaller or shorter sizes are usually referred to as pickle cucumbers, or pickles. The term "cucumbers for pickles," as used in production statistics by the U.S. Department of Agriculture, includes both the smaller sizes and full-sized cucumbers intended for pickling. About two-thirds of all fresh cucumbers grown in the United States are sold to processors who produce cucumber pickles and about one-third are sold for fresh-market use. This digest primarily covers fresh-market cucumbers.

Fresh-market cucumbers are used principally in salads and snacks. Appearance is an important element to the consumer in the purchase of salad cucumbers. For this reason, most fresh-market cucumbers sold in the United States which are field-grown are varieties that produce dark-green, smooth-skinned cucumbers; such fruit are usually marketed from 6 inches to 12 inches in length. Also, fresh-market sales of field-grown cucumbers include fruit of small and large sizes for home pickling.

Greenhouse-grown long cucumbers are produced exclusively for fresh-market use and are usually marketed when from 12 inches to 20 inches in length. Such cucumbers, popular in Europe for many years, are produced from hybrid seed and, according to industry sources, are often called seedless cucumbers,

burpless cucumbers, English cucumbers, or European cucumbers; the latter term is the one more commonly used. The commercial production of this type of cucumber in the United States and Canada began rapid expansion in the early 1970's. Greenhouse production of cucumbers also may include fresh-market cucumbers of types similar to those grown in the field; however, production of such cucumbers in greenhouses is rapidly declining.

Fresh eggplant.--Eggplant is a dark, grayish or blackish purple fruit of an annual bushy plant. The cultivation of the plant is limited geographically because of its sensitivity to light frosts and even to extended periods of cool weather. It is a specialty vegetable in the United States but a more common vegetable in the tropics.

Eggplant is usually served as a vegetable side dish or meat substitute; it is normally cut into slices or strips which are fried, baked, or broiled, but it may also be served whole (e.g., baked stuffed eggplant).

Most eggplant is sold through fresh-market outlets, but small quantities are sold after processing, mainly by freezing. The tariff description for the articles in this digest is for fresh, chilled, or frozen eggplant not reduced in size nor otherwise prepared or preserved; therefore, in practical terms, frozen eggplant is not included in this digest.

Fresh peppers.--Peppers are the fruit of a highly frost-sensitive plant belonging to the genus Capsicum. The peppers discussed herein are unrelated to the black and white pepper of commerce (Piper nigrum).

There are two principal kinds of peppers of the types considered here--those which are sweet or mild and those which are hot or pungent. Production and trade data presented herein are limited almost entirely to sweet peppers and specifically to the familiar green, bell peppers of commerce. Virtually all exports and most of the imports reported as fresh peppers are of this type. Such peppers are sold primarily through fresh-market outlets. The imported fresh sweet peppers when of similar size and quality to the domestic fresh sweet pepper are sold for comparable prices on domestic markets (varying with the season). Many imports compete with Florida production, which is nearly all of the fresh sweet pepper type.

Fresh sweet peppers are generally consumed raw in salads or cooked in casserole dishes and as stuffed peppers. Pungent peppers are generally used in sauces or to impart hot flavoring to other foods, and are consumed in the fresh state in limited quantities relative to sweet peppers.

Fresh squash.--Squash is the fruit of certain frost-sensitive annual plants. Two basic types are marketed--summer or tender-skinned squash, and winter squash. Marketings of summer squash are no longer limited to the summer months nor winter squash to the winter months. Most squash is sold in a fresh or chilled condition, but a significant amount is canned, frozen, or fed to livestock. Both summer and winter types of squash, when used for human food purposes, are served as a vegetable, usually after baking, steaming, or boiling.

Summer squash is consumed soon after harvest, for it does not store well. Winter squash, on the other hand, can be stored for many months. Domestic production is about evenly divided between summer and winter types of squash. Imported fresh squash is chiefly of the summer type and is identical to domestically grown summer-type squash.

Fresh tomatoes.--The tomato is the fruit of a perennial plant, native to tropical America, which is grown in the United States as an annual plant because of its susceptibility to frost. Several types and varieties of tomatoes are grown commercially for consumption in the fresh state. These vary in color, shape, and size, but except for the cherry tomato, a distinct type which is only about 1 inch in diameter, most varieties range in size from 2 to 5 inches in diameter. According to the trade, a significant commercial distinction regarding most field-grown fresh tomatoes is based upon maturity at harvest--the harvested fruit is known either as mature-green or vine-ripe (breaker). Vine-ripe tomatoes finish ripening through natural processes, while mature-green tomatoes are ripened with the aid of ethylene gas. Another classification based on maturity is the firm-ripe stage, that is, mostly red in color when picked, and either earmarked for nearby commercial markets or harvested from such noncommercial sources as roadside stands and home gardens. Also, there are significant quantities of greenhouse-grown tomatoes, which are generally harvested while pink in color.

Fresh tomatoes are consumed principally in salads, in slices or wedges, alone or in combination with lettuce or other vegetables. Fresh tomatoes are also used as an ingredient in sandwiches, soups, sauces, and dressings. As a cooked vegetable, tomatoes are served stewed, fried, and baked.

#### U.S. consumption, production, and producers

Fresh cucumbers.--About 12 percent of total apparent U.S. consumption of fresh market cucumbers, and 4 percent of domestic production, occur during March and April, the period being considered for duty elimination. Consumption of field-grown cucumbers during March and April increased steadily from 67 million pounds in 1976 to a high of 131 million pounds in 1979, before declining to 71 million pounds in 1981 (table A-1). The average annual apparent consumption during 1976-81 was 93 million pounds. During this period, average annual imports were equivalent to about three-fourths of consumption. Most of the increase in consumption is believed to be the result of an increased popularity in the United States of salad bars in restaurants and in other salad uses for cucumbers. In addition to the consumption of field-grown cucumbers, trade sources indicate that there may be over 1 million pounds of greenhouse-grown long cucumbers consumed each year during March and April. Domestic production of field-grown cucumbers during the period which coincides with the USTR's request for advice (March and April) is largely harvested in Florida. During 1976-81, output increased irregularly from 17 million pounds to 39 million pounds.



Fresh eggplant.--During 1976-80, annual U.S. consumption of all fresh eggplant increased irregularly from 90 million to 101 million pounds (table A-2). Imports supplied nearly two-fifths of consumption during this period. In recent years, about 56 percent of the fresh eggplant was consumed during April through November (which coincides with the period covered by item 136.20) and the balance was consumed in the other months (covered by item 136.22). During 1976-80, the ratio of imports to consumption from April through November averaged 16 percent annually.

During 1976-80, U.S. production increased irregularly, from 70 million pounds in 1976 to 74 million pounds in 1980 and averaged 68 million pounds annually. Output during the period April through November ranged from 47 million pounds (1978) to 53 million pounds (1980) and averaged 51 million pounds (table A-3). The fluctuations in annual output tend to reflect the cool-weather sensitivity of the crop in the spring and fall seasons. Florida is the major domestic producer of fresh eggplant, with about 40 percent of the annual domestic crop, and accounts for virtually all winter and spring marketings of domestic eggplant as well as the bulk of the late fall crop. New Jersey is in second place, with shipments concentrated in the July-October period. California ranks third in importance, marketing from June through November. Fresh eggplant is harvested from several thousand farms. The largest farms producing eggplant for the fresh market are located in Florida and California.

Fresh peppers.--During 1976-80, annual apparent U.S. consumption of fresh peppers increased steadily from 528 million to 621 million pounds (table A-4). During this period, per capita consumption of fresh peppers increased somewhat from 3.3 to 3.6 pounds, largely due to increased consumer use of salad vegetables and to promotional campaigns. The ratio of imports to consumption increased from a low of 18 percent in 1976 to a high of 28 percent in 1980. During 1976-80, U.S. production of fresh peppers increased irregularly from 473 million to 494 million pounds. During January-June 1981, production was estimated at 173 million pounds, up 9 percent from the corresponding period of 1980. Fresh peppers are grown throughout the United States, but the bulk of the crop is produced in Florida, California, Texas, and New Jersey. Florida supplies most of the production during the winter and spring months, when imports are the heaviest. Some 9,000 farms produce fresh peppers. Most farms also produce other vegetables. It is believed that the number of farms commercially growing peppers probably has declined in recent years, in keeping with the trend in U.S. agriculture toward fewer, larger units of production.

Fresh squash.--During the period 1976-80, annual U.S. consumption of fresh squash rose 27 percent, from 346 million to 441 million pounds, while the import to consumption ratio increased irregularly from 15 to 20 percent (table A-5). Fresh squash is consumed primarily in the summer-fall months when about two-thirds of the domestic output is harvested. Consumption also has risen in the winter-spring months, when much of the increased demand has been filled by imports from Mexico. During 1976-80, U.S. production of fresh

squash rose from 301 million to 363 million pounds, an increase of 21 percent. In January-June 1981, output amounted to 155 million pounds compared with 148 million pounds in the corresponding months of 1980. In recent years, domestic output has declined in the winter and summer months but increased in the spring and fall. The principal producing States for fresh squash are California, Florida, Texas, New Jersey, and Massachusetts. About three-fourths of Florida's output and one-third of California's and Texas' production are marketed in the winter-spring months. Squash is harvested from about 10,000 farms. The largest farms for squash production are located in Florida and California.

Fresh tomatoes.--Apparent U.S. consumption of commercial field-grown tomatoes during November through the following February increased from 671 million pounds in 1975/76 to 729 million pounds in 1980/81 (table A-6). Imports supplied a declining share of the U.S. market during the period, dropping from about one-half of the total consumed in 1976/77 to one-third in 1980/81. Consumption during this 4-month period (which approximates the period of the USTR's request for advice) accounts for about 30 percent of the annual U.S. consumption. The increase in consumption reflects the greater use of fresh vegetables and salads. U.S. production has also trended upward in these months, from 310 million pounds in 1976/77 to 557 million pounds in

1980/81. <sup>1/</sup> About one-fourth of the annual U.S. output of fresh tomatoes takes place during the months under review. The principal producing State is Florida, where output is heaviest during the late fall, winter, and spring, virtually the same period when the supplies of fresh tomatoes from Mexico are the heaviest on the U.S. market.

#### U.S. exports

Fresh cucumbers.--Annual U.S. exports of fresh cucumbers during March and April, which go almost entirely to Canada, increased from 2 million to 5 million pounds during 1976-80; in 1980, exports were valued at \$0.9 million (table A-1). Exports during the 2-month period account for about one-fifth of the domestic output. Canada is also the major market for exports on an annual basis (table B-1).

Fresh eggplant.--During 1976-80, annual U.S. exports of fresh eggplant ranged from 10 million pounds in 1976 to 7 million pounds in 1978 and 1979 (table A-2). Exports during April-November accounted for about three-fourths of the total. Exports, which represented about 12 percent of the domestic eggplant crop in 1980, were shipped almost entirely to Canada.

Fresh peppers.--U.S. exports of fresh peppers increased steadily from 39 million pounds in 1976 to 59 million pounds in 1979, and then decreased to 47 million pounds in 1980 during a year of reduced output. In 1980, exports were

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<sup>1/</sup> These data do not include greenhouse-grown fresh tomatoes for which annual data are not available.

valued at \$9 million. Canada is by far the principal U.S. export market, accounting for 89 percent (by volume) of exports in 1980 (table B-2).

Fresh squash.—About 2 percent of the U.S. squash crop is exported. During 1976-80, annual U.S. exports of fresh squash averaged 7 million pounds. All exports are believed to go to Canada.

Fresh tomatoes.—During 1975/76 to 1980/81, U.S. exports of fresh tomatoes during November to the following February accounted for about 13 percent of the U.S. production during the period and for 30 percent of the annual exports. In 1980, such exports amounted to 58 million pounds, valued at \$14 million (table A-6). Canada is the principal export market for fresh tomatoes during the winter months.

#### U.S. imports

Fresh cucumbers.—Annual U.S. imports of fresh cucumbers normally begin to enter the United States in volume in December, reach a peak in February, decline to minor quantities by the end of June, and thereafter are negligible until the following December. In recent years, imports of fresh cucumbers entered during March and April accounted for nearly one-third of the annual imports.

Imports of fresh cucumbers during the 2-month period increased from 52 million pounds in 1976 to 102 million pounds in 1979 and then declined to 37 million pounds in 1981 (table A-1). The sharp drop in 1981 reflects, in part, unfavorable weather conditions during the growing season in Mexico, by far the dominant supplier of imports, and an increase in U.S. output. Mexico, ineligible for GSP benefits by virtue of competitive need limitations, is the

dominant supplier of imports during the rate period of item 135.92 (which includes March and April), accounting for 96 percent of the imports under this item in 1980 (table C-1). GSP eligible suppliers include the Bahamas, Guatemala, and Honduras (table D-1). There are no qualitative or price differences between the imported and domestic cucumbers that affect demand for one over the other.

Fresh eggplant.--In the 5-year period 1976-80, imports of eggplant increased irregularly from 30 million to 37 million pounds; the value of imports in 1980 was \$6 million (table C-2). In recent years, about one-fourth of the annual U.S. imports of fresh eggplant have entered during April through November and the balance has been imported in the winter months (table C-3).

Mexico is the only important foreign supplier of fresh eggplant to the U.S. market and is ineligible for GSP status based on competitive need limitations (table D-2). In 1980, imports from that country accounted for 99 percent of the value of all imports. Although foreign-produced eggplant provides for a smaller share of the domestic market in the spring, summer, and fall period than in the winter, the relative importance of imports during April through November has grown. The bulk of the imports during this period enter during April-June. Prices at the U.S. wholesale and retail levels are competitively determined for domestic and imported eggplant; there are no qualitative differences between the two products.

Fresh peppers.--The annual volume of imports of fresh peppers depends in part on the availability of supplies from domestic sources, and on the size of the crop in Mexico, the principal supplier of imports. During the period

1976-80, U.S. imports of fresh peppers increased from 94 million pounds, valued at \$12 million, in 1976 to 174 million pounds, valued at \$54 million, in 1980 (table C-4). During January-June 1981, imports totaled 78 million pounds, down 50 percent from the corresponding period of 1980. Mexico accounted for about 94 percent of imports during 1976-80 and, thus, is not eligible for GSP benefits due to competitive need limitations. The Dominican Republic is the only other supplier of significance, supplying average annual imports of 7 million pounds during the same period. In 1980, GSP-eligible countries supplied 97 percent of the imports (table D-3). Most of the U.S. imports of fresh peppers enter during the months of January through April, when domestic production (mostly in Florida) is low; in 1980, 74 percent of the total U.S. imports entered during this 4-month period. December and May also are often important months during the winter import season. The imported and domestic peppers have no qualitative differences that might affect demand for one over the other; prices for each are competitively determined at the U.S. wholesale and retail levels.

Fresh squash.--In 1980, U.S. imports of fresh squash amounted to 87 million pounds, valued at \$14 million (table C-5). In terms of quantity, imports in 1980 were about 69 percent greater than those in 1976. During January-June 1981, imports amounted to 54 million pounds, compared with 78 million pounds in the corresponding months of 1980. Mexico accounts for virtually all of the imported fresh squash and is not eligible for GSP benefits due to competitive need limitations (table D-4).

The principal months of importation are January-March; April and December are also months of relatively high imports. Although imports in recent years have supplied about 20 percent of domestic consumption on an annual basis, they are much more important on a seasonal basis. During January-March, imports in some years accounted for up to 60 percent of the domestic consumption of fresh squash. Florida producers, who grow predominately summer-type squash, are the only domestic growers who market during this 3-month period. Prices for imported and domestic squash are competitively determined at the U.S. wholesale and retail levels and no qualitative differences exist to affect demand for one product over the other.

Fresh tomatoes.--U.S. imports of fresh tomatoes during the seasonal period of November 15 to the following last day in February account for about 45 percent of total imports. During 1975/76 to 1980/81, such imports declined irregularly from 284 million to 230 million pounds; in 1980/81, imports were valued at \$46 million (table C-6). Mexico is the principal supplier of imports, accounting for 99 percent of the total in 1980 (in terms of value), and thus is not eligible for GSP benefits due to competitive need limitations (table D-5). In recent years, imports have supplied from one-third to one-half of domestic consumption during the seasonal period, when U.S. output is relatively low. There are no qualitative differences between the domestic and imported tomatoes that affect demand for one over the other. Prices of domestic and imported tomatoes at the wholesale and retail levels are competitive and no consistent premiums or discounts appear to exist at those stages of the marketing system.



Position of interested parties

The Government of Honduras requested GSP status for fresh cucumbers under TSUS item 135.92(pt.) (if entered during the period March and April).

The Government of Jamaica requested GSP status for fresh eggplant (TSUS items 136.20 and 136.22), fresh peppers (TSUS item 137.10), fresh squash (TSUS item 137.50), and fresh tomatoes, if entered during November 15 through the following February (TSUS item 137.63).

The Egyptian Export Promotion Center requested that fresh tomatoes, if entered during November 15 through the following February (TSUS item 137.63) be included for GSP review.

The Israel Export Institute, although not a petitioner, supports the granting of GSP treatment to fresh eggplant and fresh peppers. GSP benefits would greatly help developing countries whose income base is substantially agricultural and at the same time have only a negligible impact on U.S. producers, according to the Institute.

The American Farm Bureau Federation opposes special unilateral tariff concessions to developing countries. The Federation states that tariff concessions should only be granted in the negotiating process where concessions are received as well as granted, and that the Generalized System of Preferences (GSP) is inconsistent with the most-favored-nation principle. Such preferences create serious problems for some domestic producers, and many of the developing countries exporting agricultural products to the United States under the GSP are already highly competitive.

The Florida Farm Bureau Federation, a State association of farmers and ranchers, opposes granting duty-free treatment to imported fresh vegetables (TSUS items 135.92, 136.20,.22, 137.10, 137.50, and 137.63) because the effect of additional competing products, at times when domestic shipments of these commodities are heaviest, would depress the market even further and would have grave adverse economic influence upon Florida producers. The Federation states that consumer prices for fresh winter vegetables have remained rather static or, in some instances, actually increased due to the loss of competitive position by domestic producers, and that any additional imports will only serve to expedite the already decreasing share of the market for domestic producers.

The Western Growers Association (WGA) opposes the granting of GSP status to cucumbers, eggplant, squash, and tomatoes because a reduction in tariffs will place domestic producers in a non-competitive situation; thus, there is a need to continue the current tariff provision. GSP-eligible countries have demonstrated their expertise in marketing their produce internationally on a competitive basis, according to the WGA.

A group of producers of fresh winter vegetables in Florida oppose any consideration that such vegetables be designated as articles eligible for GSP benefits and thereby be imported into the United States duty-free and in direct competition with domestic producers of like commodities. They state that, for nearly 20 years, domestic growers have struggled desperately against the heavy volume of imported products from Mexico, with some firms not surviving and others on the verge of economic collapse.

The Florida Tomato Exchange opposes granting GSP status for fresh tomatoes (TSUS item 137.63), saying that such a designation is contrary to the stated purposes of the Trade Act of 1974 and fails to consider the harm to Florida tomato producers and farm labor. They believe that tomatoes are import sensitive in the context of the GSP and, thus, are ineligible for GSP consideration. They state that any additional imports of tomatoes add only to reduce the share of the market of Florida producers, with Florida's market share having been affected dramatically by imports first from Cuba, and now increasingly and substantially from Mexico, which threatens irreparable harm to Florida's farmers.

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Table A-1.--Cucumbers, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): U.S. production, exports, imports, and apparent consumption, March and April (TSUS item 135.92 pt.), 1976-81

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

Period	Production <u>1/</u>	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1976-----	16,700	1,965	52,125	66,860	78
1977-----	12,200	2,737	65,625	75,088	87
1978-----	18,300	2,856	78,688	94,132	84
1979-----	32,900	2,970	101,551	131,481	77
1980-----	24,500	3,061	95,441	116,880	82
1981-----	38,700	5,009	37,343	71,034	53
Value					
1976-----	<u>2/</u>	229	3,101	<u>2/</u>	<u>2/</u>
1977-----	<u>2/</u>	368	5,373	<u>2/</u>	<u>2/</u>
1978-----	<u>2/</u>	393	10,177	<u>2/</u>	<u>2/</u>
1979-----	<u>2/</u>	363	13,402	<u>2/</u>	<u>2/</u>
1980-----	<u>2/</u>	476	11,986	<u>2/</u>	<u>2/</u>
1981-----	<u>2/</u>	873	3,594	<u>2/</u>	<u>2/</u>
Average unit value					
1976-----	<u>2/</u>	12	6	<u>2/</u>	<u>2/</u>
1977-----	<u>2/</u>	14	8	<u>2/</u>	<u>2/</u>
1978-----	<u>2/</u>	14	13	<u>2/</u>	<u>2/</u>
1979-----	<u>2/</u>	12	13	<u>2/</u>	<u>2/</u>
1980-----	<u>2/</u>	16	13	<u>2/</u>	<u>2/</u>
1981-----	<u>2/</u>	18	10	<u>2/</u>	<u>2/</u>

1/ Estimated. Includes the commercial production of field-grown cucumbers for fresh market as reported by the U.S. Department of Agriculture. Does not include the estimated commercial production of greenhouse-grown long cucumbers, which amounted to 16 percent of field-grown production in a recent year, according to industry sources.

2/ Not available.

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

Table A-2.--Eggplant, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): U.S. production, exports, imports, and apparent consumption (TSUS item 136.20 and 136.22), 1976-80, January-June 1980, and January-June 1981

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

Period	Production	Exports <u>1/</u>	Imports	Apparent consumption	Ratio (per cent) of imports to consumption
Quantity					
1976-----	70,200	10,000	29,907	90,107	33
1977-----	64,100	8,050	32,265	88,315	37
1978-----	64,500	6,500	41,895	99,895	42
1979-----	67,100	6,700	40,005	100,405	40
1980-----	73,500	9,100	36,810	101,210	36
Jan.-June:					
1980-----	35,400	<u>2/</u>	36,085	<u>2/</u>	<u>2/</u>
1981-----	34,000	<u>2/</u>	19,956	<u>2/</u>	<u>2/</u>
Value					
1976-----	7,317	<u>2/</u>	1,616	<u>3/</u>	<u>3/</u>
1977-----	7,058	<u>2/</u>	3,321	<u>3/</u>	<u>3/</u>
1978-----	8,105	<u>2/</u>	7,559	<u>3/</u>	<u>3/</u>
1979-----	9,870	<u>2/</u>	6,958	<u>3/</u>	<u>3/</u>
1980-----	10,215	<u>2/</u>	5,985	<u>3/</u>	<u>3/</u>
Jan.-June:					
1980-----	<u>2/</u>	<u>2/</u>	5,840	<u>3/</u>	<u>3/</u>
1981-----	<u>2/</u>	<u>2/</u>	4,756	<u>3/</u>	<u>3/</u>
Average unit value					
1976-----	10	<u>2/</u>	5	<u>3/</u>	<u>3/</u>
1977-----	11	<u>2/</u>	10	<u>3/</u>	<u>3/</u>
1978-----	13	<u>2/</u>	18	<u>3/</u>	<u>3/</u>
1979-----	15	<u>2/</u>	17	<u>3/</u>	<u>3/</u>
1980-----	14	<u>2/</u>	16	<u>3/</u>	<u>3/</u>
Jan.-June:					
1980-----	<u>2/</u>	<u>2/</u>	16	<u>3/</u>	<u>3/</u>
1981-----	<u>2/</u>	<u>2/</u>	24	<u>3/</u>	<u>3/</u>

1/ Data on exports to countries other than Canada are unavailable, but such exports are believed to be nil. 2/ Not available. 3/ Not meaningful.

Source: Production, compiled from official statistics of the U.S. Department of Agriculture; exports, estimated by the staff of the U.S. International Trade Commission on the basis of official U.S. Department of Agriculture fresh vegetable unload data of U.S. product in 5 major Canadian cities; imports, compiled from official statistics of the U.S. Department of Commerce.

Table A-3.--Eggplant, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): U.S. production, exports, imports, and apparent consumption, April through November season (TSUS item 136.20), 1976-80

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

Period	Production <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1976-----	52,400	7,750	6,838	51,488	13
1977-----	51,900	6,239	8,561	54,222	16
1978-----	47,400	5,038	10,925	53,287	15
1979-----	47,600	5,193	11,931	54,338	22
1980-----	53,200	7,053	9,066	55,213	16
Value					
1976-----	5,463	<u>3/</u>	380	<u>4/</u>	<u>4/</u>
1977-----	5,751	<u>3/</u>	1,897	<u>4/</u>	<u>4/</u>
1978-----	6,487	<u>3/</u>	2,499	<u>4/</u>	<u>4/</u>
1979-----	7,401	<u>3/</u>	2,318	<u>4/</u>	<u>4/</u>
1980-----	7,515	<u>3/</u>	1,453	<u>4/</u>	<u>4/</u>
Average unit value					
1976-----	10	<u>3/</u>	6	<u>4/</u>	<u>4/</u>
1977-----	11	<u>3/</u>	22	<u>4/</u>	<u>4/</u>
1978-----	14	<u>3/</u>	23	<u>4/</u>	<u>4/</u>
1979-----	16	<u>3/</u>	19	<u>4/</u>	<u>4/</u>
1980-----	14	<u>3/</u>	16	<u>4/</u>	<u>4/</u>

1/ Estimated. Includes the U.S. reported commercial production of fresh eggplant for all of the spring and summer seasons and two-thirds of the fall season.

2/ Estimated exports to Canada; exports to countries other than Canada are believed to be nil, although data are not available.

3/ Not available.

4/ Not meaningful.

Source: Production, compiled from official statistics of the U.S. Department of Agriculture; exports, estimated by the staff of the U.S. International Trade Commission on the basis of official U.S. Department of Agriculture fresh vegetable unload data of U.S. product in 5 major Canadian cities; imports, compiled from official statistics of the U.S. Department of Commerce.

Table A-4.--Peppers, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): 1/ U.S. production, exports, imports, and apparent consumption (TSUS item 137.10), 1976-80, January-June 1980, and January-June 1981

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

Period	Production	Exports	Imports	Apparent consumption	Ratio (per cent) of imports to consumption
Quantity					
1976-----	472,950	39,489	94,145	527,606	18
1977-----	479,970	41,962	121,485	559,493	22
1978-----	468,090	51,783	156,144	572,451	27
1979-----	523,710	59,043	143,658	608,325	24
1980-----	494,460	47,178	174,153	621,435	28
Jan.-June:					
1980-----	157,680	17,346	156,567	296,901	53
1981-----	172,980	27,549	78,137	223,568	35
Value					
1976-----	79,423	6,572	11,571	<u>2/</u>	<u>2/</u>
1977-----	78,873	6,407	22,945	<u>2/</u>	<u>2/</u>
1978-----	90,809	8,718	34,433	<u>2/</u>	<u>2/</u>
1979-----	104,126	9,201	37,220	<u>2/</u>	<u>2/</u>
1980-----	111,359	9,446	54,040	<u>2/</u>	<u>2/</u>
Jan.-June:					
1980-----	<u>3/</u>	3,608	50,138	<u>2/</u>	<u>2/</u>
1981-----	<u>3/</u>	5,648	31,431	<u>2/</u>	<u>2/</u>
Average unit value					
1976-----	17	17	12	<u>2/</u>	<u>2/</u>
1977-----	16	15	19	<u>2/</u>	<u>2/</u>
1978-----	19	17	22	<u>2/</u>	<u>2/</u>
1979-----	20	16	26	<u>2/</u>	<u>2/</u>
1980-----	23	20	31	<u>2/</u>	<u>2/</u>
Jan.-June:					
1980-----	<u>3/</u>	21	32	<u>2/</u>	<u>2/</u>
1981-----	<u>3/</u>	21	40	<u>2/</u>	<u>2/</u>

1/ Production consists of sweet peppers for fresh market (green peppers), exports consist principally of sweet peppers, and imports consist of both sweet and pungent peppers (but mostly of sweet peppers). 2/ Not available.

3/ Not meaningful.

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

Table A-5.--Squash, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): U.S. production, exports, imports, and apparent consumption (TSUS item 137.50), 1976-80, January-June 1980, and January-June 1981

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

Period	Production	Exports <sup>1/</sup>	Imports	Apparent consumption	Ratio (per cent) of imports to consumption
Quantity					
1976-----	300,800	5,920	51,551	346,431	15
1977-----	324,160	7,428	67,786	384,518	18
1978-----	342,240	6,200	81,644	417,684	20
1979-----	357,600	5,900	93,806	445,506	21
1980-----	362,720	8,500	86,910	441,130	20
Jan.-June:					
1980-----	148,000	<u>2/</u>	77,849	<u>2/</u>	<u>2/</u>
1981-----	3/ 155,104	<u>2/</u>	53,945	<u>2/</u>	<u>2/</u>
Value					
1976-----	<u>2/</u>	<u>2/</u>	3,044	<u>4/</u>	<u>4/</u>
1977-----	<u>2/</u>	<u>2/</u>	6,133	<u>4/</u>	<u>4/</u>
1978-----	<u>2/</u>	<u>2/</u>	17,572	<u>4/</u>	<u>4/</u>
1979-----	<u>2/</u>	<u>2/</u>	17,783	<u>4/</u>	<u>4/</u>
1980-----	<u>2/</u>	<u>2/</u>	13,903	<u>4/</u>	<u>4/</u>
Jan.-June:					
1980-----	<u>2/</u>	<u>2/</u>	12,799	<u>4/</u>	<u>4/</u>
1981-----	<u>2/</u>	<u>2/</u>	13,078	<u>4/</u>	<u>4/</u>
Average unit value					
1976-----	<u>2/</u>	<u>2/</u>	6	<u>4/</u>	<u>4/</u>
1977-----	<u>2/</u>	<u>2/</u>	9	<u>4/</u>	<u>4/</u>
1978-----	<u>2/</u>	<u>2/</u>	22	<u>4/</u>	<u>4/</u>
1979-----	<u>2/</u>	<u>2/</u>	19	<u>4/</u>	<u>4/</u>
1980-----	<u>2/</u>	<u>2/</u>	16	<u>4/</u>	<u>4/</u>
Jan.-June:					
1980-----	<u>2/</u>	<u>2/</u>	16	<u>4/</u>	<u>4/</u>
1981-----	<u>2/</u>	<u>2/</u>	24	<u>4/</u>	<u>4/</u>

<sup>1/</sup> Includes exports only to Canada; exports to other markets are believed to be negligible or nil. <sup>2/</sup> Not available. <sup>3/</sup> Estimated. <sup>4/</sup> Not meaningful.

Source: Production, estimated by the staff of the U.S. International Trade Commission on the basis of official U.S. Department of Agriculture fresh vegetable unload data for major U.S. cities; exports, estimated by the staff of the U.S. International Trade Commission on the basis of official U.S. Department of Agriculture fresh vegetable unload data of U.S. product in five major Canadian cities; imports, compiled from official statistics of the U.S. Department of Commerce.

Table A-6.--Tomatoes, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): U.S. production, exports, imports, and apparent consumption, November 15 to the last day of the following February (TSUS item 137.63), 1975/76 to 1980/81

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

Period <sup>1/</sup>	Production	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1975/76-----	434,650	47,593	284,151	671,208	42
1976/77-----	310,450	47,769	277,964	540,645	51
1977/78-----	395,983	52,754	299,022	642,251	47
1978/79-----	437,550	60,227	289,044	666,367	43
1979/80-----	535,783	70,494	239,074	704,363	34
1980/81-----	557,233	57,857	229,688	729,064	32
Value					
1975/76-----	85,544	7,449	31,605	<u>3/</u>	<u>3/</u>
1976/77-----	73,158	7,841	31,331	<u>3/</u>	<u>3/</u>
1977/78-----	81,218	8,589	70,342	<u>3/</u>	<u>3/</u>
1978/79-----	87,107	9,176	57,642	<u>3/</u>	<u>3/</u>
1979/80-----	111,905	11,498	47,567	<u>3/</u>	<u>3/</u>
1980/81-----	<u>2/</u>	14,076	45,669	<u>3/</u>	<u>3/</u>
Average unit value					
1975/76-----	<u>2/</u>	16	11	<u>3/</u>	<u>3/</u>
1976/77-----	<u>2/</u>	16	11	<u>3/</u>	<u>3/</u>
1977/78-----	<u>2/</u>	16	24	<u>3/</u>	<u>3/</u>
1978/79-----	<u>2/</u>	15	20	<u>3/</u>	<u>3/</u>
1979/80-----	<u>2/</u>	16	20	<u>3/</u>	<u>3/</u>
1980/81-----	<u>2/</u>	24	20	<u>3/</u>	<u>3/</u>

<sup>1/</sup> The period extends from November 15 to the last day of the following February.

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

<sup>3/</sup> Not meaningful.

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

Note.--Production and consumption data do not include the commercial production of greenhouse-grown tomatoes.



Table B-1. Cucumbers, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	Quantity (1,000 pounds)				Value (1,000 dollars)	Unit value (per pound)	
	1976	1977	1978	1979			1980
Canada	29,550	25,408	36,722	33,909	29,902	9,839	18,445
Mexico	0	6	84	32	89	71	7
Hg Kong	0	0	0	0	18	0	7
N Antil	0	3	18	12	6	6	0
Lw W I	0	0	0	0	8	0	0
Panama	0	2	0	0	11	0	0
Bermuda	0	21	3	0	6	6	1/
F W Ind	0	0	0	0	16	16	0
All other	211	19	27	357	5	2	14
Total	29,761	25,457	36,854	34,309	30,061	9,940	18,474
Value (1,000 dollars)							
Canada	3,019	2,847	4,021	3,848	4,146	1,457	3,030
Mexico	-	2	8	3	11	8	1
Hg Kong	-	-	-	-	3	-	1
N Antil	-	1	3	1	2	2	-
Lw W I	-	-	-	-	2	-	-
Panama	-	1	-	-	2	-	-
Bermuda	-	4	1	-	2	2	2
F W Ind	-	-	-	-	1	1	-
All other	21	5	10	53	2	1	2
Total	3,041	2,860	4,043	3,905	4,171	1,471	3,036
Unit value (per pound)							
Canada	\$0.10	\$0.11	\$0.11	\$0.11	\$0.14	\$0.15	\$0.16
Mexico	-	0.27	0.10	0.09	0.12	0.12	0.15
Hg Kong	-	-	-	-	0.15	-	0.20
N Antil	-	0.30	0.17	0.08	0.37	0.37	-
Lw W I	-	-	-	-	0.22	-	-
Panama	-	0.65	-	-	0.15	-	-
Bermuda	-	0.20	0.39	-	0.25	0.25	5.21
F W Ind	-	-	-	-	0.08	0.08	-
All other	0.10	0.26	0.38	0.15	0.48	0.54	0.13
Average	0.10	0.11	0.11	0.11	0.14	0.15	0.16

1/ Less than 500 pounds.

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

Table B-2.--Peppers, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): 1/  
U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and  
January-June 1981

Market	Quantity (1,000 pounds)					
	1976	1977	1978	1979	1980	January-June-- 1981
Canada	34,609	39,032	45,521	53,166	41,779	13,485
Nethlds	1,874	506	3,675	2,988	2,547	2,414
Hg Kong	234	743	326	888	799	0
Sweden	1,242	436	1,078	814	564	70
U King	338	128	96	45	429	192
France	69	46	0	80	318	5
Mexico	149	33	131	322	264	56
N Antil	30	17	105	38	87	31
All other	942	1,021	851	701	391	183
Total	39,489	41,962	51,783	59,043	47,178	27,549
Value (1,000 dollars)						
Canada	5,252	5,722	6,963	7,566	7,734	2,290
Nethlds	504	202	1,094	898	922	867
Hg Kong	41	111	68	186	205	31
Sweden	342	135	290	231	166	152
U King	87	27	31	129	103	86
France	19	10	30	30	108	105
Mexico	26	3	23	42	36	9
N Antil	11	9	27	16	32	10
All other	290	187	222	211	113	70
Total	6,572	6,407	8,718	9,201	9,446	3,608
Unit value (per pound)						
Canada	\$0.15	\$0.15	\$0.15	\$0.14	\$0.19	\$0.17
Nethlds	0.27	0.40	0.30	0.30	0.36	0.36
Hg Kong	0.18	0.15	0.21	0.21	0.26	0.35
Sweden	0.28	0.31	0.27	0.28	0.29	0.29
U King	0.26	0.21	0.32	0.47	0.30	0.31
France	0.27	0.23	-	0.37	0.34	0.35
Mexico	0.17	0.08	0.17	0.13	0.14	0.12
N Antil	0.37	0.52	0.26	0.43	0.37	0.19
All other	0.31	0.18	0.26	0.30	0.29	0.38
Average	0.17	0.15	0.17	0.16	0.20	0.21

1/ Consisting principally of sweet peppers.

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

Table C-1.--Cucumbers, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 pounds)					
	1976	1977	1978	1979	1980	January-June 1981
Mexico	55,414	76,257	87,079	105,969	112,109	110,054
Canada	282	369	639	791	1,092	880
Bahamas	6,038	3,896	114	2,797	3,602	3,602
Spain	0	0	0	26	199	0
Guatemala	0	34	0	56	152	152
Honduras	355	370	954	1,878	168	168
Haiti	0	0	0	41	44	44
Dom Rep	7	54	2	3	29	29
All other	0	232	252	2	15	15
Total	62,096	81,212	89,040	111,564	117,410	114,945
Value (1,000 dollars)						
Mexico	3,424	7,527	11,604	14,653	14,973	14,702
Canada	76	120	193	277	365	314
Bahamas	308	176	7	137	198	198
Spain	-	-	-	19	54	-
Guatemala	-	2	-	11	9	9
Honduras	31	40	206	324	7	7
Haiti	-	-	-	8	5	5
Dom Rep	1	7	2/	2/	3	3
All other	-	38	36	1	1	1
Total	3,840	7,910	12,046	15,430	15,615	15,239
Unit value (per pound)						
Mexico	\$0.06	\$0.10	\$0.13	\$0.14	\$0.13	\$0.13
Canada	0.27	0.33	0.30	0.35	0.33	0.36
Bahamas	0.05	0.05	0.06	0.05	0.05	0.05
Spain	-	-	-	0.73	0.27	-
Guatemala	-	0.05	-	0.19	0.06	0.06
Honduras	0.09	0.11	0.22	0.17	0.04	0.04
Haiti	-	-	-	0.20	0.11	0.11
Dom Rep	0.07	0.13	0.17	0.11	0.11	0.11
All other	-	0.17	0.14	0.38	0.08	0.08
Average	0.06	0.10	0.14	0.14	0.13	0.13

1/ Less than 500 pounds.

2/ Less than \$500.

Table C-2--Eggplant, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved)(TSUS items 136.20 and 136.22); U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 pounds)					
	1976	1977	1978	1979	1980	1981
Mexico	29,719	31,871	41,759	39,702	36,249	35,701
Dom Rep	141	240	113	152	521	370
Canada	0	0	23	136	37	12
Phil R	0	0	0	0	3	3
Thailand	0	0	0	5	0	0
Mauritn	0	0	0	8	0	0
Greece	1/	0	0	1	0	3
Guatmal	0	0	0	1	0	0
All other	47	153	0	0	0	0
Total	29,907	32,265	41,895	40,005	36,810	36,085
Value (1,000 dollars)						
Mexico	1,594	3,278	7,537	6,912	5,924	5,800
Dom Rep	18	32	19	19	54	35
Canada	-	-	2	21	4	1
Phil R	-	-	-	-	3	3
Thailand	-	-	-	3	-	-
Mauritn	-	-	-	2	-	-
Greece	2/	-	-	1	-	-
Guatmal	-	-	-	2/	-	-
All other	3	11	-	-	-	-
Total	1,616	3,321	7,559	6,958	5,985	5,840
Unit value (per pound)						
Mexico	60.05	60.10	60.18	60.17	60.16	60.16
Dom Rep	0.13	0.14	0.17	0.12	0.10	0.10
Canada	-	-	0.11	0.16	0.11	0.10
Phil R	-	-	-	-	1.20	1.20
Thailand	-	-	-	0.54	-	-
Mauritn	-	-	-	0.20	-	-
Greece	0.73	-	-	0.72	-	1.07
Guatmal	-	-	-	0.25	-	-
All other	0.07	0.07	-	0.25	-	-
Average	0.05	0.10	0.18	0.17	0.16	0.16

1/ Less than 500 pounds.

2/ Less than \$500.

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

Table C-3.--Eggplant, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved), if entered from April through November 30 (TSUS item 136.20): U.S. Imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1981
Quantity (1,000 pounds)						
Mexico	6,746	8,404	10,864	11,785	8,810	8,595
Dom Rep	92	139	40	94	231	87
Canada	0	0	21	44	25	0
Thailand	0	0	0	5	0	0
Greece	0	0	0	1	0	0
Guatmal	0	0	0	1	0	3
Bahamas	0	18	0	0	0	0
Total	6,838	8,561	10,925	11,931	9,066	8,682
Value (1,000 dollars)						
Mexico	369	1,877	2,489	2,296	1,424	1,369
Dom Rep	12	19	7	11	26	9
Canada	-	-	2	7	3	-
Thailand	-	-	-	3	-	-
Greece	-	-	-	1	-	-
Guatmal	-	-	-	1/	-	-
Bahamas	-	1	-	-	-	-
Total	380	1,897	2,499	2,318	1,453	1,378
Unit value (per pound)						
Mexico	\$0.05	\$0.22	\$0.23	\$0.19	\$0.16	\$0.16
Dom Rep	0.13	0.14	0.18	0.11	0.11	0.10
Canada	-	-	0.09	0.16	0.11	-
Thailand	-	-	-	0.54	-	-
Greece	-	-	-	0.72	-	-
Guatmal	-	-	-	0.25	-	-
Bahamas	-	0.07	-	-	-	-
Average	0.06	0.22	0.23	0.19	0.16	0.16
Average--						

1/ Less than \$500.

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

Table C-4. Peppers, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved); 1/ U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 pounds)				1980	January-June--	
	1976	1977	1978	1979		1980	1981
Mexico	88,416	112,873	144,617	135,319	166,688	152,636	74,929
Dom Rep	5,624	8,397	8,212	6,404	6,756	3,796	2,787
Canada	15	85	116	841	488	83	45
Jamaica	0	0	3	2	65	3	272
Trinidad	28	50	45	25	27	9	5
Greece	1	0	26	51	65	0	14
Thailand	2	1	1	16	5	2	7
Pakistan	0	0	2/	0	10	0	0
All other	58	78	3,124	1,001	49	30	78
Total	94,145	121,485	156,144	143,658	174,153	156,567	78,137
	Value (1,000 dollars)						
Mexico	10,485	21,450	32,530	35,837	52,579	49,388	30,687
Dom Rep	1,037	1,429	1,370	1,100	1,199	682	477
Canada	2	14	26	123	113	32	12
Jamaica	-	-	2	1	39	3	195
Trinidad	20	27	27	20	38	13	7
Greece	3/	-	7	11	36	-	5
Thailand	1	1	3/	13	11	3	17
Pakistan	-	-	3/	-	7	7	-
All other	25	26	470	115	18	10	30
Total	11,571	22,945	34,433	37,220	54,040	50,138	31,431
	Unit value (per pound)						
Mexico	\$0.12	\$0.19	\$0.22	\$0.26	\$0.32	\$0.32	\$0.41
Dom Rep	0.18	0.17	0.17	0.17	0.18	0.18	0.17
Canada	0.14	0.16	0.23	0.15	0.23	0.39	0.27
Jamaica	-	-	0.62	0.89	0.61	1.16	0.72
Trinidad	0.70	0.53	0.60	0.81	1.42	1.50	1.35
Greece	0.32	-	0.26	0.22	0.55	-	0.39
Thailand	0.87	0.50	0.50	0.81	2.28	1.90	2.44
Pakistan	-	-	2.44	-	0.71	0.71	-
All other	0.44	0.33	0.15	0.12	0.36	0.33	0.39
Average	0.12	0.19	0.22	0.26	0.31	0.32	0.40

1/ Consisting both of sweet and pungent peppers (but mostly of sweet peppers).  
 2/ Less than 500 pounds.  
 3/ Less than \$500.

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

Table C-5.--Squash, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 pounds)				Value (1,000 dollars)	Unit value (per pound)	
	1976	1977	1978	1979			
Mexico	51,032	66,863	81,561	93,439	86,383	77,627	53,763
Canada	10	0	51	200	410	105	44
Guatmal	0	0	0	0	47	47	0
Bahamas	445	837	0	0	67	67	34
USSR	0	0	0	0	3	3	0
Nethlds	0	0	0	158	0	0	0
Colomb	0	0	0	7	0	0	0
Japan	1/	1/	1/	1/	0	0	0
All other	63	85	31	0	0	0	105
<b>Total</b>	<b>51,551</b>	<b>67,786</b>	<b>81,644</b>	<b>93,806</b>	<b>86,910</b>	<b>77,849</b>	<b>53,945</b>
Value (1,000 dollars)							
Mexico	3,006	6,049	17,561	17,748	13,823	12,751	13,052
Canada	1	-	4	17	50	19	4
Guatmal	-	-	-	-	19	19	-
Bahamas	26	65	-	-	10	10	5
USSR	-	-	-	-	1	1	-
Nethlds	-	-	-	16	-	-	-
Colomb	-	-	-	1	-	-	-
Japan	2/	2/	2/	2/	-	-	-
All other	10	18	6	-	-	-	17
<b>Total</b>	<b>3,044</b>	<b>6,133</b>	<b>17,572</b>	<b>17,783</b>	<b>13,903</b>	<b>12,799</b>	<b>13,078</b>
Unit value (per pound)							
Mexico	\$0.06	\$0.09	\$0.22	\$0.19	\$0.16	\$0.16	\$0.24
Canada	0.13	-	0.07	0.09	0.12	0.18	0.09
Guatmal	-	-	-	-	0.40	0.40	-
Bahamas	0.06	0.08	-	-	0.15	0.15	0.13
USSR	-	-	-	-	0.35	0.35	-
Nethlds	-	-	-	0.10	-	-	-
Colomb	-	-	-	0.15	-	-	-
Japan	0.68	0.58	1.11	1.07	-	-	-
All other	0.15	0.22	0.20	-	-	-	0.17
<b>Average</b>	<b>0.06</b>	<b>0.09</b>	<b>0.22</b>	<b>0.19</b>	<b>0.16</b>	<b>0.16</b>	<b>0.24</b>

1/ Less than 500 pounds.  
2/ Less than \$ 500.

Table C-6.---Tomatoes, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved), November 15 to the last day of the following February (TSUS item 137.63) U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976		1977		1978		1979		1980		1981	
	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)
Mexico	282,362	31,488	275,522	31,011	298,554	70,248	288,644	47,461	238,451	45,575	229,123	33,672
Dom Rep	515	62	1,266	214	264	40	310	82	510	75	469	48
Canada	1	1/	106	12	11	4	44	24	113	19	96	48
Hondura	0	-	105	36	168	46	32	-	0	-	0	-
N Antil	0	-	0	-	0	-	13	-	0	-	0	-
N Zeal	0	-	0	-	0	-	1	-	0	-	0	-
Bahamas	1,270	-	930	-	22	-	0	-	0	-	0	-
Guatmal	3	-	35	-	0	-	0	-	0	-	0	-
All other	0	-	0	-	0	-	0	-	0	-	0	-
Total	284,151	31,605	277,964	31,331	299,022	70,342	289,044	47,567	239,074	45,669	229,688	33,810
Unit value (per pound)												
Mexico	0.11	0.11	0.11	0.11	0.24	0.24	0.20	0.20	0.20	0.20	0.20	0.34
Dom Rep	0.12	0.12	0.17	0.17	0.15	0.15	0.14	0.16	0.16	0.16	0.16	0.14
Canada	0.75	0.75	0.11	0.11	0.35	0.35	0.21	0.22	0.20	0.20	0.20	0.38
Hondura	-	-	0.34	0.34	0.27	0.27	-	-	-	-	-	-
N Antil	-	-	-	-	-	-	0.12	-	-	-	-	-
N Zeal	-	-	-	-	0.30	0.30	-	-	-	-	-	-
Bahamas	0.04	0.04	0.06	0.06	0.17	0.17	-	-	-	-	-	0.14
Guatmal	0.14	0.14	0.03	0.03	-	-	-	-	-	-	-	-
All other	-	-	-	-	-	-	-	-	-	-	-	-
Average	0.11	0.11	0.11	0.11	0.24	0.24	0.20	0.20	0.20	0.20	0.20	0.34

1/ Less than \$500.

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



Table D-1.--Cucumbers, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved) (TSUS item 135.92); U.S. imports by certain world areas including designated GSP countries, 1977-80, and January-June, 1981

Item	1977	1978	1979	1980	Quantity (1,000 pounds)		January - June 1981 Imports	Percentage distribution
					1977	1980		
Gross imports	81,212	89,040	111,564	117,410	72,659		100	
26 developed countries, total	369	639	791	1,092	918		1	
GSP countries, total	80,832	88,401	110,746	116,119	71,483		98	
Mexico	76,257	87,079	105,969	112,109	61,635		85	
Bahamas	3,896	114	2,797	3,602	9,338		13	
Guatemala	34	0	56	152	0			
Honduras	370	954	1,878	168	504		1	
Haiti	0	0	41	44	0			
Dom Rep	54	2	3	29	5		1/	
Nicaragua	0	0	0	15	0			
Jamaica	221	0	0	0	0			
Other GSP	0	0	2	0	0			
Other	11	0	26	199	257		1/	
	Value (1,000 dollars)							
Gross imports	7,910	12,046	15,430	15,615	9,620		100	
26 developed countries, total	120	193	277	365	336		3	
GSP countries, total	7,789	11,853	15,134	15,195	9,213		96	
Mexico	7,527	11,604	14,653	14,973	8,580		89	
Bahamas	176	7	137	198	582		6	
Guatemala	2	0	11	9	0			
Honduras	40	206	324	7	50		1	
Haiti	0	0	8	5	0			
Dom Rep	7	2/	2/	3	2/		1/	
Nicaragua	0	0	0	1	0			
Jamaica	38	36	0	0	0			
Other GSP	0	0	1	0	0			
Other	1	0	19	54	71		1	

1/ Less than 0.5 percent.

2/ Less than \$500.

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

Note.--The data in this table do not agree with those in table A-1 which cover only March and April.

Table D-2.--Eggplant, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved); U.S. imports by certain world areas including designated GSP countries, 1977-80, and January-June 1981

Item	Quantity (1,000 pounds)				Percentage distribution	
	1977	1978	1979	1980	January - June 1981	Imports
Gross imports-----	32,265	41,895	40,005	36,810	19,956	100
26 developed cttries, total:	0	23	136	37	3	1/
GSP countries, total-----	32,265	41,872	39,868	36,773	19,950	100
Mexico-----	31,871	41,759	39,702	36,249	19,760	99
Dom Rep-----	240	113	152	521	184	1
Phil R-----	0	0	0	3	0	
Guatmal-----	0	0	1	0	0	
Bahamas-----	153	0	0	0	0	
Colomb-----	0	0	0	0	6	
Thailand-----	0	0	5	0	0	1/
Mauritn-----	0	0	8	0	0	
Other-----	0	0	1	0	3	1/
	Value (1,000 dollars)					
Gross imports-----	3,321	7,559	6,958	5,985	4,756	100
26 developed cttries, total:	-	2	21	4	1	1/
GSP countries, total-----	3,321	7,556	6,935	5,981	4,752	100
Mexico-----	3,278	7,537	6,912	5,924	4,724	99
Dom Rep-----	32	19	19	54	27	1
Phil R-----	-	-	-	3	-	
Guatmal-----	-	-	2/	-	-	
Bahamas-----	11	-	-	-	-	
Colomb-----	-	-	-	-	1	
Thailand-----	-	-	3	-	-	1/
Mauritn-----	-	-	2	-	-	
Other-----	-	-	1	-	3	1/

1/ Less than 0.5 percent.

2/ Less than \$500.

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

Table D-3.--Peppers, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved); U.S. Imports by certain world areas including designated GSP countries, 1977-80, and January-June 1981

Item	Quantity (1,000 pounds)				Value (1,000 dollars)		Percentage distribution
	1977	1978	1979	1980	1979	1980	
Gross imports	121,485	156,144	143,658	174,153	78,137	100	
26 developed cttries, total	96	125	876	506	63	1/	
GSP countries, total	121,383	155,993	142,731	173,583	78,027	100	
Mexico	112,873	144,617	135,319	166,688	74,929	96	
Dom Rep	8,397	8,212	6,404	6,756	2,787	4	
Jamaica	0	3	2	65	272	1/	
Trinidad	50	45	25	27	5	1/	
Thailand	1	1	16	5	7	1/	
Pakistan	0	2/	0	10	0	1/	
Bahamas	0	3,100	960	21	10	1/	
Colomb	0	4	2	7	0	1/	
Other GSP	62	11	3	3	17	1/	
Other	6	26	51	65	47	1/	
Gross imports	22,945	34,433	37,220	54,040	31,431	100	
26 developed cttries, total	19	32	132	118	17	1/	
GSP countries, total	22,926	34,394	37,077	53,687	31,391	100	
Mexico	21,450	32,530	35,837	52,579	30,687	98	
Dom Rep	1,429	1,370	1,100	1,199	477	2	
Jamaica	-	2	1	39	195	1	
Trinidad	27	27	20	38	7	1/	
Thailand	1	3/	13	11	17	1/	
Pakistan	-	3/	-	7	-	1/	
Bahamas	-	460	104	6	4	1/	
Colomb	-	1	1	3	-	1/	
Other GSP	20	3	1	4	4	1/	
Other	1	7	11	36	22	1/	

1/ Less than 0.5 percent.

2/ Less than 500 pounds.

3/ Less than \$500.

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

Table D-4.--Squash, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved): U.S. imports by certain world areas including designated GSP countries,

Item	Quantity (1,000 pounds)				Value (1,000 dollars)		Percentage distribution
	1977	1978	1979	1980	1979	1980	
Gross imports	67,786	81,644	93,806	86,910	53,945	100	
26 developed cttries, total	1/	56	359	410	79	2/	
GSP countries, total	67,785	81,587	93,447	86,497	53,866	100	
Mexico	66,863	81,561	93,439	86,383	53,763	100	
Guatmal	0	0	0	47	0		
Bahamas	837	0	0	67	34	2/	
Hondura	3	0	0	7	0	2/	
C Rica	39	22	0	0	0		
Jamaica	0	0	0	0	50	2/	
Dom Rep	41	4	0	0	13	2/	
Trinid	0	0	0	0	0		
Other GSP	2	1/	7	0	0		
Other	0	0	0	3	0		
Gross imports	6,133	17,572	17,783	13,903	13,078	100	
26 developed cttries, total	5	34	50	8	2/		
GSP countries, total	6,133	17,566	17,749	13,852	13,070	100	
Mexico	6,049	17,561	17,748	13,823	13,052	100	
Guatmal	-	-	-	19	-		
Bahamas	65	-	-	10	5	2/	
Hondura	2/	-	-	-	1	2/	
C Rica	12	3	-	-	-		
Jamaica	-	-	-	-	12	2/	
Dom Rep	5	1	-	-	1	2/	
Trinid	-	-	-	-	-		
Other GSP	1	1	1	-	-		
Other	-	-	-	1	-		

1/ Less than 500 pounds.  
 2/ Less than 0.5 percent.  
 3/ Less than \$500.

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

Table D-5.--Tomatoes, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved), November 15 to the last day of the following February (TSUS item 137.03); U.S. imports by certain world areas including designated GSP countries, 1977-80, and January-June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (1,000 pounds)						
Gross imports	277,964	299,022	289,044	239,074	99,557	100
26 developed cttries, total	106	14	45	113	127	1/
GSP countries, total	277,858	299,008	288,999	238,961	99,430	100
Mexico	275,522	298,554	288,644	238,451	98,782	99
Dom Rep	1,266	264	310	510	333	1/
Guatmal	35	0	0	0	0	
Hondura	105	168	32	0	0	
Panama	0	0	0	0	64	1/
Bahamas	930	22	0	0	250	1/
N Antil	0	0	13	0	0	
Other	0	0	0	0	0	
Value (1,000 dollars)						
Gross imports	31,331	70,342	57,642	47,567	33,810	100
26 developed cttries, total	12	5	10	24	48	1/
GSP countries, total	31,319	70,337	57,633	47,543	33,762	100
Mexico	31,011	70,248	57,579	47,461	33,672	100
Dom Rep	214	40	45	82	48	1/
Guatmal	1					
Hondura	36	46	7			
Panama					7	1/
Bahamas	57	4			36	1/
N Antil			2			
Other						

1/ Less than 0.5 percent.

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



TITLE: CERTAIN PROCESSED VEGETABLES

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty <u>1/</u>		U.S. imports:		Product produced in the U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: rate : (1/1/81)	in 1980 : (\$1,000)		
138.4250 (pt.)	Mixtures of pea pods and sliced water chestnuts, frozen.	17.5%	<u>2/</u> : 35%	E 75	No.	
141.82	Carrots, in airtight containers-----	15.6%	<u>3/</u> 10% : 35%	2,311	Yes.	
141.87	Sweet ginger-----	11.5%	<u>4/</u> 9% : 35%	106	No.	

1/ The symbol "%" indicates percent ad valorem.

2/ No concession was granted on this item in the recent trade negotiations.

3/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through 8 equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

4/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through 3 annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1982.

## II. Comments

Description and uses

Mixtures of pea pods and sliced water chestnuts, frozen.-- Peas are the seeds of the leguminous common garden or field pea (Pisum sativum). They are used for human consumption as a vegetable in several ways. Dried peas (not included here) are allowed to mature and dry on the plant. Green peas for use as a vegetable are picked at an immature stage; they are used as a cooked vegetable, often removed from the pod. The type of peas included here are harvested at a very immature stage for use, pod and all, principally in oriental cuisine. Such pea pods, often called "snow peas," are usually marketed in the frozen form, either alone, in a butter sauce, or mixed with other vegetables. The only ones included here are those frozen pea pods mixed with sliced water chestnuts.

The water chestnuts included in the mixtures under discussion here are sliced; i.e., each piece has parallel cuts on each end. The superior heading to item 138.4250 provides for vegetables which are "cut, sliced, or otherwise reduced in size." A previous GSP designation for "bamboo shoots and sliced water chestnuts" (item 138.40) was later redesignated "bamboo shoots or water chestnuts," which dropped the word "sliced", thus solving the problem of reducing the scope of the superior heading.

Carrots in airtight containers.--Carrots are yellow or orange-red elongated edible roots that are used raw, principally in salads, or cooked as a side dish or in soups, stews, or other dishes. The carrots covered here are those in airtight containers, including canned carrots and those packed in glass jars; such carrots are hereinafter referred to as "canned carrots." Most canned carrots are sliced; other forms include diced and whole carrots.



Sweet ginger.---The provision in the Tariff Schedules of the United States (TSUS) for sweet ginger (item 141.87) was created, effective January 1, 1980, as a result of concessions granted in the Tokyo round of Multilateral Trade Negotiations. The MTN requestor apparently was interested in obtaining a concession on ginger root which was coated with sugar. Such a product is specifically provided for as "candied, crystallized, or glace ginger root" in TSUS item 154.40, and designated as a GSP-eligible item.

U.S. consumption, production, and producers

Mixtures of pea pods and sliced water chestnuts, frozen.--- U.S. consumption of frozen mixtures of pea pods and sliced water chestnuts is believed to be supplied entirely by imports. Separate data on such imports are not available, but the imports are believed to be small.

In addition to being sold mixed with sliced water chestnuts, frozen pea pods are sold packed alone, packed in various sauces, and packed with other vegetables. The various forms compete with each other for use as ingredients in oriental cooking. It is believed that the principal form used is pea pods packed by themselves. It is also believed that imports are the principal source of all types of pea pods consumed in the United States. Separate data on consumption or production of pea pods in any form are not available. In 1981 there were 28 producers of frozen peas in the United States; it is not known how many, if any, of these produced frozen pea pods.

Carrots in airtight containers.---U.S. consumption of canned carrots is supplied almost entirely by domestic production. In 1980 about 5 percent were supplied by imports. Domestic production of canned carrots increased irregularly during 1976-80 from 113 million pounds to 169 million pounds (table A).

Canned carrots generally are packed by vegetable canners as one of several vegetables which they can. For most of the processors, carrots are a minor source of income. The canning machinery and equipment used to process canned carrots is used to process other canned vegetables.

Sweet ginger.--U.S. consumption of sweet ginger is believed to be supplied entirely by imports. Such imports, which were not separately reported prior to January 1, 1980, amounted to about 130,000 pounds in 1980.

U.S. exports

U.S. exports of the products included here are not separately reported. Exports of frozen mixtures of pea pods and sliced water chestnuts and of sweet ginger are believed to be negligible or nil. Exports of canned carrots are believed to be small. Canada is believed to be the principal market for such exports. Canada reports imports of canned carrots from the United States in 1976-80 as follows:

<u>Year</u>	<u>1,000 pounds</u>	<u>1,000 Canadian dollars</u>
1976-----	337	81
1977-----	247	58
1978-----	114	31
1979-----	8	2
1980-----	30	7

U.S. imports

Mixtures of pea pods and sliced water chestnuts, frozen.--U.S. imports of frozen mixtures of pea pods and sliced water chestnuts are not separately reported; they are included in a "basket" provision for miscellaneous frozen vegetables, cut, sliced, or otherwise reduced in size (but not otherwise prepared or preserved) (TSUSA item 138.4250). The petitioner for GSP treatment estimated that imports amount to 250,000 pounds annually, all from

Taiwan. Total imports under the basket provision in 1980 amounted to 5.6 million pounds, valued at \$1.5 million, of which 1.1 million pounds, valued at \$0.5 million was from Taiwan.

Carrots in airtight containers.--Imports of canned carrots into the United States have been separately reported only since January 1980. Imports in 1980 amounted to 8.0 million pounds, valued at \$2.3 million (table B-1). Of this amount, Belgium supplied 4.9 million pounds, valued at \$1.5 million, and the Netherlands supplied 2.5 million pounds, valued at \$0.6 million. Most of the imports are small (baby) carrots, which sell at premium prices. Imports in January-June 1981 amounted to 3.8 million pounds, valued at \$1.0 million compared with imports of 3.3 million pounds, valued at \$1.3 million, in the corresponding period of 1980. Imports in 1980 from GSP-eligible countries amounted to 139,000 pounds, valued at \$36,000 (table C-1).

Sweet ginger.--The TSUS provision for sweet ginger (item 141.87) has been in existence only since January 1980. Imports reported under that provision in 1980 amounted to 130,000 pounds, valued at \$106,000 (table B-2). Hong Kong, Japan, and Taiwan were the major sources, supplying 92 percent of the imports, by value, in 1980. GSP-eligible countries supplied 72 percent of the imports, by value, in 1980 (table C-2). It is believed that all of the products imported as sweet ginger (and entered under item 141.87) would have been entered as candied, crystallized, or glace ginger root, under item 154.40, if item 141.87 did not exist.

Position of interested parties

The Government of Jamaica petitioned for GSP treatment for carrots in airtight containers and for sweet ginger.

D. B. Berelson and Company of San Francisco, an importer and the petitioner for GSP treatment for frozen mixtures of pea pods and sliced water chestnuts, states that since frozen pea pods and frozen reduced-in-size water chestnuts are currently eligible for GSP treatment, mixtures of these vegetables should also be granted GSP treatment.

Congressman Daniel K. Akaka of Hawaii is opposed to the granting of duty-free GSP treatment to sweet ginger. He states that the granting of GSP would cripple efforts to diversify Hawaii's agricultural base and have a serious negative impact on Hawaii's economic base.

The American Farm Bureau Federation opposes special unilateral tariff concessions to developing countries. The Federation states that tariff concessions should only be granted in the negotiating process where concessions are received as well as granted, and that the generalized system of preferences is inconsistent with the most-favored-nation principle. Such preferences create severe problems for some domestic producers, and many of the developing countries exporting agricultural products to the United States under the GSP are already highly competitive.

The Israel Export Institute, although not a petitioner, supports the granting of GSP treatment to canned carrots. GSP benefits would greatly help developing countries whose income base is substantially agricultural and at the same time have only a negligible impact on U.S. producers, according to the Institute.

A union whose member are employed in Hawaii's agricultural industry is opposed to the granting of GSP treatment to imports of sweet ginger. Although the union has historically favored free trade, exceptions must be made to preserve specific industries which are vital to the economy of a particular region. Hawaii's economy would be undermined if its agricultural workers, who have achieved decent wages and benefits, would have to compete with workers whose wages barely reach the subsistence level.

Digest No.  
1009--Con.

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Digest No.  
1009--Con.

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Table A.--Carrots in airtight containers: U.S. production and foreign trade, 1976-80

(In thousands of pounds)

Year	Production <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption	Ratio (percent) of imports to consumption
1976-----	113,208	337	<u>3/</u>	<u>3/</u>	<u>3/</u>
1977-----	125,304	247	<u>3/</u>	<u>3/</u>	<u>3/</u>
1978-----	158,064	114	<u>3/</u>	<u>3/</u>	<u>3/</u>
1979-----	150,000	8	<u>3/</u>	<u>3/</u>	<u>3/</u>
1980-----	<u>4/</u> 169,296	30	<u>7,994</u>	<u>177,260</u>	<u>4.5</u>

1/ Pack of canned carrots on a crop-years basis, beginning July 1 of preceding year.

2/ U.S. exports of canned carrots are not separately reported; Canada, believed to be the only significant export market, reports imports from the United States.

3/ Not available.

4/ Estimated, based on reported number of actual cases packed.

Source: Production computed from data of the National Cannery Association, imports compiled from official statistics of the U.S. Department of Commerce, and exports compiled from official import statistics of the Canadian Department of Industry, Trade, and Commerce.



Table B-1.--Carrots in airtight containers: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June--		
						1980	1981	
	Quantity (1,000 pounds)							
Belgium-----					4,884	2,278	2,606	
Netherlands---					2,524	1,342	641	
Austria-----					160	64	84	
Israel-----					139	4	10	
Canada-----					209	179	279	
West Germany--					34	0	0	
Switzerland---					34	34	0	
France-----					11	6	6	
All other-----					1/	0	135	
Total-----					7,994	3,906	3,762	
	Value (1,000 dollars)							
Belgium-----					1,509	699	705	
Netherlands---					648	323	165	
Austria-----					62	25	25	
Israel-----					36	1	4	
Canada-----					29	25	42	
West Germany--					11	-	-	
Switzerland---					10	10	-	
France-----					6	3	3	
All other-----					2/	-	38	
Total-----					2,311	1,087	983	
	Unit value (per pound)							
Belgium-----					\$0.31	\$0.31	\$0.27	
Netherlands---					.26	.24	.26	
Austria-----					.39	.39	.30	
Israel-----					.26	.36	.40	
Canada-----					.14	.14	.15	
West Germany--					.34	-	-	
Switzerland---					.29	.29	-	
France-----					.54	.58	.48	
All other-----					.74	-	.28	
Average-----					.29	.28	.26	

1/ Less than 500 pounds.  
2/ Less than \$500.

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

Note: Import data were not separately reported in 1976-79. Data shown may not add to totals because of rounding.

Table B-2.--Sweet ginger: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June--	
						1980	1981
Quantity (1,000 pounds)							
Hg Kong	-	-	-	-	65	24	39
Japan	-	-	-	-	35	4	6
China t	-	-	-	-	17	7	13
China M	-	-	-	-	8	3	11
Kor Rep	-	-	-	-	2	0	0
U King	-	-	-	-	1/	0	1/
Dom Rep	-	-	-	-	3	3	0
Canada	-	-	-	-	0	0	0
All other	-	-	-	-	0	0	9
Total	-	-	-	-	130	41	78
Value (1,000 dollars)							
Hg Kong	-	-	-	-	62	24	43
Japan	-	-	-	-	23	2	6
China t	-	-	-	-	14	4	9
China M	-	-	-	-	7	3	7
Kor Rep	-	-	-	-	1	-	-
U King	-	-	-	-	2/	2/	1
Dom Rep	-	-	-	-	2	-	-
Canada	-	-	-	-	-	-	-
All other	-	-	-	-	-	-	4
Total	-	-	-	-	106	34	70
Unit value (per pound)							
Hg Kong	-	-	-	-	\$0.95	\$0.99	\$1.11
Japan	-	-	-	-	0.65	0.57	0.96
China t	-	-	-	-	0.83	0.54	0.70
China M	-	-	-	-	0.85	0.93	0.62
Kor Rep	-	-	-	-	0.24	-	-
U King	-	-	-	-	2.17	-	2.73
Dom Rep	-	-	-	-	0.14	0.14	-
Canada	-	-	-	-	-	-	-
All other	-	-	-	-	-	-	0.50
Average	-	-	-	-	0.82	0.82	0.90

1/ Less than 500 pounds.  
2/ Less than \$500.

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

Note: Import data were not separately reported in 1976-79.

Table C-1.--Carrots in airtight containers: U.S. imports by certain world areas, including designated GSP countries, 1977-80 and January-June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (1,000 pounds)						
Gross imports-----	-	-	-	7,994	3,762	100
26 developed cttries, total	-	-	-	7,695	3,533	94
GSP countries, total-----	-	-	-	139	145	4
Israel-----	-	-	-	139	10	1/4
Netherlands Antilles-----	-	-	-	0	135	4
Other GSP-----	-	-	-	0	0	0
Other-----	-	-	-	160	84	2
Value (1,000 dollars)						
Gross imports-----	-	-	-	2,311	983	100
26 developed cttries, total	-	-	-	2,213	916	93
GSP countries, total-----	-	-	-	36	42	4
Israel-----	-	-	-	36	4	1/4
Netherlands Antilles-----	-	-	-	-	38	4
Other GSP-----	-	-	-	-	-	-
Other-----	-	-	-	62	25	3

1/ Less than 0.5 percent.

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

Note: Import data were not separately reported in 1977-79.

Table C-2.--Sweet ginger: U.S. imports by certain world areas including designated GSP countries, 1977-80 and January-June 1981

Item	Quantity (1,000 pounds)				January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980		
Gross imports	-	-	-	130	78	100
26 developed cttries, total:	-	-	-	35	9	11
GSP countries, total	-	-	-	86	58	74
Hg Kong	-	-	-	65	39	50
China t	-	-	-	17	13	17
Kor Rep	-	-	-	2	0	
Dom Rep	-	-	-	3	0	
Mexico	-	-	-	0	0	
Guatmal	-	-	-	0	0	
Salvadr	-	-	-	0	0	
Nicarag	-	-	-	0	0	
Other GSP	-	-	-	0	6	8
Other	-	-	-	8	11	14
Value (1,000 dollars)						
Gross imports	-	-	-	106	70	100
26 developed cttries, total:	-	-	-	23	9	13
GSP countries, total	-	-	-	76	54	77
Hg Kong	-	-	-	62	43	62
China t	-	-	-	14	9	13
Kor Rep	-	-	-	1	-	
Dom Rep	-	-	-	1	-	
Mexico	-	-	-	-	-	
Guatmal	-	-	-	-	-	
Salvadr	-	-	-	-	-	
Nicarag	-	-	-	-	-	
Other GSP	-	-	-	-	2	2
Other	-	-	-	7	7	10

1/ Less than \$500.

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

Note: Import data were not separately reported in 1977-79.

TITLE: CERTAIN DRIED VEGETABLES

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty <u>1/</u>				U.S. imports: in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current	Final	Current	Current		
140.40	Onions, dried, desiccated, or dehydrated.	32.5% ad	25% ad	35% ad	63	Yes.	
140.75(pt.)	Vegetables reduced to flour, other than garlic, onions, potatoes, and tomatoes.	13% ad	3/	35% ad	5,319	Yes.	
144.12	Mushrooms, dried.	2.7¢/lb.+:	1.3¢/lb.+:	10¢/lb.+:	10,139	Yes.	
		8.5% ad	4% ad	45% ad			
		val.	val.	val.			
		(8.9%)	(4.2%)	(46.4%)			
		(AVE)	(AVE)	(AVE)			

1/ The symbol "%" indicates percent ad valorem. The symbol "/" indicates per stated unit of quantity. For specific and compound rates, the ad valorem equivalent, based on the value of total imports in 1980 from most-favored-nation countries, is shown in parenthesis, e.g., (AVE x.x%).

2/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through 8 equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

3/ No concession was granted on this item in the recent trade negotiations.

## II. Comments

Description and uses

Dehydrated onions.--The term "dehydrated onions" as used in this digest also includes dried and desiccated onions. Pungent, white onions are preferred for dehydrating purposes. Dehydrated onions ordinarily contain less than 5 percent moisture, have a long shelf life, and are available sliced, flaked, minced, chopped, or as flour (powder). Dehydrated onions are used principally for seasoning foods for human consumption and pet foods.

Piece, granular, and flake forms of dehydrated onions are used in products that require both flavoring and visual aspects, such as in the dry soup mixes often used for dips. (Onion flour, which is finely ground dehydrated onion, is used as an ingredient in foods where only a flavoring agent is needed, such as in soups and dry salad dressing mixes.) 1/

Miscellaneous vegetable flours.--The principal miscellaneous vegetable flours covered by this digest include soybean, beet, parsley, spinach, waterchestnut, horseradish, celery, carrot, and illis-illis. 2/ Vegetable flours are principally used as flavoring and coloring agents in foods. Some, such as waterchestnut powder and illis-illis flour, are not produced in the United States but are imported for use in certain ethnic cuisine.

Dried mushrooms.--The only method currently being used in the United States to dry mushrooms commercially is freeze-drying. Freeze-dried mushrooms are prepared by freezing fresh mushrooms, which are then placed under a high vacuum and heated. This process turns the ice in the frozen mushroom directly

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1/ Onion flour (TSUS item 140.65) is not included in this digest. The Commission, in Investigation No. TA-503(a)-7, submitted advice on onion flour to the USTR, which is still current.

2/ Not included herein are flours of garlic, onions, tomatoes, and potatoes.

to a vapor and leaves a dry porous sponge-like product. When moisture is added, freeze-dried mushrooms (usually diced or sliced) regain approximately the size, shape, texture, and flavor of the original fresh product and can be substituted for fresh or canned mushrooms in most uses. However, freeze-dried mushrooms cost considerably more than fresh or canned mushrooms, and their acceptance has been limited. Freeze-dried mushrooms are used mainly by food processors in convenience dehydrated food products such as soup, gravy, and meat-extender mixes. Air-dried mushrooms, which have not been produced commercially in the United States for many years, are not a satisfactory substitute for fresh or canned mushrooms in most uses because, after reconstitution, they tend to have a somewhat tough, rubbery consistency. Such mushrooms are used mainly for flavoring prepared food products.

#### U.S. consumption, production, and producers

Dehydrated onions.--During 1976-80, apparent U.S. consumption of dehydrated onions increased from 48 million pounds in 1976 to 73 million pounds in 1979 and then declined to 57 million pounds in 1980 (table A-1). The decline in 1980 reflects in part a drop in the California summer onion crop (used for dehydration) that year and a lessened demand for the product due to slower economic conditions in this country. Most of the dehydrated onions are used by food processors as a seasoning. Virtually all of the onions consumed was supplied by domestic producers.

Annual U.S. production of dehydrated onions rose irregularly from 71 million pounds in 1976 to 102 million pounds in 1979 and then dropped to 88 million pounds in 1980. Five domestic firms are known to dehydrate fresh onions; all are located in California. The processing of fresh onions is the

most important operation of these firms although all also dehydrate fresh garlic and a few produce other dehydrated vegetables as well.

Miscellaneous vegetable flours.--During 1976-80, annual apparent U.S. consumption of miscellaneous vegetable flours ranged from 3.2 million to 3.7 million pounds and averaged 3.4 million pounds (table A-2). The use of these vegetable flours depends largely on the needs of food processors for flavoring and coloring agents.

Domestic producers supply most or all of the common flours (e.g., beet, carrot, and celery) and none of a number of less commonly used products (e.g., waterchestnut and illis-illis flours). About five domestic firms produce vegetable flours; most are located in California. During 1976-80, U.S. output amounted to about 1 million pounds annually. Domestic producers also dehydrate vegetable and fruit particles and fruit flours but the operations of several rely mostly on the products herein considered.

Dried mushrooms.--During 1976-80, annual apparent U.S. consumption of dried mushrooms ranged from 1.6 million pounds in 1977 to 1.2 million pounds in 1978 and averaged 1.4 million pounds (table A-3). Three-fourths of the total consisted of air-dried mushrooms and one-fourth was freeze-dried mushrooms. Domestic producers supplied about 10 percent of the consumption of freeze-dried mushrooms and none of that of the air-dried product.

\* \* \*. 1/ Freeze drying mushrooms accounts for a significant part of the operations of several of the firms but is of minor importance for the others. Most of the firms buy part or all of their raw material (i.e., frozen mushrooms) from other firms, some of which also process canned mushrooms.

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1/ \* \* \*.



U.S. production of freeze-dried mushrooms declined from an estimated 85,000 pounds in 1976 to 31,000 pounds in 1980 as imports took a larger share of a relatively stable market.

#### U.S. exports

Dehydrated onions.--During 1976-80, U.S. exports of dehydrated onions increased irregularly from 23.0 million to 31.6 million pounds; in 1980, exports were valued at \$26.4 million. During January-June 1981, exports amounted to 18.0 million pounds, compared with 13.3 million pounds in the corresponding period of 1980. The principal export markets for dehydrated onions have been the United Kingdom, Canada, West Germany, and Japan (table B).

Miscellaneous vegetable flours and dried mushrooms.--Annual U.S. exports of miscellaneous vegetable flours are believed to have been negligible or nil; data are not separately reported. Most vegetable flour exports have consisted of tomato, garlic, and onion powders, which are not included in this digest. Dried mushroom producers have not established an export market for their product.

#### U.S. imports

Dehydrated onions.--U.S. imports of dehydrated onions have shown a slight upward trend in recent years. During 1976-80, annual imports ranged from 30,000 to 131,000 pounds; in 1980, imports were valued at \$63,000. During January-June 1981, imports amounted to 25,000 pounds compared with 68,000 pounds in the corresponding period of 1980 (table C-1). In 1980, the principal suppliers, in terms of value, were Japan and Canada; GSP-eligible countries accounted for 3 percent of the value of total imports. During January-June 1981, Israel was the major source of imports and the GSP-eligible countries' share of imports rose to 70 percent (table D-1).

Most of the GSP-eligible producing countries have lower fresh onion production costs and lower processing costs mainly because of an abundant supply of low-cost labor. In general, imports are priced somewhat under the like domestic product. Even a difference of a few cents per pound can mean a lot to large food processors, who purchase the bulk of the domestic output and imports. Many of the leading onion producing countries in the world are GSP-eligible and some of them (e.g., Egypt, Turkey, Mexico, Chile, and Brazil) have modern dehydration plants or are in the process of establishing such facilities.

Miscellaneous vegetable flours.--The USTR request for advice on miscellaneous vegetable flours (TSUS item 140.75) excepts tomato flour. Although U.S. import statistics do not make such a distinction, an approximation of imports of "other" vegetable flours can be made if half of the imports from Switzerland and all those from Portugal and Spain shown in table C-2 are assumed to consist of tomato flour and thus excluded from the totals. <sup>1/</sup> Using this technique, it is estimated that during 1976-80, U.S. imports of miscellaneous vegetable flours ranged from 2.2 million to 2.7 million pounds annually and averaged 2.4 million pounds, valued at \$2.7 million (table A-2). During January-June 1981, imports amounted to 1.0 million pounds, compared with 1.2 million pounds in the corresponding period of 1980. The more important imported vegetable flours include those of soybeans, other beans, beets, vegetable mixtures, horseradish, and mushrooms.

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<sup>1/</sup> Trade sources and U.S. Customs Service officials believe that half of the imports under TSUS item 140.75 from Switzerland and all those from Portugal and Spain are tomato flour. Imports from Mexico, a minor supplier, are also not included in 1980 because these data are believed to be a statistical error, according to customs officials.

The principal sources of imports have been Switzerland, European Economic Community countries, and Japan (table C-2). GSP eligible countries supplied 23 percent of the imports of the flours herein considered in 1980 (in terms of value) and 32 percent during January-June 1981. <sup>1/</sup> The major GSP countries supplying imports in 1980 were Israel, Morocco, Taiwan, Hong Kong, and the Republic of Korea (table D-2). Most imports from Asian sources have been specialty products not produced domestically to any extent, while those from other sources have included vegetable flours also produced in the United States and comparable in quality to their domestic counterparts but generally somewhat lower in price. Imports of vegetable flours have largely been for use by institutional consumers.

Dried mushrooms.--During 1976-80, annual U.S. imports of dried mushrooms ranged from 1.2 million to 1.5 million pounds and averaged 1.3 million pounds, valued at \$8.1 million (table C-3). During January-June 1981, such imports amounted to 675,000 pounds, compared with 708,000 pounds in the corresponding period of 1980. Japan, Taiwan, the Republic of Korea, and Chile have been the principal sources of imports in recent years. In 1980, GSP-eligible countries supplied 37 percent of the imports, in terms of value (table D-3). About three-fourths of the imports consist of air-dried mushrooms; imports from Taiwan and Korea are mostly of the freeze-dried type, which is similar in quality but lower in price to the domestic product. Many of the air-dried mushrooms are specialty types, such as the shiitake mushroom from Japan. Dried mushrooms generally enter in bulk containers for distribution to institutional users and food processors.

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<sup>1/</sup> These data are adjusted to exclude estimated imports of tomato flour and the aforementioned statistical error for Mexico in 1980.

Position of interested parties

The petitioners for granting GSP treatment to dehydrated onions were the Republic of Chile and the Egyptian Export Promotion Center; to onion flour--the Republic of Chile; to miscellaneous vegetable flours--the Andean Group; and to dried mushrooms--the Republic of Korea.

Congressmen Tony Coelho of California, Gene Chappie of California, Norman Y. Mineta of California, and Robert J. Lagomarsino of California submitted correspondence opposing the granting of GSP treatment to dehydrated onion products because imports would increase, which would result in a decrease in domestic output, and cause a hardship to workers whose economic welfare is dependent on the dehydrated onion industry.

The American Farm Bureau Federation opposes special unilateral tariff concessions to developing countries. The Federation states that tariff concessions should only be granted in the negotiating process where concessions are received as well as granted, and that the Generalized System of Preferences is inconsistent with the most-favored-nation principle. Such preferences create serious problems for some domestic producers, and many of the developing countries exporting agricultural products to the United States under the GSP are already highly competitive.

Domestic producers of dehydrated onions and onion flour are opposed to the granting of GSP to imports of such products. Even under the present tariff structure, the import potential is great as more foreign countries develop and improve their dehydration facilities, according to the domestic producers. They further contend that the Tokyo round concession on dehydrated onions is bound to have an adverse impact on the industry, and that granting GSP status would serve to increase the impending injury to their specialized

processing industry. Moreover, the slowing of the U.S. economy has already had an adverse effect on the industry, forcing cutbacks in output and layoffs of about 1,000 plant employees since 1979, according to the producers.

The Israel Export Institute, although not a petitioner, supports the granting of GSP treatment to dehydrated onions. GSP benefits would greatly help developing countries whose income base is substantially agricultural and at the same time have only a negligible impact on U.S. producers, according to the Institute.

Domestic growers and processors of mushrooms are opposed to the granting of GSP to freeze-dried mushrooms. Growers and processors state that the domestic mushroom industry has been seriously injured by increased imports of canned mushrooms which has resulted in a decline in sales to processors and a decline in price received by growers for sales to the fresh market. They contend that the designation of eligibility for GSP for dried mushrooms would contribute to a further decline in the economic viability of the industry. Domestic producers further state that the freeze-driers are an infant industry that is import sensitive in the context of section 503 of the Trade Act of 1974.

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Table A-1.--Dehydrated onions (TSUS item 140.40): U.S. production, foreign trade, apparent consumption, and ratio of imports to consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Production	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1976-----	71,100	<u>1/</u> 23,000	30	<u>1/</u> 48,000	<u>2/</u>
1977-----	92,600	<u>1/</u> 30,000	41	<u>1/</u> 63,000	<u>2/</u>
1978-----	88,938	30,576	131	58,493	<u>2/</u>
1979-----	102,410	29,464	55	73,001	<u>2/</u>
1980-----	88,056	31,571	91	56,576	<u>2/</u>
Jan.-June:					
1980-----	<u>3/</u>	13,274	68	<u>3/</u>	<u>3/</u>
1981-----	<u>3/</u>	18,047	25	<u>3/</u>	<u>3/</u>
Value					
1976-----	<u>3/</u>	<u>3/</u>	18	<u>4/</u>	<u>4/</u>
1977-----	<u>3/</u>	<u>3/</u>	32	<u>4/</u>	<u>4/</u>
1978-----	<u>3/</u>	23,445	164	<u>4/</u>	<u>4/</u>
1979-----	<u>3/</u>	24,761	40	<u>4/</u>	<u>4/</u>
1980-----	<u>3/</u>	26,444	63	<u>4/</u>	<u>4/</u>
Jan.-June:					
1980-----	<u>3/</u>	10,858	50	<u>4/</u>	<u>4/</u>
1981-----	<u>3/</u>	14,929	18	<u>4/</u>	<u>4/</u>
Unit Value					
1976-----	<u>3/</u>	<u>3/</u>	\$0.59	<u>4/</u>	<u>4/</u>
1977-----	<u>3/</u>	<u>3/</u>	.78	<u>4/</u>	<u>4/</u>
1978-----	<u>3/</u>	\$0.77	1.25	<u>4/</u>	<u>4/</u>
1979-----	<u>3/</u>	.84	.73	<u>4/</u>	<u>4/</u>
1980-----	<u>3/</u>	.84	.69	<u>4/</u>	<u>4/</u>
Jan.-June:					
1980-----	<u>3/</u>	.82	.73	<u>4/</u>	<u>4/</u>
1981-----	<u>3/</u>	.83	.73	<u>4/</u>	<u>4/</u>

1/ Estimated.

2/ Less than 0.5 percent.

3/ Not available.

4/ Not meaningful.

Source: Production, American Dehydrated Onion and Garlic Association; imports and exports compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table A-2.--Certain miscellaneous vegetable flours: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1976-80 and January-June 1980 and January-June 1981

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

Period	Production <u>1/</u>	Exports <u>2/</u>	Imports <u>3/</u>	Apparent consumption	Ratio (per cent) of imports to consumption
Quantity					
1976-----	1,000	0	2,208	3,200	69
1977-----	1,000	0	2,444	3,400	72
1978-----	1,000	0	2,658	3,700	72
1979-----	1,000	0	2,413	3,400	71
1980-----	1,000	0	2,384	3,400	70
Jan.-June:					
1980-----	<u>4/</u>	0	1,249	<u>4/</u>	<u>4/</u>
1981-----	<u>4/</u>	0	1,019	<u>4/</u>	<u>4/</u>
Value					
1976-----	<u>4/</u>	-	2,406	<u>5/</u>	<u>5/</u>
1977-----	<u>4/</u>	-	2,647	<u>5/</u>	<u>5/</u>
1978-----	<u>4/</u>	-	2,864	<u>5/</u>	<u>5/</u>
1979-----	<u>4/</u>	-	2,888	<u>5/</u>	<u>5/</u>
1980-----	<u>4/</u>	-	2,229	<u>5/</u>	<u>5/</u>
Jan.-June:					
1980-----	<u>4/</u>	-	1,270	<u>5/</u>	<u>5/</u>
1981-----	<u>4/</u>	-	926	<u>5/</u>	<u>5/</u>
Unit Value					
1976-----	<u>4/</u>	-	\$1.09	<u>5/</u>	<u>5/</u>
1977-----	<u>4/</u>	-	1.08	<u>5/</u>	<u>5/</u>
1978-----	<u>4/</u>	-	1.08	<u>5/</u>	<u>5/</u>
1979-----	<u>4/</u>	-	1.20	<u>5/</u>	<u>5/</u>
1980-----	<u>4/</u>	-	.93	<u>5/</u>	<u>5/</u>
Jan.-June:					
1980-----	<u>4/</u>	-	1.02	<u>5/</u>	<u>5/</u>
1981-----	<u>4/</u>	-	.91	<u>5/</u>	<u>5/</u>

1/ Estimated by staff of U.S. International Trade Commission from trade sources.

2/ Exports of vegetable flours herein considered are believed to be negligible or nil.

3/ Does not include one-half of the imports from Switzerland and all of those from Portugal and Spain shown in table C-2, which are believed to be tomato flour. 4/ Not available. 5/ Not meaningful.

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

Table A-3.--Mushrooms, dried: U.S. production, imports for consumption, and apparent consumption, 1976-80 and January-June 1981

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

Period	Production <u>1/</u>	Exports <u>1/</u>	Imports <u>2/</u>	Apparent consumption	Ratio (per cent) of imports to consumption
Quantity					
1976-----	85	0	1,258	1,343	94
1977-----	51	0	1,521	1,572	97
1978-----	32	0	1,185	1,217	97
1979-----	33	0	1,327	1,360	98
1980-----	31	0	1,403	1,434	98
Jan.-June:					
1980-----	<u>3/</u>	0	708	<u>3/</u>	<u>3/</u>
1981-----	<u>3/</u>	0	675	<u>3/</u>	<u>3/</u>
Value					
1976-----	<u>3/</u>	-	5,887	<u>4/</u>	<u>4/</u>
1977-----	<u>3/</u>	-	6,473	<u>4/</u>	<u>4/</u>
1978-----	<u>3/</u>	-	9,302	<u>4/</u>	<u>4/</u>
1979-----	<u>3/</u>	-	8,501	<u>4/</u>	<u>4/</u>
1980-----	<u>3/</u>	-	10,139	<u>4/</u>	<u>4/</u>
Jan.-June:					
1980-----	<u>3/</u>	-	4,401	<u>4/</u>	<u>4/</u>
1981-----	<u>3/</u>	-	5,459	<u>4/</u>	<u>4/</u>
Unit Value					
1976-----	<u>3/</u>	-	\$4.68	<u>4/</u>	<u>4/</u>
1977-----	<u>3/</u>	-	4.26	<u>4/</u>	<u>4/</u>
1978-----	<u>3/</u>	-	7.85	<u>4/</u>	<u>4/</u>
1979-----	<u>3/</u>	-	6.40	<u>4/</u>	<u>4/</u>
1980-----	<u>3/</u>	-	7.22	<u>4/</u>	<u>4/</u>
Jan.-June:					
1980-----	<u>3/</u>	-	6.21	<u>4/</u>	<u>4/</u>
1981-----	<u>3/</u>	-	8.09	<u>4/</u>	<u>4/</u>

1/ Estimated freeze-dried mushroom output and exports by the staff of the U.S. International Trade Commission from trade sources.

2/ Imports include air-dried mushrooms and freeze-dried mushrooms.

3/ Not available.

4/ Not meaningful.

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

Table B.--Onions, dried, desiccated, or dehydrated, except onion flour: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	Quantity (1,000 pounds)				Value (1,000 dollars)	Unit value (per pound)
	1976	1977	1978	1979		
U King						
Canada						
Fr Germ						
Japan						
Spain						
Sweden						
Nethlds						
Austral						
All other						
Total						
U King						
Canada						
Fr Germ						
Japan						
Spain						
Sweden						
Nethlds						
Austral						
All other						
Total						
U King						
Canada						
Fr Germ						
Japan						
Spain						
Sweden						
Nethlds						
Austral						
All other						
Total						

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

Note.--Data were not separately reported before 1978.

Table C-1.--Onions, dried, desiccated, or dehydrated, except onion flour: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976		1977		1978		1979		1980		January-June-- 1981	
	Quantity (1,000 pounds)											
Japan	1/		1/		36		9		9		9	1/
Canada	0		0		15		42		55		55	1/
Nethlds	3		3		42		3		2		1/	1
Belgium	0		0		0		0		20		0	0
China t	3		1		7		0		0		0	1
Mexico	8		0		0		0		2		2	0
China M	1/		0		1/		0		1		1	1/
Hg Kong	0		0		1		1		0		0	0
All other	16		37		30		0		0		0	22
Total	30		41		131		55		91		68	25
Value (1,000 dollars)												
Japan	3		3		93		28		27		26	1/
Canada	-		-		18		4		21		21	1
Nethlds	4		5		17		6		6		1	4
Belgium	-		-		-		-		6		-	-
China t	2		1		6		1		1		-	1
Mexico	1		-		-		-		1		1	-
China M	1/		-		1/		-		1/		1/	-
Hg Kong	-		-		1		1		-		-	-
All other	8		23		29		-		-		-	11
Total	18		32		164		40		63		50	18
Unit value (per pound)												
Japan	\$24.95		\$29.15		\$2.56		\$3.03		\$3.06		\$2.96	\$46.57
Canada	-		-		1.17		.10		.38		.38	2.89
Nethlds	1.57		1.72		.41		2.42		3.18		3.31	3.06
Belgium	-		-		-		-		.31		-	-
China t	.46		.64		.93		-		.76		-	1.16
Mexico	.10		-		-		-		.30		-	-
China M	.96		-		.56		-		.27		.27	6.92
Hg Kong	-		-		1.11		1.27		-		-	-
All other	.50		.62		.97		-		-		-	.51
Average	.59		.78		1.25		.73		.69		.73	.73

1/ Less than 500.

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

Table C-2.--Miscellaneous vegetable flours: U.S. Imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 pounds)				1980	January-June--		
	1976	1977	1978	1979		1980	1981	
Portugl-----	1,295	732	9,844	1,860	1,323	445	570	
Switzld-----	1,831	1,565	1,511	1,679	410	380	30	
Spain-----	32	440	1,741	1,582	503	101	807	
Mexico-----	18	8	12	3	1,088	1,088	0	
Japan-----	133	224	195	176	229	137	116	
U King-----	104	253	656	637	673	234	198	
Fr Germ-----	31	14	60	153	368	249	117	
Canada-----	43	127	72	69	98	47	68	
All other-----	964	1,034	908	535	812	391	506	
Total-----	4,451	4,398	14,999	6,695	5,503	3,073	2,411	
	Value (1,000 dollars)							
Portugl-----	1,290	726	2,380	2,231	1,561	539	705	
Switzld-----	2,834	2,288	2,201	2,578	631	594	38	
Spain-----	34	486	1,995	1,918	616	124	980	
Mexico-----	10	6	21	10	597	597	-	
Japan-----	236	408	466	602	592	291	344	
U King-----	35	101	273	290	303	132	93	
Fr Germ-----	67	19	149	185	202	139	70	
Canada-----	9	43	96	83	169	93	44	
All other-----	632	926	758	430	648	319	357	
Total-----	5,147	5,003	8,339	8,326	5,319	2,827	2,630	
	Unit value (per pound)							
Portugl-----	\$1.00	\$0.99	\$0.24	\$1.20	\$1.18	\$1.21	\$1.24	
Switzld-----	1.55	1.46	1.46	1.54	1.54	1.56	1.27	
Spain-----	1.07	1.10	1.15	1.21	1.23	1.23	1.21	
Mexico-----	.55	.73	1.71	3.10	.55	.55	-	
Japan-----	1.78	1.82	2.39	3.41	2.59	2.12	2.95	
U King-----	.34	.40	.42	.45	.45	.56	.47	
Fr Germ-----	2.15	1.33	2.50	1.21	.55	.56	.60	
Canada-----	.20	.34	1.34	1.20	1.72	1.97	.65	
All other-----	.66	.90	.83	.80	.80	.82	.70	
Average-----	1.16	1.14	.56	1.24	.97	.92	1.09	

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

Note.--The data in this table include tomato flour and, therefore, do not agree with those shown in table A-2.









Table D-3.--Mushrooms, dried: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan.-June 1981

Item	Quantity (1,000 pounds)				January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980		
Gross imports	1,521	1,185	1,327	1,403	675	100
26 developed countries, total	437	679	508	605	303	45
GSP countries, total	1,082	499	815	790	368	55
China	433	199	193	173	136	20
Kor Rep	92	86	111	200	113	17
Chile	540	203	503	399	113	17
India	6	3	3	5	3	1/
Yugosl	10	6	4	6	2	1/
Pakistn	2/	2/	2/	1	1	1/
Hg Kong	1	1	1	1	2/	1/
Peru	0	0	0	4	0	1/
Other GSP	2/	2/	0	1	1	1/
Other	2	7	4	8	4	1
Value (1,000 dollars)						
Gross imports	6,473	9,302	8,501	10,139	5,459	100
26 developed countries, total	4,022	6,793	5,306	6,337	3,148	58
GSP countries, total	2,435	2,472	3,175	3,759	2,292	42
China	1,309	1,250	1,194	1,427	1,136	21
Kor Rep	581	729	831	1,389	828	15
Chile	423	251	972	697	159	3
India	25	126	105	133	113	2
Yugosl	83	90	52	45	28	1
Pakistn	4	5	13	44	27	1/
Hg Kong	10	9	9	13	2	1/
Peru	-	-	-	6	-	1/
Other GSP	2/	13	-	5	1	1/
Other	15	36	20	43	19	1/

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

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

TITLE: STRAWBERRIES

Digest No.

1013

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty <u>1/</u>		U.S. imports: in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: rate		
146.76	Frozen strawberries	14%	2/ 35%	26,812	Yes.

1/ The symbol "%" indicates percent ad valorem.

2/ No concession was granted on this item in the recent trade negotiations.

## II. Comments

Description and uses

Frozen strawberries are consumed largely as a dessert fruit and as an ingredient in food products such as jams, preserves, ice cream, and bakery products. Before freezing, strawberries are usually sliced and mixed with sugar in a ratio of about 4 pounds of berries to 1 pound of sugar. Some strawberries are frozen whole and some are reduced to paste or pulp before being frozen.

U.S. consumption, production, and producers

During 1976-80, U.S. apparent consumption of frozen strawberries averaged 302 million pounds annually and ranged from a low of 289 million pounds in 1976 to a high of 322 million pounds in 1978 (table A). Domestic production of frozen strawberries averaged 231 million pounds annually and ranged from a high of 251 million pounds in 1977 to a low of 201 million pounds in 1978. Domestic production of frozen strawberries is concentrated in California and to a lesser degree in the Pacific Northwest. The bulk of U.S. production of strawberries is intended for fresh market consumption, with the remainder going to the processing market. The availability of domestic strawberries for processing is dependent on the price relationship between the fresh market and the processing market. Data on the number of producers are not available.

U.S. exports

U.S. exports of frozen strawberries declined from an estimated 15 million pounds (valued at \$5.6 million) in 1976 to 4.4 million pounds (valued at \$2 million) in 1980 (table B). Japan was the principal U.S. market in recent years, accounting for over 50 percent of U.S. exports in 1980. Canada is also an important market, accounting for 25 percent of the exports in 1980.

U.S. imports

Frozen strawberry imports increased steadily from 49.6 million pounds, valued at \$13.9 million, in 1976 to 112.2 million pounds, valued at \$34.4 million, in 1979 before declining to 83.5 million pounds, valued at \$26.8 million, in 1980 (table C). During 1976-80, the imports' share of apparent consumption (in terms of quantity) ranged from a low of 17 percent in 1976 to a high of 36 percent in 1979. Mexico is the principal U.S. supplier of frozen strawberries, accounting for 93 percent of the value of imports in 1980. Imports from other GSP designated countries have been negligible (table D). There are no significant differences between imported and domestic frozen strawberries. However, about 90 percent of the imports have consisted of fruit packed in bulk-size containers (holding over 40 ounces) while about two-thirds of domestic production is packed in bulk.

Position of interested parties

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

The Processing Advisory Board of California opposes the granting of GSP treatment to frozen strawberries. The Board states that domestic producers and processors of frozen strawberries are already at a competitive disadvantage with foreign producers in developing countries because of lower

foreign prices, lower foreign quality which discourages consumption, foreign government competition, and domestic producers bearing virtually all costs of research and breeding new varieties, which are now also grown in the exporting countries. Granting duty-free treatment under the Generalized System of Preferences would further compound the competitive disadvantage of the domestic industry, according to the Board.

The American Farm Bureau Federation opposes special unilateral tariff concessions to developing countries. The Federation states that tariff concessions should only be granted in the negotiating process where concessions are received as well as granted, and that the Generalized System of Preferences is inconsistent with the most-favored nation principle. Such preferences create serious problems for some domestic producers, and many of the developing countries exporting agricultural products to the United States under the GSP are already highly competitive.

The Israel Export Institute, although not a petitioner, supports the granting of GSP treatment to frozen strawberries. GSP benefits would greatly help developing countries whose income base is substantially agricultural and at the same time have only a negligible impact on U.S. producers, according to the Institute.

\* \* \* \* \*

Table A.--Frozen strawberries: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1976-80

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

Year	Production	Exports	Imports	Apparent consumption <u>1/</u>	Ratio (percent) of imports to consumption
Quantity					
1976-----	234.3	15.0	49.6	289.3	17
1977-----	250.9	7.0	97.0	303.1	32
1978-----	200.9	9.5	97.6	322.0	30
1979-----	224.5	5.2	112.2	307.7	36
1980-----	242.2	4.4	83.5	301.7	28
Value					
1976-----	57.0	5.6	13.9	<u>2/</u>	<u>2/</u>
1977-----	55.0	2.8	25.1	<u>2/</u>	<u>2/</u>
1978-----	35.0	3.6	22.0	<u>2/</u>	<u>2/</u>
1979-----	62.0	2.4	34.4	<u>2/</u>	<u>2/</u>
1980-----	65.0	2.0	26.8	<u>2/</u>	<u>2/</u>
Unit value					
1976-----	\$0.24	\$0.38	\$0.28	-	-
1977-----	.22	.38	.26	-	-
1978-----	.17	.38	.23	-	-
1979-----	.28	.47	.31	-	-
1980-----	.27	.47	.32	-	-

1/ Allowance is made for changes in stocks.2/ Not meaningful.

Source: Production data compiled from statistics of the Processing Strawberry Advisory Board of California, exports and imports compiled from official statistics of the U.S. Department of Commerce, except as noted.



Table B.--Strawberries, frozen: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	Quantity (1,000 pounds)				1980	January-June--	
	1976 1/	1977 1/	1978	1979		1980	1981
Japan	3,971	2,369	3,835	2,246	2,445	722	1,004
Canada	9,398	4,132	3,363	1,559	1,107	618	923
Austral	2,068	873	726	476	252	50	564
Mexico	4,20	0	0	129	141	0	1
FR Germ	4,136	1,071	44	48	69	69	80
F W Ind	0	0	0	0	55	0	0
France	0	2	5	134	39	55	5
Singapr	39	51	46	62	51	30	25
All other	2,647	2,504	1,515	505	205	105	142
Total	22,279	11,003	9,535	5,159	4,364	1,690	2,744
	Value (1,000 dollars)						
Japan	1,624	1,133	1,357	1,205	1,073	263	582
Canada	3,246	1,409	1,019	560	513	247	533
Austral	919	448	333	236	155	36	328
Mexico	6	-	-	39	54	-	1
FR Germ	1,803	342	13	10	35	35	26
F W Ind	-	-	-	-	31	31	-
France	-	1	4	55	29	29	3
Singapr	20	30	24	35	29	13	19
All other	924	803	836	302	118	60	102
Total	8,542	4,166	3,586	2,443	2,037	715	1,593
	Unit value (per pound)						
Japan	\$0.41	\$0.48	\$0.35	\$0.54	\$0.44	\$0.36	\$0.58
Canada	0.35	0.34	0.30	0.36	0.46	0.40	0.58
Austral	0.44	0.51	0.46	0.50	0.61	0.72	0.58
Mexico	0.28	-	-	0.30	0.38	-	1.40
FR Germ	0.44	0.32	0.30	0.20	0.50	0.50	0.32
F W Ind	-	-	-	-	0.57	0.57	-
France	-	0.53	0.68	0.41	0.74	0.74	0.57
Singapr	0.52	0.59	0.54	0.57	0.56	0.44	0.76
All other	0.35	0.32	0.55	0.60	0.58	0.57	0.72
Average	0.38	0.38	0.38	0.47	0.47	0.42	0.58

1/ Export data for 1976 and 1977 includes exports of all frozen berries. It is estimated that strawberries accounted for about two thirds of such exports.

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



Table D.--Strawberries, frozen: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (1,000 pounds)						
Gross imports	96,989	97,649	112,159	83,471	48,060	100
26 developed cttries, total	11,693	11,110	8,158	5,181	3,451	7
GSP countries, total	85,296	86,539	104,001	78,291	44,609	93
Mexico	85,296	86,539	103,868	78,291	44,609	93
Salvadr	0	0	56	0	0	
Colomb	0	0	40	0	0	
Chile	0	0	22	0	0	
Brazil	0	0	0	0	0	
Israel	0	0	16	0	0	
Other	0	0	0	0	0	
Value (1,000 dollars)						
Gross imports	25,121	22,038	34,408	26,812	20,084	100
26 developed cttries, total	3,464	3,007	2,623	1,891	1,297	6
GSP countries, total	21,657	19,032	31,785	24,921	18,786	94
Mexico	21,657	19,032	31,741	24,921	18,786	94
Salvadr	-	-	15	-	-	
Colomb	-	-	14	-	-	
Chile	-	-	7	-	-	
Brazil	-	-	-	-	-	
Israel	-	-	7	-	-	
Other	-	-	-	-	-	

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

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



TITLE: TROPICAL FRUIT, FRESH

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty 1/		U.S. imports: in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: rate : col. 2 (1/1/81)		
148.00	Mangoes, fresh, or prepared or preserved: Fresh: If entered during the period from May 1 to October 31, inclusive, in any year 2/	3.75¢/lb. (AVE) 13.2%	3/ (AVE) 52.9%	9,891	Yes.
148.60	Papayas, fresh, or prepared or preserved: Fresh-----	8.5%	3/ 35%	297	Yes.
148.93	Pineapples, fresh, or prepared or preserved: Fresh: In crates-----	35¢/crate of 2.45 cu. ft. (AVE) 8.8%	3/ of 2.45 cu. ft. (AVE) 12.6%	10	Yes.

1/ The symbol "%" indicates percent ad valorem. The symbol "/" indicates per stated unit of quantity. For specific and compound rates, the ad valorem equivalent, based on the value of total imports in 1980 from most-favored-nation countries, is shown in parenthesis, e.g., (AVE x.x%).

2/ Fresh mangoes entered during these months (May to October) were previously classified, from 3/1/78 to 3/27/80, under former TSUS item 147.94, and preceding that, from 1/1/76 to 2/28/78, under former TSUS item 147.86.

3/ No concession was granted on this item in the recent trade negotiations.

## II. Comment

Description and uses

Mangoes.--The item under review is fresh mangoes, if entered into the United States for consumption during the period from May 1 to October 31. Mangoes are the fruit of a large broadleaf evergreen tree that grows only in frost-free climates. The fruit contains a large seed, relative to the size of the fruit, and a juicy, yellow to orange flesh. Fresh mangoes are used principally as a dessert fruit.

Papayas.--The item under review is all fresh papayas. <sup>1/</sup> The papaya is a melon-like fruit produced on the trunk of a rapid growing tropical tree. The fruit can be harvested within the first year of propagation and commercial production continues generally for 3 to 5 years. There are a number of different types (or varieties) of papaya grown in the world which differ in visual and flavor characteristics. Those that are grown commercially in Hawaii have been developed for their small-sized fruit, convenient for fresh market use, and generally weigh 1 to 2 pounds. Papayas grown in Florida weigh from 2 to 6 pounds each; it is believed that this type is similar to that generally produced in the Caribbean, including Puerto Rico and the Dominican Republic. Papayas produced in Central American and South American countries include types with a distinctive flavor, as well as some types with fruits weighing up to 25 pounds each. Fresh papayas are used in salads, as a dessert fruit, crushed for beverage use, and, owing to enzymes contained therein, as a digestive aid.

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<sup>1/</sup> Fresh papayas (TSUS item 148.60) was also reviewed for GSP eligibility in 1980, upon a petition from the Government of Panama (Inv. nos. 503(a)-6 and 332-107).

Pineapples.--The item under review consists of fresh pineapples when entered in crates of 2.45 cubic feet. (Fresh pineapples when entered in bulk, or in packages other than crates, are also separately dutiable). Pineapples are the fruit of a perennial field-grown plant having sharp, serrated leaves; the fruit may weigh 3 to 10 pounds each. Fresh pineapples, after cutting or paring, are used principally as appetizers, dessert fruit, or in salads.

U.S. consumption, production, and producers

Mangoes.--During 1976-80, U.S. consumption of fresh mangoes in the months of May to October increased irregularly from 38 million pounds in 1976 to 47 million pounds in 1980, or by 24 percent (table A-1). In most of these years, production accounted for from 25 percent to 30 percent of the consumption. U.S. production of fresh mangoes in the months of May to October accounts for virtually all of the annual U.S. output, which is located almost entirely in Florida. Annual production, which had been increasing, reached a peak of 22 million pounds in 1976 and then declined by more than half in 1977 because of a freeze in January of that year; during 1978-80, production averaged 13 million pounds annually.

Papayas.--Papayas are produced in Hawaii, Florida, and Puerto Rico; however, production from these areas do not compete with each other in the fresh fruit market. During 1976-80, the U.S. consumption of fresh papayas fluctuated from 49 million pounds in 1977 to 32 million pounds in 1979, without any discernible trend over the period (table A-2). U.S. production (based on Hawaiian production) generally accounted for more than 95 percent of the consumption and imports accounted for the other 5 percent of consumption. In the peak year, 1978, production for fresh market sales totaled nearly 55 million pounds, but in 1979, the low year during the period, heavy rains in

Hawaii early in the year resulted in crop losses and utilized fresh market production fell to 36 million pounds; in 1980, the production was 45 million pounds. Papayas are harvested year round and the supply is not sharply seasonal. In 1980, there were 197 farms producing papayas in Hawaii, an increase of 11 percent over 1976. Nearly all of the papayas grown in Florida and Puerto Rico are consumed locally (data on such production and consumption are not available, but it is probably less than one-fifth of the Hawaiian production).

Pineapples.--During 1976-80, the apparent U.S. consumption of fresh pineapples increased steadily from 202 million pounds in 1976 to 342 million pounds in 1980, or by 69 percent over the entire period (table A-3). 1/ U.S. (Hawaiian) production accounted for 64 percent of the consumption in 1976 and 56 percent of the consumption in 1980 and imports accounted for the remainder. Though its share of consumption has declined, fresh-market pineapple production in Hawaii increased irregularly from 138 million pounds in 1976 to 202 million pounds in 1980; the value of production increased from \$14.5 million to \$34.3 million over the same period. According to the Hawaii Department of Agriculture, there were 18 farms growing pineapples on 43,000 acres in 1980, down from 48,000 acres in 1976; most of the output from these acres, however, is for processing use.

#### U.S. exports

During 1978-80, U.S. exports of the articles covered by this digest--fresh mangoes, papayas, and pineapples--were each included in an export basket category, along with other not-separately-reported fresh fruits (table B).

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1/ Consumption of Puerto Rican grown fresh pineapples, not included in these data, is believed to be equivalent to less than 3 percent of U.S. consumption.



Mangoes.--U.S. exports of fresh mangoes are estimated at 1 million to 2 million pounds annually in recent years. It is believed that Japan, Europe, and Canada are the principal markets.

Papayas.--U.S. exports of fresh papayas, according to the Papaya Administration Committee of Hawaii, increased from 3.9 million pounds in 1976 to 7.9 million pounds in 1978, and then declined irregularly to 6.9 million pounds in 1980 (table A-2). Japan is, by far, the leading market, with Canada ranking second.

Pineapples.--Canada is the leading market for the U.S. exports of fresh pineapples. During 1976-80, Canadian imports of fresh market pineapples from the United States averaged 12 million pounds annually (table A-3). Accurate data on the exports to other markets are not available.

#### U.S. imports

Mangoes.--U.S. imports of fresh mangoes entered during the period under review, that is, during the months of May through October, generally account for from 80 percent to 90 percent of the annual imports of fresh mangoes. During 1976-80, imports entered during May through October increased from 17 million pounds, valued at \$3.7 million, in 1976 to 35 million pounds, valued at \$9.9 million in 1980 (table A-1). The quantity in 1980 had doubled over 1976, owing primarily to increased supplies of exportable fruit in the supplying countries. Imported mangoes must be fumigated under plant quarantine regulations of the U.S. Department of Agriculture, the costs of which are borne by the exporters. Mangoes from Haiti, which are of a different variety than those from Florida, are usually air-freighted to the United States, while shipments to U.S. markets from Florida and Mexico are usually made by truck.

Mexico consistently has been the leading supplier of the annual imports of fresh mangoes, although Haiti, the second ranking supplier, has been gaining an increasing share of the total (table C-1). During January-June 1981, Haiti accounted for 49 percent, by value, of the imports (table D-1). However, during the months of May-June 1981 (which is part of TSUS item 148.00 under review), Haiti accounted for only 28 percent, by value, of the imports, and Mexico accounted for 72 percent (table D-2).

In recent years, the U.S. market for fresh mangoes has been essentially supplied from three sources--Florida, Mexico, and Haiti. Florida shipments generally start in late May and end in September or October (the time period of TSUS item 148.00). Shipments to U.S. markets from both Mexico and Haiti start in the winter months, but Mexico's heaviest volume of shipments comes later in the season, June through August, then those of Haiti, and Mexico's shipments, coincide more directly with the supplies from Florida. In March 1978, GSP eligibility was granted for fresh mangoes entered during the months of November through March, and Mexico was excluded from the benefits on the basis of competitive need. In March of 1980, the month of April was added to the other GSP eligible months, and Mexico again was denied benefits on the basis of competitive need for the then new November through April period. In 1980, Haiti supplied more than 50 percent of the imports during January-April and November-December (TSUS item 147.98), and Mexico did not receive GSP benefits (in 1981) because that country is one of the countries that does not automatically become redesignated as a GSP beneficiary. Thus, effective April 1, 1981, both Haiti and Mexico were excluded from receiving GSP benefits for fresh mangoes entered during the November through April period. If GSP eligibility were to be granted for the months May through October (TSUS

148.00), Haiti would obtain GSP for this period, but Mexico would not. The President could also consider combining the two time periods into one time period. As a result Haiti, which is not now eligible for GSP during November through April, would become eligible during that period as well as for May through October. Haiti's eligibility for GSP during November through April is not contested. If the two time periods were combined, Mexico would continue to be ineligible for GSP.

During the course of this investigation, months other than the block of months encompassed by TSUS item 148.00, i.e., May through October, have been suggested as possible months for GSP eligibility for fresh mangoes. <sup>1/</sup> The

Mangoes, fresh: U.S. imports for consumption, total and from Haiti, and percentage distribution of total imports and Florida shipments, by selected months or periods, 1980

Month or period	Imports			Percentage distribution of--	
	Haiti	Share of total	Total	Total imports	Florida shipments
	Value	(Percent)	(1,000 dollars)	(Percent)	(Percent)
January-April-----	700	51	1,361	12	0
May-----	488	37	1,305	11	8
June-August-----	363	4	8,252	71	91
September-----	7	2	408	3	1
October-----	15	6	235	2	0
November-December--	99	96	103	1	0
Total-----	1,672	14	11,664	100	100

Source: Imports, compiled from official statistics of the U.S. Department of Commerce; Florida shipments, compiled from official statistics of the Florida Department of Agriculture and Consumer Services.

<sup>1/</sup> At the public hearings held on Nov. 3, 1981, a witness representing the domestic Florida fresh mango industry volunteered that granting GSP for the month of May would be acceptable to their industry, and a witness representing the fresh mango exporters from Haiti requested that GSP treatment be granted for the months of May, September, and October, in lieu of the 6 months covered by TSUS item 148.00.

preceding table illustrates the degree of competition for domestic producers from imports, and the share of imports supplied by Haiti, the GSP petitioner, for selected months and periods in 1980. 1/

Papayas.--U.S. imports of fresh papayas increased steadily from 0.5 million pounds in 1976 to 2.0 million pounds in 1979, then declined to 1.6 million pounds in 1980 (table C-2). Imports in 1979 were valued at \$387,000 and in 1980 they were valued at \$297,000. During January-June 1981, imports declined 29 percent to 0.7 million pounds from January-June of 1980. Mexico has been the principal supplier of U.S. imports, providing more than 90 percent of the total. The Bahamas and the Dominican Republic have been the only other relatively consistent suppliers of fresh papayas; however, during January-June 1981, Brazil was the second ranked supplier. Imports enter the United States principally through the customs districts of San Diego, Laredo, and Miami. If GSP were granted, Mexico likely would not be excluded from the benefits because the volume of trade is less than \$1 million.

Pineapples.--During 1976-80, U.S. imports of all fresh pineapples more than doubled from 72 million pounds to 152 million pounds (table A-3). About one-half of the imports were pineapples in bulk. U.S. imports of fresh pineapples in crates of 2.45 cubic feet, and subject to this investigation, are very small (ranging from 0.1 million pounds to 2.2 million pounds during 1976-80) relative to U.S. imports of all fresh pineapples, less than 2 percent of the annual totals. Imports of pineapples in packages other than crates

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1/ Haiti and Mexico together accounted for 95 percent of the imports.

increased from 38 million pounds to 67 million pounds. The U.S. imports of pineapples in crates are generally from the same suppliers as the imports in packages other than crates (tables C-3 and C-4). The principal suppliers of packaged fresh pineapples (whether crates or other packages) are Honduras, Mexico, and Costa Rica. Mexico is virtually the only supplier of fresh pineapples entered in bulk, though the cost advantages of packaging bulk pineapples in crates for duty-free benefits is believed to be negligible.

During January-June 1981, Mexico supplied 71 percent, by value, of the small volume of imports of pineapples in crates; however, Mexico would likely receive duty-free benefits under TSUS item 148.93 if GSP eligibility were granted because imports are significantly less than \$1 million (table D-4). Mexico could get additional benefits by switching some of their product from packages other than crates under TSUS item 148.96 (table D-5) to packing in crates (item 148.93). However, during January-June 1981, Honduras supplied 86 percent, by value, of the imports in packages other than crates, which amounted to 42 million pounds, and would be afforded a greater opportunity than Mexico of switching to packing in crates if GSP were granted for item 148.93. In 1980, the ad valorem equivalent (AVE) of the duty on imports entered in packages other than crates (TSUS item 148.96) was 5.8 percent, and the AVE on imports of fresh pineapples entered in bulk (TSUS 148.90) was 6.3 percent. For comparison, the AVE on imports entered in 1980 for fresh pineapples in crates (TSUS item 148.93), the item under review for GSP benefits, was 8.8 percent.

Position of interested parties

Congressman Daniel K. Akaka of Hawaii opposes the petitions requesting GSP duty-free treatment of pineapples, papayas and mangoes and their products. The approval of the petitions for duty-free treatment of pineapple and papaya would be a severe blow to Hawaii's reviving agricultural industry. The livelihoods of many workers are tied to these crops. Congressman Akala urges the petitions be rejected in light of the importance of these crops to Hawaii's agricultural and economic base.

The petitioner for GSP review of mangoes, Lincoln Diversified Systems, Inc., representing exporters of fresh mangoes from Haiti, requested immediate review of fresh mangoes under TSUS item 147.98 (if entered from November through April) and TSUS item 148.00 (if entered May through October), due to unusual circumstances; they are in support of GSP treatment for the articles. Haiti was denied GSP benefits (effective Mar. 31, 1981) on fresh mangoes entered under item 147.98 owing to the competitive need formula and the petitioner believes that such removal of GSP treatment under these circumstances was unlawful because "Haiti's share of the market (e.g., imports) is far, far less than 50 percent." During public hearings held by the Commission on November 3, 1981, the petitioner requested GSP treatment for fresh mangoes entered "from September 1 to approximately May 15," and stated that they were not now requesting GSP treatment for the months of June through August. They assert, in a post-hearing brief, that the overall probable economic effect of granting GSP treatment for the time period requested would have a positive impact on U.S. producers of mangoes because Haitian mangoes

are higher priced and are marketed creatively throughout the United States. By so doing, Haitian mangoes increase the overall demand for mangoes and help to support the price of domestic mangoes, according to the petitioner.

The domestic industry, located in Florida, is opposed to GSP treatment for fresh mangoes and stated, both in a written brief and oral presentation, that "it has no objection to allowing GSP treatment for mangoes during the period in which Florida has no shipments." They further recommend that the month of May be entitled to GSP treatment. The Dade County (Florida) Farm Bureau and the Florida Farm Bureau Federation also oppose the petition to include mangoes under the GSP.

The petitioner for GSP review of fresh papayas and fresh pineapples, the Government of Jamaica, favors the addition of TSUS items 148.60 and 148.93 to the list of eligible articles under the GSP.

The Hawaiian pineapple industry, in written and oral statements, opposes the inclusion of fresh pineapples in crates (TSUS item 148.93) on the list of eligible articles for the purposes of the GSP. They state that applying GSP to fresh pineapples in crates must be looked upon as applying it as well to fresh pineapples in packages other than crates (TSUS item 148.96), because the type of container is at the option of the importer. Granting GSP treatment to imported fresh pineapple would seriously discriminate against their industry, the domestic Hawaiian pineapple industry contends, providing imported pineapple with a cost reduction, which imports obviously do not need because they already have lower transportation costs, and they have shown an increase into the United States of 186 percent since 1972.

The Papaya Administrative Committee, operating under a Federal Marketing Order for the purpose of regulating the handling of fresh papayas grown in Hawaii, opposes the inclusion of papayas on the GSP list of articles to receive duty-free treatment. They contend that to allow foreign-produced fresh papayas to enter the United States duty free would create serious economic problems for the domestic industry by disrupting their entire marketing distribution, product identification, and competitive position in the market place.

The Hawaii Farm Bureau Federation opposes the inclusion of fresh pineapples and fresh papayas on the list of articles to receive duty-free treatment. Both fresh pineapples and papayas show considerable promise as exportable products and to allow imports to enter on a preferential basis would create unfair competition to domestic producers.

The American Farm Bureau Federation opposes special unilateral tariff concessions to developing countries. The Federation states that tariff concessions should only be granted in the negotiating process where concessions are received as well as granted, and that the Generalized System of Preferences is inconsistent with the most-favored-nation principle. Such preferences create serious problems for some domestic producers, and many of the developing countries exporting agricultural products to the United States under the GSP are already highly competitive.

A labor union in Hawaii is opposed to the granting of GSP treatment to fresh mangoes, papayas, and pineapples because Hawaii's economic base rests on agricultural products, and preferential treatment would cause harmful consequences to the State and its residents.



A second labor union whose members are employed in Hawaii's agricultural industry is opposed to the granting of GSP treatment to imports of mangoes, papayas, fresh pineapples, and sweet ginger. Although the union has historically favored free trade, exceptions must be made to preserve specific industries which are vital to the economy of a particular region. Hawaii's economy could be undermined if its agricultural workers, who have achieved decent wages and benefits, would have to compete with workers whose wages barely reach the subsistence level. Duty-free imports would particularly damage the pineapple industry.

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Table A-1.--Mangoes, fresh, entered from May 1 to October 31: U.S. production, exports, imports, and apparent consumption, 1976-80, May-June 1980, and May-June 1981

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

Year	U.S. production <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption <u>3/</u>	Ratio (per cent) of imports to consumption
Quantity					
1976-----	22,000	1,000	<u>3/</u> 16,766	37,800	44
1977-----	9,625	1,000	<u>3/</u> 19,716	28,300	70
1978-----	12,375	2,000	29,782	40,200	74
1979-----	14,300	2,000	26,677	39,000	68
1980-----	13,750	2,000	34,851	46,600	75
May-June:					
1980-----	3,600	<u>4/</u>	15,884	<u>4/</u>	<u>4/</u>
1981-----	<u>4/</u>	<u>4/</u>	10,224	<u>4/</u>	<u>4/</u>
Value					
1976-----	3,000	<u>4/</u>	<u>3/</u> 3,679	<u>5/</u>	<u>5/</u>
1977-----	2,406	<u>4/</u>	<u>3/</u> 4,754	<u>5/</u>	<u>5/</u>
1978-----	2,138	<u>4/</u>	6,373	<u>5/</u>	<u>5/</u>
1979-----	2,938	<u>4/</u>	6,683	<u>5/</u>	<u>5/</u>
1980-----	3,000	<u>4/</u>	9,891	<u>5/</u>	<u>5/</u>
May-June:					
1980-----	<u>4/</u>	<u>4/</u>	4,555	<u>5/</u>	<u>5/</u>
1981-----	<u>4/</u>	<u>4/</u>	2,112	<u>5/</u>	<u>5/</u>
Unit value					
1976-----	14	<u>4/</u>	<u>3/</u> 22	<u>5/</u>	<u>5/</u>
1977-----	25	<u>4/</u>	<u>3/</u> 24	<u>5/</u>	<u>5/</u>
1978-----	17	<u>4/</u>	21	<u>5/</u>	<u>5/</u>
1979-----	21	<u>4/</u>	25	<u>5/</u>	<u>5/</u>
1980-----	22	<u>4/</u>	28	<u>5/</u>	<u>5/</u>
May-June:					
1980-----	<u>4/</u>	<u>4/</u>	29	<u>5/</u>	<u>5/</u>
1981-----	<u>4/</u>	<u>4/</u>	21	<u>5/</u>	<u>5/</u>

1/ Florida only.2/ Level of exports is estimated.3/ Partly estimated.4/ Not available.5/ Not meaningful.

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



Table A-2.--Papayas, fresh: U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

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

Year	U.S. production <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption	Ratio (per cent) of imports to consumption
Quantity					
1976-----	43,588	3,880	5504	40,212	1.3
1977-----	53,987	5,835	1,134	49,286	2.3
1978-----	54,624	7,877	1,471	48,218	3.1
1979-----	36,446	6,662	2,022	31,806	6.4
1980-----	45,360	6,875	1,554	40,039	3.9
Jan.-June:					
1980-----	<u>3/</u> 19,719	<u>3/</u> 3,000	1,047	17,766	5.9
1981-----	<u>4/</u>	<u>3/</u> 3,500	739	<u>4/</u>	<u>4/</u>
Value					
1976-----	5,884	438	88	<u>5/</u>	<u>5/</u>
1977-----	7,126	648	185	<u>5/</u>	<u>5/</u>
1978-----	7,866	945	250	<u>5/</u>	<u>5/</u>
1979-----	9,330	1,699	387	<u>5/</u>	<u>5/</u>
1980-----	9,843	1,306	297	<u>5/</u>	<u>5/</u>
Jan.-June:					
1980-----	<u>3/</u> 6,190	<u>3/</u> 828	198	<u>5/</u>	<u>5/</u>
1981-----	<u>4/</u>	<u>4/</u>	125	<u>5/</u>	<u>5/</u>
Unit value					
1976-----	13.5	11.3	17.0	<u>5/</u>	<u>5/</u>
1977-----	13.2	11.1	16.0	<u>5/</u>	<u>5/</u>
1978-----	14.4	12.0	17.0	<u>5/</u>	<u>5/</u>
1979-----	25.6	25.5	19.0	<u>5/</u>	<u>5/</u>
1980-----	21.7	19.0	19.0	<u>5/</u>	<u>5/</u>
Jan.-June:					
1980-----	31.4	27.6	19.0	<u>5/</u>	<u>5/</u>
1981-----	<u>4/</u>	<u>4/</u>	17.0	<u>5/</u>	<u>5/</u>

1/ Hawaii only; unit values are average farm prices for fresh sales.2/ Unit values are average farm prices for out-of-state shipments.3/ Estimated. 4/ Not available. 5/ Not meaningful.

Source: Production and value of exports compiled from official statistics of the Hawaiian Department of Agriculture; quantity of exports compiled from official statistics of the Papaya Administrative Committee; and imports compiled from official statistics of the U.S. Department of Commerce.

Table A-3.--Pineapples, fresh: U.S. shipments, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

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

Year	U.S. shipments <u>1/</u>	Exports <u>2/</u>	Imports <u>3/</u>	Apparent consumption	Ratio (percents) of imports to consumption <u>4/</u>
Quantity					
1976-----	138,000	8,666	72,466	201,800	36
1977-----	166,000	10,165	94,901	250,736	38
1978-----	195,000	15,363	133,679	313,316	43
1979-----	188,000	12,809	143,642	318,833	45
1980-----	202,000	11,849	152,129	342,280	44
May-June:					
1980-----	106,000	<u>5/</u>	104,261	<u>5/</u>	<u>5/</u>
1981-----	<u>5/</u>	<u>5/</u>	94,084	<u>5/</u>	<u>5/</u>
Value					
1976-----	14,490	1,213	5,479	<u>6/</u>	<u>6/</u>
1977-----	21,580	1,598	5,934	<u>6/</u>	<u>6/</u>
1978-----	29,450	2,829	8,387	<u>6/</u>	<u>6/</u>
1979-----	30,080	2,474	8,961	<u>6/</u>	<u>6/</u>
1980-----	34,340	2,432	9,130	<u>6/</u>	<u>6/</u>
May-June:					
1980-----	<u>5/</u>	<u>5/</u>	5,862	<u>6/</u>	<u>6/</u>
1981-----	<u>5/</u>	<u>5/</u>	6,193	<u>6/</u>	<u>6/</u>
Unit value					
1976-----	11	14	8	<u>6/</u>	<u>6/</u>
1977-----	13	16	6	<u>6/</u>	<u>6/</u>
1978-----	15	18	6	<u>6/</u>	<u>6/</u>
1979-----	16	19	6	<u>6/</u>	<u>6/</u>
1980-----	17	21	6	<u>6/</u>	<u>6/</u>
May-June:					
1980-----	<u>5/</u>	<u>5/</u>	6	<u>6/</u>	<u>6/</u>
1981-----	<u>5/</u>	<u>5/</u>	6	<u>6/</u>	<u>6/</u>

1/ Hawaiian shipments for local and out-of-state fresh market sales.2/ Estimated. Data are Canadian imports from the United States; values and unit values in Canadian dollars. 3/ Total imports of fresh pineapple entered in bulk, in crates, and in packages other than crates; during 1976-80, the annual imports entered in crates ranged from 2,225 thousand pounds in 1978 to 115,000 pounds in 1980 (see table C-3). 4/ The ratio of imports to consumption for fresh pineapples entered in crates, the tariff item under review, was less than 1 percent annually. 5/ Not available. 6/ Not meaningful.

Source: Shipments compiled from official statistics of the Hawaiian Department of Agriculture; exports are compiled from official statistics of Statistics Canada as noted; and imports compiled from official statistics of the U.S. Department of Commerce.

Table B.--Fruit, fresh, n.s.p.f. (including mangoes, papayas, pineapples, and other fresh fruit not specially provided for): U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	Quantity (1,000 pounds)					
	1976	1977	1978	1979	1980	January-June-- 1981
Canada	0	0	21,756	23,702	24,190	11,016
Japan	0	0	7,253	7,559	8,218	3,229
Bermuda	0	0	665	3,144	3,177	1,333
Nethlds	0	0	156	399	1,804	439
FR Germ	0	0	181	208	635	504
U King	0	0	153	444	1,165	365
Austria	0	0	0	0	285	221
Hg Kong	0	0	274	79	577	33
All other	0	0	4,869	4,107	4,312	1,034
Total	0	0	35,306	39,641	44,364	18,174
	Value (1,000 dollars)					
Canada	-	-	5,134	4,933	7,028	3,063
Japan	-	-	4,536	5,368	6,338	2,749
Bermuda	-	-	235	1,909	2,124	958
Nethlds	-	-	169	398	1,912	374
FR Germ	-	-	289	301	845	692
U King	-	-	57	151	565	156
Austria	-	-	-	-	374	314
Hg Kong	-	-	136	30	300	16
All other	-	-	2,107	1,539	1,620	571
Total	-	-	12,664	14,630	21,107	8,893
	Unit value (per pound)					
Canada	-	-	\$0.24	\$0.21	\$0.29	\$0.28
Japan	-	-	0.63	0.71	0.77	0.85
Bermuda	-	-	0.35	0.61	0.67	0.72
Nethlds	-	-	1.08	1.00	1.06	0.85
FR Germ	-	-	1.60	1.45	1.33	1.37
U King	-	-	0.37	0.34	0.49	0.43
Austria	-	-	-	-	1.31	1.42
Hg Kong	-	-	0.50	0.38	0.52	0.48
All other	-	-	0.43	0.37	0.38	0.55
Average	-	-	0.36	0.37	0.48	0.49

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

Note.--Comparable data are not available for 1976 and 1977.

Table C-1.--Mangoes, fresh: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 pounds)					
	1976	1977	1978	1979	1980	January-June-- 1981
Mexico	16,957	19,988	28,992	26,952	32,913	15,964
Haiti	2,671	2,682	3,452	5,627	8,248	6,990
Belize	0	425	1,183	0	1,787	802
Guatmal	0	0	0	11	62	62
Dom Rep	95	100	25	49	137	51
India	1	0	0	6	19	9
Jamaica	0	0	10	19	7	7
Phil R	1	0	0	2	1	1
All other	0	0	59	76	7	4
Total	19,725	23,195	33,720	32,742	43,182	23,888
	Value (1,000 dollars)					
Mexico	3,843	4,995	6,368	7,134	9,433	4,558
Haiti	471	475	659	1,131	1,671	1,419
Belize	-	106	281	-	469	200
Guatmal	-	-	-	1	32	32
Dom Rep	13	17	4	4	31	16
India	1	-	-	3	16	5
Jamaica	-	-	4	7	4	4
Phil R	2	-	-	1	2	1
All other	-	-	16	19	5	4
Total	4,328	5,593	7,333	8,300	11,664	6,239
	Unit value (per pound)					
Mexico	\$0.23	\$0.25	\$0.22	\$0.26	\$0.29	\$0.29
Haiti	0.18	0.18	0.19	0.20	0.20	0.20
Belize	-	0.25	0.24	-	0.26	0.25
Guatmal	-	-	-	0.11	0.52	0.52
Dom Rep	0.14	0.17	0.16	0.07	0.23	0.31
India	0.72	-	-	0.48	0.80	0.59
Jamaica	-	-	0.46	0.35	0.60	0.60
Phil R	0.89	-	-	0.77	2.51	4.88
All other	-	-	0.27	0.25	0.84	1.10
Average	0.22	0.24	0.22	0.25	0.27	0.26

1/ Less than 500 pounds.  
2/ Less than \$500.

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

Table C-2.--Papayas, fresh: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June 1980	January-June 1981
Quantity (1,000 pounds)							
Mexico	473	1,028	1,380	1,991	1,521	1,046	696
Dom Rep	30	35	0	31	30	0	10
Brazil	0	0	0	0	2	1	25
Bahamas	0	61	89	0	0	0	0
India	0	0	3	0	0	0	0
C Rica	0	0	0	0	0	0	5
Ecuador	0	10	0	0	0	0	0
Belgium	0	0	0	0	0	0	2
All other	1	0	0	0	0	0	1
Total	504	1,134	1,471	2,022	1,554	1,047	739
Value (1,000 dollars)							
Mexico	83	177	245	375	294	198	115
Dom Rep	5	4	-	12	2	-	1
Brazil	-	-	-	-	1	1/	6
Bahamas	-	3	5	-	-	-	-
India	-	-	1	-	-	-	-
C Rica	-	-	-	-	-	-	2
Ecuador	-	1	-	-	-	-	-
Belgium	-	-	-	-	-	-	1
All other	1	-	-	-	-	-	1
Total	88	185	250	387	297	198	125
Unit value (per pound)							
Mexico	\$0.18	\$0.17	\$0.18	\$0.19	\$0.19	\$0.19	\$0.17
Dom Rep	0.16	0.12	-	0.39	0.08	-	0.13
Brazil	-	-	-	-	0.28	0.27	0.26
Bahamas	-	0.05	0.05	-	-	-	-
India	-	-	0.22	-	-	-	-
C Rica	-	-	-	-	-	-	0.35
Ecuador	-	0.07	-	-	-	-	-
Belgium	-	-	-	-	-	-	0.25
All other	0.55	-	-	-	-	-	0.76
Average	0.17	0.16	0.17	0.19	0.19	0.19	0.17

1/ Less than \$500.

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

Table C-3.--Pineapples, fresh, in crates: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976 1/	1977 1/	1978	1979	1980	January-June- 1980	1981
	Quantity (pounds)						
Mexico	29,590	126,225	2,066,780	100,510	111,490	72,530	95,196
Azores	0	7,360	1,303	4,800	3,120	3,120	0
Ecuador	0	0	0	29,800	0	0	0
Argent	0	0	29,600	29,600	0	0	0
C Rica	186,750	0	71,368	19,371	0	0	0
Guatmal	18,350	0	0	6,866	0	0	18,610
Hondura	97,150	1,164,250	56,350	0	0	0	0
Dom Rep	14,450	7,900	0	0	0	0	0
Total	346,390	1,305,735	2,225,401	190,947	114,610	75,650	113,806
	Value (1,000 dollars)						
Mexico	2	13	174	7	9	4	7
Azores	-	3	1	1	1	1	-
Ecuador	-	-	-	6	-	-	-
Argent	-	-	2	2	-	-	-
C Rica	21	-	4	2	-	-	-
Guatmal	1	-	-	1	-	-	3
Hondura	6	117	5	-	-	-	-
Dom Rep	1	1	-	-	-	-	-
Total	32	134	185	19	10	6	10
	Unit value (per pound)						
Mexico	\$0.08	\$0.10	\$0.08	\$0.07	\$0.08	\$0.06	\$0.08
Azores	-	.46	.63	.27	.38	.38	-
Ecuador	-	-	-	.20	-	-	-
Argent	-	-	.07	.07	-	-	-
C Rica	.11	-	.06	.09	-	-	-
Guatmal	.06	-	-	.08	-	-	.16
Hondura	.06	.10	.08	-	-	-	-
Dom Rep	.05	.12	-	-	-	-	-
Average	.09	.10	.08	.10	.08	.07	.09

1/ Quantities and unit values are based on the average weight in pounds per 2.45 cubic feet for imports entered in 1978-80.

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

Table C-4.--Pineapples, fresh, in packages other than crates: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976		1977		1978		1979		1980		January-June--	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	1980	1981
	Quantity (pounds)											
Hondura	35,547,105	39,515,465	49,453,233	47,804,475	57,550,121	30,739,881	41,795,625					
Mexico	1,410,856	15,410,496	19,568,018	21,828,266	8,461,759	8,075,121	2,669,140					
C Rica	476,400	76,500	5,120	106,622	1,146,588	211,675	1,470,407					
Guatmal	0	0	0	0	88,511	65,965	83,340					
Ecuador	0	0	4,686	125,000	0	0	42,940					
Dom Rep	195,950	17,800	3,150	186,942	0	0	691,740					
Canada	0	0	40,438	0	0	0	0					
Trinidad	73,950	0	0	0	0	0	0					
All other	1,450	0	0	0	0	0	0					
Total	37,744,711	55,020,261	69,074,645	70,051,305	67,246,979	39,092,642	46,873,818					
	Value (1,000 dollars)											
Hondura	3,932	3,749	4,413	4,032	4,969	2,625	3,413					
Mexico	88	496	1,249	1,714	498	470	172					
C Rica	35	8	1	6	103	20	280					
Guatmal	-	-	-	-	8	6	15					
Ecuador	-	-	-	17	-	-	4					
Dom Rep	11	4	1	11	-	-	45					
Canada	-	-	3	-	-	-	-					
Trinidad	4	-	-	-	-	-	-					
All other	1	-	-	-	-	-	-					
Total	4,072	4,257	5,668	5,779	5,578	3,122	3,969					
	Unit value (per pound)											
Hondura	\$0.11	\$0.09	\$0.09	\$0.08	\$0.09	\$0.09	\$0.08					
Mexico	.06	.03	0.06	0.08	0.06	0.06	0.06					
C Rica	.07	.11	0.12	0.05	0.09	0.10	0.19					
Guatmal	-	-	-	-	0.10	0.10	0.18					
Ecuador	-	-	0.11	0.13	-	-	0.09					
Dom Rep	.06	.20	0.26	0.06	-	-	0.06					
Canada	-	-	0.08	-	-	-	-					
Trinidad	.05	-	-	-	-	-	-					
All other	.40	-	-	-	-	-	-					
Average	.11	.08	0.08	0.08	0.08	0.08	0.08					

1/ Quantities and unit values are based on the average weight in pounds per 2.45 cubic feet for imports entered in 1978-80.

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

Table D-1.--Mangoes, fresh: U.S. imports by certain world areas, including designated GSP countries, 1977-80 and January-June 1981

Item	1977	1978	1979	1980	Quantity (1,000 pounds)		Percentage distribution
					1977-1980	January - June 1981	
Gross imports	23,195	33,720	32,742	43,182	19,043		100
26 developed countries, total:	0	1	42	4	0		
GSP countries, total:	23,195	33,719	32,701	43,178	19,043		100
Mexico	19,988	28,992	26,952	32,913	10,470		55
Haiti	2,682	3,452	5,627	8,248	8,441		44
Belize	425	1,183	0	1,787	0		
Guatemala	0	0	11	62	0		
Dom Rep	100	25	49	137	128		1
India	0	0	6	19	0		
Jamaica	0	10	19	7	2		1/
Phil R	0	0	2	1	0		
Other GSP	0	58	35	3	1		1/
Other	0	0	0	0	0		
Value (1,000 dollars)							
Gross imports	5,593	7,333	8,300	11,664	3,915		100
26 developed countries, total:	-	1	12	3	-		
GSP countries, total:	5,593	7,332	8,289	11,661	3,915		100
Mexico	4,995	6,368	7,134	9,433	1,989		51
Haiti	475	659	1,131	1,671	1,909		49
Belize	106	281	-	469	-		
Guatemala	-	-	1	32	-		
Dom Rep	17	4	4	31	14		1/
India	-	-	3	16	-		
Jamaica	-	4	7	4	2		1/
Phil R	-	-	1	2	-		
Other GSP	-	15	8	3	1		1/
Other	-	-	-	-	-		

1/ Less than 0.5 percent.

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



Table D-2.--Mangoes, fresh, entered from May 1 to October 31: U.S. imports by certain world areas, including designated GSP countries, 1977-80 and May-June 1981

Item	1977		1978		1979		1980		May-June 1981	
	1/	1/	1/	1/	1/	1/	1/	1/	Imports	Percentage distribution
Quantity (1,000 pounds)										
Gross imports	23,195	33,720	32,742	34,851	10,224	100				
26 developed cttries, total:	0	1	42	3	0					
GSP countries, total	23,195	33,719	32,701	34,848	10,224	100				
Mexico	19,988	28,992	26,952	29,655	7,374	72				
Haiti	2,682	3,452	5,627	3,278	2,808	27				
Belize	425	1,183	0	1,787	0					
Guatmal	0	0	11	37	0					
Dom Rep	100	25	49	84	40	2/				
India	0	0	6	0	0					
Jamaica	0	10	19	6	2	2/				
Phil R	0	0	2	1	0					
Other GSP	0	58	35	0	0					
Other	0	0	0	0	0					
Value (1,000 dollars)										
Gross imports	5,593	7,333	8,300	9,891	2,112	100				
26 developed cttries, total:	-	1	12	2	-					
GSP countries, total	5,593	7,332	8,289	9,889	2,112	100				
Mexico	4,995	6,363	7,134	8,723	1,511	72				
Haiti	475	659	1,131	656	595	28				
Belize	106	281	-	469	-					
Guatmal	-	-	1	23	-					
Dom Rep	17	4	4	15	5	2/				
India	-	-	3	-	-					
Jamaica	-	4	7	4	2					
Phil R	-	-	1	1	-					
Other GSP	-	15	8	0	-					
Other	-	-	-	-	-					

1/ Data for 1977-79 are for 12 months (annual data); imports during the months of May to October generally account for 80 percent to 90 percent of the annual imports.

2/ Less than 0.5 percent.

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

Table D-3.--Papayas, fresh: U.S. imports by certain world areas including designated GSP countries, 1977-80, and January-June 1981

Item	Quantity (1,000 pounds)				January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980		
Gross imports	1,134	1,471	2,022	1,554	739	100
26 developed cttries, total	0	0	0	0	2	1/
GSP countries, total	1,134	1,471	2,022	1,554	737	100
Mexico	1,028	1,380	1,991	1,521	696	94
Dom Rep	35	0	31	30	10	1
Brazil	0	0	0	2	25	3
C Rica	0	0	0	0	5	1
Bahamas	61	89	0	0	0	
Ecuador	10	0	0	0	0	
India	0	3	0	0	0	
Phil R	0	0	0	0	1	1/
Other	0	0	0	0	0	
Value (1,000 dollars)						
Gross imports	185	250	387	297	125	100
26 developed cttries, total	-	-	-	-	1	1/
GSP countries, total	185	250	387	297	125	100
Mexico	177	245	375	294	115	92
Dom Rep	4	-	12	2	1	1
Brazil	-	-	-	1	6	5
C Rica	-	-	-	-	2	1
Bahamas	3	5	-	-	-	
Ecuador	1	-	-	-	-	
India	-	1	-	-	-	
Phil R	-	-	-	-	1	1
Other	-	-	-	-	-	

1/ Less than 0.5 percent.

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

Table D-4.--Pineapples, fresh, in crates: U.S. imports by certain world areas including designated GSP countries, 1977-80, and January-June 1981

Item	1977	1/	1978	1979	1980	January - June 1981	
						Imports	Percentage distribution
Quantity (pounds)							
Gross imports-----	1,305,735		2,225,401	190,947	114,610	113,806	100
26 developed cttries, total:	0		0	0	0	0	0
GSP countries, total-----	1,298,375		2,224,098	186,147	111,490	113,806	100
Mexico-----	126,225		2,066,730	100,510	111,490	95,196	84
Guatmal-----	0		0	6,866	0	18,610	16
Hondura-----	1,164,250		56,350	0	0	0	0
C Rica-----	0		71,368	19,371	0	0	0
Dom Rep-----	7,900		0	0	0	0	0
Ecuador-----	0		0	29,800	0	0	0
Argent-----	0		29,600	29,600	0	0	0
Other-----	7,360		1,303	4,800	3,120	0	0
Value (1,000 dollars)							
Gross imports-----	134		185	19	10	10	100
26 developed cttries, total:	-		-	-	-	-	-
GSP countries, total-----	131		184	17	9	10	100
Mexico-----	13		174	7	5	7	71
Guatmal-----	-		-	1	-	3	29
Hondura-----	117		5	-	-	-	-
C Rica-----	-		4	2	-	-	-
Dom Rep-----	1		-	-	-	-	-
Ecuador-----	-		-	.6	-	-	-
Argent-----	-		2	2	-	-	-
Other-----	3		1	1	1	-	-

1/ Quantities are based on the average weight in pounds per 2.45 cubic feet for imports entered in 1978-80.

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

Table D-5.--Pineapples, fresh, in packages other than crates: U.S. imports by certain world areas including designated GSP countries, 1977-80 and January-June 1981

Item	1977	1/	1978	1979	1980	January - June 1981	
						Imports	Percentage distribution
Quantity (pounds)							
Gross imports	55,020,261		69,074,645	70,051,305	67,246,979	46,873,818	100
26 developed cttries, total	0		40,438	0	0	11,280	2/
GSP countries, total	55,020,261		69,034,207	70,051,305	67,246,979	46,862,538	100
Hondura	39,515,465		49,453,233	47,804,475	57,550,121	41,795,625	89
Mexico	15,410,496		19,568,018	21,828,266	8,461,759	2,669,140	6
C Rica	76,500		5,120	106,622	1,146,588	1,470,407	3
Guatmal	0		0	0	88,511	83,340	2/
Dom Rep	17,800		3,150	186,942	0	691,740	1
Trinidad	0		0	0	0	0	
Ecuador	0		4,686	125,000	0	42,940	2/
Ivy Cst	0		0	0	0	109,346	2/
Other	0		0	0	0	0	
Value (1,000 dollars)							
Gross imports	4,257		5,668	5,779	5,578	3,969	100
26 developed cttries, total	-		3	-	-	1	2/
GSP countries, total	4,257		5,665	5,779	5,578	3,968	100
Hondura	3,749		4,413	4,032	4,969	3,413	86
Mexico	496		1,249	1,714	498	172	4
C Rica	8		1	6	103	280	7
Guatmal	-		-	-	8	15	2/
Dom Rep	4		1	11	-	45	1
Trinidad	-		-	-	-	-	
Ecuador	-		1	17	-	4	2/
Ivy Cst	-		-	-	-	39	1
Other	-		-	-	-	-	

1/ Quantities are based on the average weight in pounds per 2.45 cubic feet for imports entered in 1978-80.

2/ Less than 0.5 percent.

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

TITLE: CANTALOUPE, FRESH

I. TSUS(A) item numbers; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current col. 1 (1/1/81)	Final : concession: rate : col. 2 (1/1/81)		
148.17	Melons, fresh, or prepared or preserved: Fresh: Cantaloupes: If entered at any other time. <u>1/</u>	35% ad val.	2/ 35% ad val.	15,135	Yes.

1/ The period covers April 1 through July 31 and September 16 through November 30.

2/ No concession was granted on this item in the recent trade negotiation.

## II. Comment

Description and uses

There are about half-a-dozen different botanical varieties of muskmelons, with numerous subtypes, that range widely in shape, size, and appearance and that hybridize readily with each other. The predominant member of the melons produced in the United States is known as a cantaloupe. This digest covers cantaloupes entered during the period April 1-July 31 and September 16-November 30, inclusive, in any year (TSUS item 148.17).

The cantaloupe is a melon grown on an annual trailing vine in temperate climates. This melon is round to oval, usually 5 to 6 inches in diameter, has a salmon-orange colored flesh and the skin is overlain with a heavy, sandy tan-colored surface netting. Cantaloupes are generally used fresh as an appetizer, salad, or fruit dessert. Fresh cantaloupes are a non-storable fruit having a market life generally of only several weeks after harvest. These conditions make the supply of cantaloupes seasonal.

Small quantities of cantaloupes are marketed in the form of frozen or chilled cantaloupe balls or pieces; such products are classified as prepared or preserved melons (TSUS item 148.25).

U.S. consumption, production, and producers

During 1976-80, aggregate U.S. consumption of cantaloupes (April 1-July 31 and September 16-November 30) ranged from 679 million to 923 million pounds and averaged 809 million pounds annually, of which about 18 percent was supplied by imports (table A). Total annual U.S. cantaloupe production closely followed consumption and averaged 702 million pounds (table A). Production of cantaloupes in the period under consideration for duty

reduction (April 1-July 31 and September 16-November 30) accounts for approximately 60 percent of total production.

The cantaloupe harvest is highly seasonal. Spring season harvests begin in mid-April and peak during June. The summer harvests occur mostly from mid-July to the end of August and the fall harvests are primarily during October and November.

Cantaloupes require a long growing season and are susceptible to a number of diseases that effectively limit the areas where they can be grown. Although cantaloupes are produced commercially in at least 25 States, nearly three-fourths of the crop is harvested in California and Arizona. The cantaloupe varieties grown in the west can withstand the rigors of being shipped long distances and western packing operations are geared to distribute such melons nationwide.

#### U.S. exports

During 1976-80, exports of cantaloupes during the period April 1-July 31 and September 16-November 30 showed no discernible trend, averaging an estimated 37 million pounds annually (table A). U.S. exports have been equivalent to about one-fourth of the imports of cantaloupes. The principal export market is Canada, accounting for over 90 percent of the total (table B). Exports during the seasonal periods under review are believed to account for about four-fifths of total annual cantaloupe exports.

#### U.S. imports

Cantaloupes imported into the United States during the period April 1-July 31 and September 16-November 30, averaged 145 million pounds during

1976-80 (table C). Imports increased irregularly during 1976-80 from 114 million pounds in 1976 to 131 million pounds in 1980, and reached a high of 168 million pounds in 1977. Nearly all of the imports came from Mexico (table D) and most entered the U.S. market at the time of year before substantial domestic production was available. When domestic cantaloupes are available in quantity, imports fall off owing to lower prices of the domestic product.

Domestic consumption of cantaloupes during the months of March, April, and most of May is nearly all supplied by imports. Consumption during parts of May and June is supplied by both imported and domestic cantaloupes. Thereafter, throughout the summer and fall months, consumption is supplied almost entirely by domestic production. The cantaloupe, like all melons, is heavy in weight in relation to its value, thus generally making long distance transportation costs a critical factor.

#### Position of interested parties

Colombia has presented a request that fresh melons, if imported between April 1 to July 30, or September 16 to November 30, be included in the GSP.

The American Farm Bureau Federation opposes special unilateral tariff concessions to developing countries. The Federation states that tariff concessions should only be granted in the negotiating process where concessions are received as well as granted, and that the generalized system of preferences is inconsistent with the most-favored-nation principle. Such preferences create serious problems for some domestic producers, and many of the developing countries exporting agricultural products to the United States under the GSP are already highly competitive.



A Florida association of growers opposes granting duty-free treatment to imported fresh cantaloupes because the effect of additional competing produce, at times when domestic shipments of these commodities are heaviest, would depress the market even further and would have grave adverse economic influence upon Florida producers. They state that consumer prices for cantaloupes have remained rather static or, in some instances, actually increased due to the loss of competitive position by domestic producers, and that additional imports will only serve to expedite the already decreasing share of the market for domestic producers.

The Dade County Farm Bureau (Florida) also opposes granting duty-free treatment to imported fresh cantaloupes. They feel there is a definite unfair advantage because foreign markets do not have to comply with EPA regulations, are not under the minimum wage law, and they do not have to supply workmen's compensation, housing, or contribute to the tax base of our country.

An association of domestic producers and shippers strongly objects to granting GSP treatment to cantaloupes. The association states that cantaloupes entering the United States during the period duty-free treatment is requested would, for the most part, be in direct competition with domestic production. They feel that the developing nations are currently able to market their produce on a competitive basis. Granting GSP treatment to cantaloupes can only result in a further decline in domestic production, resulting in a reduced labor force and adversely affecting the economy of California and Arizona as well as other producing States, according to the producers.

Digest No.  
1017--Con.

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Table A.--Cantaloupes, fresh entered during the periods April 1-July 31 and September 16-November 30 (TSUS 148.17): U.S. production, foreign trade, apparent consumption, and ratio of imports to consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Production <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1976-----	608,400	43,600	114,215	679,015	16.8
1977-----	654,000	46,100	168,136	776,036	21.7
1978-----	799,200	30,000	153,777	922,977	16.7
1979-----	732,600	25,800	155,778	862,578	18.1
1980-----	713,400	37,900	130,722	806,222	16.2
Jan.-June:					
1980-----	<u>3/</u>	6,800	129,853	<u>3/</u>	<u>3/</u>
1981-----	<u>3/</u>	8,200	117,221	<u>3/</u>	<u>3/</u>
Value					
1976-----	66,624	5,827	11,530	<u>4/</u>	<u>4/</u>
1977-----	69,226	6,936	19,021	<u>4/</u>	<u>4/</u>
1978-----	77,032	4,338	16,770	<u>4/</u>	<u>4/</u>
1979-----	82,623	3,894	17,379	<u>4/</u>	<u>4/</u>
1980-----	96,679	5,195	15,135	<u>4/</u>	<u>4/</u>
Jan.-June:					
1980-----	<u>3/</u>	1,146	15,064	<u>4/</u>	<u>4/</u>
1981-----	<u>3/</u>	1,270	15,997	<u>4/</u>	<u>4/</u>
Unit value					
1976-----	\$0.11	\$0.13	\$0.10	-	-
1977-----	.11	.15	.11	-	-
1978-----	.10	.14	.11	-	-
1979-----	.11	.15	.11	-	-
1980-----	.14	.14	.12	-	-
Jan.-June:					
1980-----	<u>3/</u>	.17	.12	-	-
1981-----	<u>3/</u>	.16	.15	-	-

1/ Production for the period under TSUS 148.17 (April 1-July 31 and Sept. 16-Nov. 30) accounts for approximately 60 percent of total production.

2/ Estimated on the basis that 80 percent of all cantaloupe exports take place during April 1-July 31 and Sept. 16-Nov. 30. 3/ Not available. 4/ Not meaningful.

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

Table B.--Cantaloupes, fresh: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	1976		1977		1978		1979		1980		January-June-- 1981	
	Quantity (1,000 pounds)											
Canada	44,108		42,770		35,620		30,821		45,585		7,558	9,786
Sweden	0		0		0		0		678		590	118
Colomb	0		0		78		18		255		0	0
Japan	4,129		4,550		35		211		185		0	0
Trinidad	0		0		0		0		155		15	0
U King	0		0		133		383		89		11	9
Nethlds	0		0		2		0		57		57	62
Bermuda	0		0		125		98		99		28	12
All other	6,256		10,327		1,545		706		285		182	234
Total	54,492		57,647		37,539		32,235		47,388		8,442	10,220
Value (1,000 dollars)												
Canada	5,416		5,625		4,913		4,510		6,009		1,184	1,424
Sweden	-		-		-		-		178		160	35
Colomb	-		-		16		5		66		-	-
Japan	765		1,066		8		39		46		-	-
Trinidad	-		-		-		-		44		2	-
U King	-		-		37		123		32		8	4
Nethlds	-		-		1		-		31		31	17
Bermuda	-		-		16		24		23		10	4
All other	1,103		1,278		432		164		65		37	103
Total	7,284		8,670		5,422		4,867		6,494		1,432	1,587
Unit value (per pound)												
Canada	\$0.12		\$0.13		\$0.14		\$0.15		\$0.13		\$0.16	\$0.15
Sweden	-		-		-		-		0.26		0.27	0.30
Colomb	-		-		0.20		0.29		0.26		-	-
Japan	0.19		0.23		0.22		0.19		0.25		-	-
Trinidad	-		-		-		-		0.29		0.15	-
U King	-		-		0.28		0.32		0.36		0.68	0.46
Nethlds	-		-		0.44		-		0.55		0.55	0.27
Bermuda	-		-		0.13		0.25		0.23		0.36	0.31
All other	0.18		0.19		0.28		0.23		0.23		0.20	0.44
Average	0.13		0.15		0.14		0.15		0.14		0.17	0.16

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

Note.--The data in this table cover full years and do not agree with those in Table A, which are on a seasonal basis.

Table C.--Cantaloupes, fresh entered during the periods April 1 - July 31 and September 16 - November 30 (tsus 148.17): U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1981
	Quantity (1,000 pounds)					
Mexico	102,793	151,322	153,660	155,498	130,540	129,671
Chile	0	0	0	0	118	118
Sweden	0	0	0	0	35	35
Guatmal	0	0	0	256	29	29
Nicarag	0	0	12	0	0	0
Other	11,422	16,814	105	24	0	0
Total	114,215	168,136	153,777	155,718	130,722	129,853
Value (1,000 dollars)						
Mexico	10,377	17,118	16,756	17,362	15,114	15,043
Chile	-	-	-	-	11	11
Sweden	-	-	-	-	8	8
Guatmal	-	-	-	14	2	2
Nicarag	-	-	2	-	-	-
Other	1,153	1,903	12	3	-	-
Total	11,530	19,021	16,770	17,379	15,135	15,064
Unit value (per pound)						
Mexico	\$0.10	\$0.11	\$0.11	\$0.11	\$0.12	\$0.12
Chile	-	-	-	-	0.09	0.09
Sweden	-	-	-	-	0.23	0.23
Guatmal	-	-	-	0.05	0.06	0.06
Nicarag	-	-	0.17	-	-	-
Other	0.10	0.11	0.11	0.13	-	-
Average	0.10	0.11	0.11	0.11	0.12	0.12

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

Table D.--Cantaloupes, fresh entered during the periods April 1 - July 31 and September 16 - November 30 (tsus 148.17): U.S. imports by certain world areas including designated GSP countries, 1977-80 and January - June 1981

Item	Quantity (1,000 pounds)				January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980		
Gross imports	168,136	153,777	155,778	130,722	117,221	100
26 developed cttries, total	0	0	0	35	0	
GSP countries, total	168,136	153,777	155,778	130,687	117,221	100
Mexico	151,322	153,660	155,498	130,540	117,106	100
Chile	0	0	0	118	0	
Guatmal	0	0	256	29	76	1/
Nicarag	0	12	0	0	10	1/
C Rica	0	0	0	0	30	1/
Haiti	0	0	0	0	0	
Dom Rep	0	0	0	0	0	
Other	16,814	105	24	0	0	
Value (1,000 dollars)						
Gross imports	19,021	16,770	17,379	15,135	15,997	100
26 developed cttries, total	-	-	-	8	-	
GSP countries, total	19,021	16,770	17,379	15,127	15,997	100
Mexico	17,118	16,756	17,362	15,114	15,988	100
Chile	-	-	-	11	-	
Guatmal	-	-	14	2	6	1/
Nicarag	-	2	-	-	1	1/
C Rica	-	-	-	-	2	1/
Haiti	-	-	-	-	-	
Dom Rep	-	-	-	-	-	
Other	1,903	12	3	-	-	

1/ Less than 0.5 percent.

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

TITLE: CERTAIN PREPARED OR PRESERVED FRUITS

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty <sup>1/</sup>			U.S. imports: in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current col. 1 (1/1/81)	Final concession: rate 2/ (1/1/81)	Current col. 2 (1/1/81)		
148.98	Pineapples, fresh or prepared or preserved: Prepared or preserved-----	0.62¢/lb.:	0.25¢/lb.:	2¢/lb.	116,302	Yes.
148.9820	In airtight containers-----	(AVE 2.5%):	(AVE 1.0%):	(AVE 8.1%):	113,686	Yes.
150.02	Mixtures of two or more fruits, prepared or preserved: In airtight containers and not containing apricots, citrus fruits, peaches, or pears <sup>3/</sup>	11.5%:	7%:	35%:	4,303	Yes.

<sup>1/</sup> The symbol "%" indicates percent ad valorem. The symbol "/" indicates per stated unit of quantity. For specific and compound rates, the ad valorem equivalent, based on the value of total imports in 1980 from most-favored-nation countries, is shown in parenthesis, e.g. (AVE X.X%).

<sup>2/</sup> This rate of duty represents the full concession rate for the products included in the item. The full concession rate for item 148.98 will become effective through 8 equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987, and for item 150.02, in four equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1983.

<sup>3/</sup> These articles were dutiable under former TSUS item 150.00 prior to Jan. 1, 1980, the provision for mixtures of two or more fruits, prepared or preserved.

## II. Comments

Description and uses

This digest covers prepared or preserved pineapples, provided for under TSUS item 148.98, and certain canned fruit mixtures, provided for under TSUS item 150.02. The tariff description of item 150.02 is for "mixtures of two or more fruits, prepared or preserved, in airtight containers and not containing apricots, citrus fruits, peaches, or pears"; the item became effective on January 1, 1980 for purposes of carrying out trade agreement concessions granting MTN duty-rate reductions on canned tropical fruit salad, which was the principal imported article under the then new tariff description. Canned tropical fruit salad, according to the international standard of identity, 1/ consists of mixtures containing a minimum of 75 percent of a combination of pineapple, and papaya or mango (singly or together), and banana.

Prepared or preserved pineapples include canned pineapples (pineapples in airtight containers, TSUSA item 148.9820) which are used as a dessert fruit or in salads, as a garnish with meats, as ingredients in bakery goods and ice creams, and in jams, preserves, and soda fountain toppings. Prepared or preserved pineapples not in airtight containers (TSUSA item 148.9840) include, but are not limited to, brined pineapples used for further processing (in such products as candied pineapple), dried pineapples treated with sugar and used in ways similar to a confection, and frozen pineapples. Canned tropical fruit mixtures are used primarily as a dessert fruit or in salads, in ways similar to other well known domestically produced canned fruit mixtures, like "fruit

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1/ There is no U.S. standard for canned tropical fruit salad.



cocktail" or "fruit salad." Tariff item 150.02 also includes a wide selection of potential mixtures of two or more fruits in airtight containers which could be used for any purpose where fruit in airtight containers is required, or would suffice.

U.S. consumption, production, and producers

Pineapples.--Apparent U.S. consumption of prepared or preserved pineapples increased irregularly from 706 million pounds in 1976 to 752 million pounds in 1980, or by 7 percent (table A-1). An estimated 99 percent of the apparent consumption consists of canned pineapples. During 1976-80, the domestic production of canned pineapples (i.e., prepared or preserved pineapples) declined from 367 million pounds to 299 million pounds, or by 19 percent. During 1976-80, the ratio of imports to consumption increased from 53 percent in 1976 to 63 percent in 1980. Except for an annual average of several million pounds of prepared or preserved pineapples shipped from Puerto Rico to the United States, all of the domestic production is produced in Hawaii. Three processors currently pack the Hawaiian output of canned pineapples. Several of these firms also pack canned pineapples in their foreign operations in GSP designated beneficiary countries.

Certain canned fruit mixtures.--The apparent consumption of canned fruit mixtures not containing apricots, citrus fruits, peaches, or pears, including the apparent consumption of canned tropical fruit mixtures, is estimated to have ranged from 6 million pounds to 16 million pounds in recent years (table A-2). Accurate data for this description of products are neither reported nor are they otherwise available for production or exports; data were not available

for imports prior to 1980. It is believed, however, that domestic production of canned tropical fruit mixtures, if any, is small. It is also believed that other combinations of canned fruit mixtures that would qualify under the description for item 150.02 is probably modest; for example, the reported domestic production of canned "mixed fruits" during a recent 5-year period ranged from 31 million to 68 million pounds, much of which probably would not qualify under the description for item 150.02. None of the domestic production of "fruit cocktail", "fruit salad", or "citrus salad", all of which are packed in airtight containers, would qualify under the description for item 150.02. In comparison, however, the domestic production of all canned fruit mixtures, including products that would qualify under item 150.02, has averaged more than 700 million pounds annually in recent years, and apparent consumption has averaged about 625 million pounds annually.

#### U.S. exports

Pineapples.--During 1976-80, U.S. exports of prepared or preserved pineapples declined from 34 million pounds, valued at \$10 million, in 1976 to 20 million pounds, valued at \$7 million, in 1980, while the average unit values of the exports increased modestly from 29 cents per pound in 1976 to 34 cents per pound in 1980 (table B). However, during January-June of 1981 exports amounted to 13 million pounds, an increase of 30 percent over January-June 1980 exports of 10 million pounds. On average, U.S. exports of canned pineapples have accounted for about 8 percent of the annual domestic production. Canada has been the principal market for canned pineapple exports in recent years, accounting for 55 percent of the exports by quantity in 1980; Japan, West Germany, and the Netherlands were the next most important markets during the last two years. France and several other European Economic Community countries were significant markets in 1976.

Certain canned fruit mixtures.--It is believed that U.S. exports of canned fruit mixtures of the type classifiable under item 150.02 are small in relation to both domestic production and consumption; data are not separately reported.

U.S. imports

Pineapples.--During 1976-80, U.S. imports of prepared or preserved pineapples increased from 373 million pounds, valued at \$78 million, to 473 million pounds, valued at \$116 million, or 27 percent by quantity and 49 percent by value (table C-1). The 100 million pound increase over the five year period was due principally to increased imports from Thailand, the second ranking supplier, which accounted for 88 percent of the increase. During January-June 1981, imports of prepared or preserved pineapples amounted to 223 million pounds, a decline of 8 percent from the 242 million pounds entered during January-June 1980; however, imports from Thailand over these two January-June periods increased by 23 percent from 78 million pounds to 96 million pounds while significant declines were recorded for all other major suppliers. The trends in the U.S. imports for prepared or preserved pineapples in airtight containers under TSUSA item 148.9820 (canned pineapples) parallel those of the imports for all prepared or preserved pineapples. Imports of canned pineapples during 1976-80 increased from 368 million pounds in 1976 to 462 million pounds in 1980, and accounted for 98 percent of the total prepared or preserved pineapple imports in each year.

The principal suppliers for both prepared or preserved pineapples and prepared or preserved pineapples in airtight containers are designated beneficiary countries for purposes of the GSP. These are led, in order of importance (based on 1980 imports), by the Philippine Republic, Thailand, Taiwan, and Mexico (tables D-1 and D-2). Prior to 1980, the Philippine Republic was consistently a supplier of more than 50 percent of the imports, but based on January-June 1981 imports no GSP country was a supplier of over 50 percent of the imports of either prepared or preserved pineapples or prepared or preserved pineapples in airtight containers. Thus, it would appear that if GSP treatment were granted for the articles, no GSP country would be excluded from duty-free benefits on the basis of competitive need. The share of the imports of prepared or preserved pineapples supplied by Thailand, however, has increased from 22 percent (by value) in 1977 to 42 percent during January-June 1981. Mexico has consistently been the principal supplier of prepared or preserved pineapples not in airtight containers (TSUSA item 148.9840), accounting for 69 percent of such imports during January-June 1981 (table D-3). Granting GSP treatment to canned pineapples (TSUSA item 148.9820) and not to all prepared or preserved pineapples (TSUS 148.98) would exclude GSP benefits on imports under item 148.9840.

The petitioners for GSP treatment of either TSUS item 148.98 or TSUSA item 148.9820 are Thailand, Mexico, and Ecuador. According to statements of petitioners, there are 5 canned pineapple processors in Thailand, and 5 in Ecuador (U.S. imports of canned pineapples from Ecuador have been negligible

or nil). Domestic firms have foreign pineapple operations located in the Philippine Republic, Thailand, Kenya, Costa Rica, and Honduras.

The conditions of competition of prepared or preserved pineapples marketed in the United States include competition for the retail consumer's canned-fruit-dollar, not only for domestic pineapple vs the foreign product, but also canned pineapples vs other canned fruits, both domestic and foreign. Foreign canned pineapples in recent years have taken an increasing share of a rising market in the United States, so that in 1980 nearly two-thirds of the apparent domestic consumption of prepared or preserved pineapples was supplied by imports. Pineapples account for about one-sixth of the domestic consumption of all canned fruits, and pineapple is the only major domestically-produced canned fruit that is also imported in appreciable quantities relative to consumption. With the exception of apples and pineapples, the U.S. rates of duty on most major U.S. canned fruits range from 17.5 percent to 35 percent ad valorem; in 1980, the ad valorem equivalent of the rate of duty on prepared or preserved pineapples was 2.5 percent.

Certain canned fruit mixtures.--U.S. imports of mixtures of two or more fruits in airtight containers and not containing apricots, citrus fruits, peaches, or pears (TSUS item 150.02) amounted to 14 million pounds, valued at \$4.3 million, in 1980, the first year that such imports were reported separately from the imports of all mixtures of two or more fruits prepared or preserved. In recent years, imports probably accounted for four-fifth of domestic consumption. In 1980, imports under item 150.02 accounted for 60 percent (by both quantity and value) of the imports of all mixtures of two or more prepared or preserved fruits. However, the share of all such prepared or preserved fruit mixtures accounted for by item 150.02 from the different

suppliers was significantly different; in 1980, the share of all such mixtures supplied under item 150.02 for the Philippine Republic was 98 percent, for Mexico 2 percent, and for Thailand 75 percent. Thus, during 1976-79, estimated imports of products classifiable under item 150.02 ranged from 4 million pounds in 1976 to 9 million pounds in 1977 and 1978. In both 1980 and January-June 1981, the Philippine Republic was by far the leading supplier under item 150.02, accounting for over 95 percent of the imports (table D-4). If GSP benefits were granted to the article (TSUS item 150.02), the Philippine Republic, one of the petitioners, likely would be excluded from receiving duty-free benefits owing to competitive need limitations. The other petitioner for GSP treatment, Jamaica, is not known to have supplied any imports of the type dutiable under item 150.02.

The principal competition in the retail market place for mixtures of prepared or preserved fruits of the type provided for under item 150.02 is with other canned fruit mixtures, such as fruit cocktail, fruits for salad, mixed fruits, and canned or chilled citrus salad or other citrus fruit mixtures. The United States is a large producer and consumer of nearly all of these products and the consumption of the type of articles provided for under item 150.02 probably does not exceed 5 percent of the total consumption of all canned fruit mixtures at the present time. \* \* \*

Position of interested parties

The petitioners for GSP review of prepared or preserved pineapples (TSUS 148.98), the governments of Thailand and Ecuador, and the petitioner for GSP review of prepared or preserved pineapples in airtight containers (TSUSA 148.9820), the government of Mexico, favor granting GSP eligibility to these articles. The petitioners for GSP review of certain prepared or preserved fruit mixtures in airtight containers (TSUS 150.02), the governments of Jamaica and the Philippines, favor granting GSP eligibility to this article.

Congressman Daniel K. Akaka of Hawaii opposes granting GSP eligibility to pineapple and its products. Hawaii has, for some time now, been attempting to diversify its agricultural production and pineapples are the second most important crop in the State's agricultural economy; production is highly labor-intensive. After years of decline, pineapple production in Hawaii has begun to return to the healthy levels of years past. The approval of the petition for duty-free treatment of pineapple and its products would be a severe blow to Hawaii's reviving agricultural industry.

The U.S. pineapple industry, principally located in Hawaii, opposes the elimination of the U.S. import duties under the GSP for prepared or preserved pineapples. Such elimination would seriously affect the financial stability of the pineapple companies in Hawaii, the thousands of pineapple plantation and cannery workers, and the economic welfare of Hawaii. The present low rate of duty on prepared or preserved pineapples subjects it to more foreign

competition than other domestic canned fruits, which have higher rates of duty. Prepared or preserved pineapples should remain dutiable, and GSP treatment should be denied, because nondutiable articles, including GSP articles, are subject to injury determinations in countervailing duty cases; and in the event that a foreign subsidy situation should arise the burden of obtaining relief would be more difficult if the article were GSP duty-free.

The American Farm Bureau Federation opposes special unilateral tariff concessions to developing countries. The Federation states that tariff concessions should only be granted in the negotiating process where concessions are received as well as granted, and the Generalized System of Preferences is inconsistent with the most-favored-nation principle. Such preferences create serious problems for some domestic producers, and many of the developing countries exporting agricultural products to the United States under the GSP are already highly competitive.

A labor union in Hawaii is opposed to the granting of GSP treatment to pineapples because Hawaii's economic base rests on agricultural products, and preferential treatment would cause harmful consequences to the State and its residents.



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Table A-1.--Pineapples, prepared or preserved (TSUS item 148.98): U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Production <sup>1/</sup>	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1976-----	367	34	373	706	53
1977-----	376	34	393	735	54
1978-----	339	31	387	695	56
1979-----	330	25	457	762	60
1980-----	299	20	473	752	63
Jan.-June:					
1980-----	2/	8	242	2/	2/
1981-----	2/	13	223	2/	2/
Value					
1976-----	2/	9,827	78,320	2/	2/
1977-----	2/	10,876	86,795	2/	2/
1978-----	2/	10,115	88,506	2/	2/
1979-----	2/	8,461	108,000	2/	2/
1980-----	2/	6,929	116,302	2/	2/
Jan.-June:					
1980-----	2/	3,095	57,031	2/	2/
1981-----	2/	4,354	60,913	2/	2/
Unit value					
1976-----	2/	29	21	2/	2/
1977-----	2/	31	22	2/	2/
1978-----	2/	33	23	2/	2/
1979-----	2/	33	24	2/	2/
1980-----	2/	34	25	2/	2/
Jan.-June:					
1980-----	2/	32	24	2/	2/
1981-----	2/	34	27	2/	2/

<sup>1/</sup> Production is the domestic pack of canned pineapples by Hawaiian packers, estimated on the basis of 30 pounds net weight per actual case, plus shipments of prepared or preserved pineapples from Puerto Rico to the United States; Puerto Rican shipments account for less than 2 percent of the total.

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

Source: Production compiled from official statistics of the Pineapple Growers Association of Hawaii and the U.S. Department of Commerce; exports and imports compiled from official statistics of the U.S. Department of Commerce.

Note.--Of the above quantities, pineapples prepared or preserved in airtight containers (TSUSA item 148.9820) are believed to account for nearly 100 percent of production and exports and 99 percent of apparent consumption; in 1980, U.S. imports of pineapples in airtight containers accounted for 98 percent of all imports of prepared or preserved pineapple.

Table A-2.--Fruit mixtures, prepared or preserved, in airtight containers and not containing apricots, citrus fruits, peaches, or pears: U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Production <u>1/</u>	Exports <u>1/</u>	Imports	Apparent consumption <u>2/</u>	Ratio (percent) of imports to consumption <u>2/</u>
Quantity					
1976-----	2,000	100	<u>2/</u> 3,630	5,530	66
1977-----	2,000	100	<u>2/</u> 9,015	10,915	83
1978-----	2,000	100	<u>2/</u> 8,980	10,880	83
1979-----	2,000	100	<u>2/</u> 6,008	7,908	76
1980-----	2,000	100	13,759	15,659	88
Jan.-June:					
1980-----	1,000	50	6,875	7,725	89
1981-----	1,000	50	4,579	5,529	83
Value					
1976-----	<u>3/</u>	<u>3/</u>	<u>2/</u> 820	<u>3/</u>	<u>3/</u>
1977-----	<u>3/</u>	<u>3/</u>	<u>2/</u> 2,230	<u>3/</u>	<u>3/</u>
1978-----	<u>3/</u>	<u>3/</u>	<u>2/</u> 2,110	<u>3/</u>	<u>3/</u>
1979-----	<u>3/</u>	<u>3/</u>	<u>2/</u> 1,920	<u>3/</u>	<u>3/</u>
1980-----	<u>3/</u>	<u>3/</u>	4,303	<u>3/</u>	<u>3/</u>
Jan.-June:					
1980-----	<u>3/</u>	<u>3/</u>	2,033	<u>3/</u>	<u>3/</u>
1981-----	<u>3/</u>	<u>3/</u>	1,498	<u>3/</u>	<u>3/</u>
Unit value					
1976-----	<u>3/</u>	<u>3/</u>	<u>2/</u> 23	<u>3/</u>	<u>3/</u>
1977-----	<u>3/</u>	<u>3/</u>	<u>2/</u> 25	<u>3/</u>	<u>3/</u>
1978-----	<u>3/</u>	<u>3/</u>	<u>2/</u> 23	<u>3/</u>	<u>3/</u>
1979-----	<u>3/</u>	<u>3/</u>	<u>2/</u> 32	<u>3/</u>	<u>3/</u>
1980-----	<u>3/</u>	<u>3/</u>	31	<u>3/</u>	<u>3/</u>
Jan.-June:					
1980-----	<u>3/</u>	<u>3/</u>	30	<u>3/</u>	<u>3/</u>
1981-----	<u>3/</u>	<u>3/</u>	33	<u>3/</u>	<u>3/</u>

1/ Level of production and exports is estimated; actual data fitting this description are not reported. 2/ Estimated. 3/ Not available.

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

Table B.--Pineapples, prepared or preserved: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	Quantity (1,000 pounds)			
	1976	1977	1978	1979
Canada	10,558	15,341	12,213	11,309
Japan	387	453	1,100	1,095
FR Germ	7,840	7,813	6,560	3,146
Nethlds	2,355	2,195	1,578	1,514
Belgium	2,331	1,451	1,439	834
Venez	3	37	99	426
Kor Rep	115	130	577	323
France	3,442	2,399	1,936	298
Singapr	0	14	64	143
Switzld	1,178	1,177	543	276
All other	6,133	3,400	4,913	4,843
Total	34,340	34,410	31,022	25,400
				20,240
				9,775
				1,138
				12,626

Market	Value (1,000 dollars)			
	1976	1977	1978	1979
Canada	2,310	3,902	3,218	3,194
Japan	137	206	419	421
FR Germ	2,447	2,777	2,321	1,116
Nethlds	627	669	513	522
Belgium	759	554	507	315
Venez	1	6	46	185
Kor Rep	41	48	218	359
France	1,058	857	717	99
Singapr	-	11	35	54
Switzld	376	429	204	366
All other	2,070	1,217	1,916	1,830
Total	9,827	10,676	10,115	8,461
				6,929
				3,025
				4,354

Market	Unit value (per pound)			
	1976	1977	1978	1979
Canada	60.22	60.25	60.26	60.28
Japan	0.35	0.46	0.38	0.40
FR Germ	0.31	0.36	0.35	0.35
Nethlds	0.27	0.30	0.33	0.34
Belgium	0.33	0.38	0.35	0.38
Venez	0.39	0.15	0.47	0.43
Kor Rep	0.36	0.37	0.38	0.42
France	0.31	0.36	0.37	0.33
Singapr	-	0.80	0.54	0.38
Switzld	0.32	0.36	0.38	0.37
All other	0.34	0.36	0.39	0.38
Average	0.29	0.31	0.33	0.33

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

Table C-1.--Pineapples, prepared or preserved: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 pounds)					1980	January-June--	
	1976	1977	1978	1979	1980		1980	1981
Phil R-----	217,450	218,833	209,316	237,706	222,389	114,346	:	90,898
Thailand-----	57,306	86,350	99,282	133,594	145,192	78,289	:	96,423
China t-----	28,686	19,123	8,703	21,679	37,528	16,843	:	7,901
Mexico-----	30,904	34,381	40,333	34,342	35,740	17,884	:	10,512
Singapr-----	11,336	8,844	6,008	5,875	10,172	4,963	:	4,769
Malaysa-----	12,866	13,112	11,696	12,146	8,388	5,312	:	3,504
Rep Saf-----	6,196	6,182	6,640	7,479	8,344	2,209	:	5,637
Ivy Cst-----	3,810	3,855	3,442	2,194	3,741	1,725	:	1,769
Hg Kong-----	759	1	38	105	594	355	:	
Japan-----	66	294	33	416	328	213	:	136
All other-----	3,840	2,409	1,165	1,460	204	14	:	718
Total-----	373,218	393,384	387,256	456,997	472,621	242,153	:	222,662
Value (1,000 dollars)								
Phil R-----	42,090	46,408	46,138	54,928	54,300	25,931	:	26,297
Thailand-----	12,621	18,986	22,970	31,639	35,814	18,772	:	25,614
China t-----	6,842	4,868	2,464	5,609	9,458	4,133	:	2,147
Mexico-----	7,835	8,157	9,725	8,307	8,916	4,516	:	2,727
Singapr-----	2,721	2,152	1,534	1,565	2,598	1,278	:	1,176
Malaysa-----	3,102	3,253	2,994	3,113	2,191	1,370	:	899
Rep Saf-----	1,314	1,431	1,555	1,845	1,926	522	:	1,322
Ivy Cst-----	730	922	844	533	827	376	:	368
Hg Kong-----	100	1/	11	24	139	76	:	104
Japan-----	16	82	9	93	74	48	:	34
All other-----	949	536	262	366	59	9	:	225
Total-----	78,320	86,795	83,506	108,000	116,302	57,031	:	60,913
Unit value (per pound)								
Phil R-----	\$0.19	\$0.21	\$0.22	\$0.23	\$0.24	\$0.23	:	\$0.29
Thailand-----	0.22	0.22	0.23	0.24	0.25	0.24	:	0.27
China t-----	0.24	0.25	0.28	0.26	0.25	0.25	:	0.27
Mexico-----	0.25	0.24	0.24	0.24	0.25	0.25	:	0.26
Singapr-----	0.24	0.24	0.26	0.27	0.26	0.26	:	0.25
Malaysa-----	0.24	0.25	0.26	0.26	0.26	0.26	:	0.26
Rep Saf-----	0.21	0.23	0.23	0.25	0.23	0.24	:	0.23
Ivy Cst-----	0.19	0.24	0.25	0.24	0.22	0.22	:	0.21
Hg Kong-----	0.13	0.41	0.28	0.22	0.23	0.22	:	0.26
Japan-----	0.24	0.28	0.24	0.22	0.23	0.23	:	0.25
All other-----	0.25	0.22	0.22	0.24	0.29	0.61	:	0.31
Average-----	0.21	0.22	0.23	0.24	0.25	0.24	:	0.27

1/ Less than \$500.

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



Table C-2.--Fruit mixtures, prepared or preserved, in airtight containers and not containing apricots, citrus fruits, peaches, or pears: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 pounds)					1981
	1976 1/	1977 1/	1978 1/	1979 1/	1980	
Phil R-----	3,602	8,902	8,769	5,822	13,592	4,506
Mexico-----	7	71	178	166	156	20
Thailand-----	5	0	23	4	9	40
U King-----	0	1	6	2	0	2/
Dom Rep-----	0	0	0	0	1	0
France-----	1	9	2/	2/	2/	0
Denmark-----	4	0	0	0	0	1
India-----	2	1	2	5	0	1
All other-----	11	31	2	9	0	11
Total-----	3,630	9,015	8,980	6,008	13,759	4,579
	Value (1,000 dollars)					
Phil R-----	800	2,186	2,042	1,857	4,246	1,449
Mexico-----	2	18	46	46	48	7
Thailand-----	2	-	13	2	5	32
U King-----	-	3/	3/	3/	2	1
Dom Rep-----	-	-	-	-	4/	-
France-----	3/	3/	3/	3/	4/	-
Denmark-----	3/	-	-	-	-	4/
India-----	3/	3/	3/	3/	-	4/
All other-----	3/	3/	3/	3/	-	4/
Total-----	820	2,250	2,110	1,920	4,303	1,498
	Unit value (per pound)					
Phil R-----	\$0.22	\$0.25	\$0.23	\$0.32	\$0.31	\$0.32
Mexico-----	.29	.25	.26	.28	.31	.35
Thailand-----	.40	-	.57	.50	.60	.79
U King-----	-	3/	3/	3/	1.64	3.95
Dom Rep-----	-	-	-	-	.32	-
France-----	3/	3/	3/	3/	3.67	-
Denmark-----	3/	-	-	-	-	.53
India-----	3/	3/	3/	3/	-	.48
All other-----	3/	3/	3/	3/	-	.77
Average--	.23	.25	.25	.32	.31	.33

1/ Estimated. Data for 1976-79 are based on ratios of imports by source for all prepared or preserved fruit mixtures (TSUS items 150.02 and 150.05) entered in 1980 and January-June 1981.

2/ Less than 500 pounds.

3/ Not available.

4/ Less than \$500.

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

Table D-1.--Pineapples, prepared or preserved: U.S. imports by certain world areas, including designated GSP countries, 1977-80 and January-June 1981

Item	Quantity (1,000 pounds)				Value (1,000 dollars)		Percentage distribution
	1977	1978	1979	1980	1980	January - June 1981	
Gross imports	393,384	387,256	456,997	472,621	222,662	100	
26 developed countries, total	6,675	6,814	7,931	8,748	6,084	3	
GSP countries, total	386,710	380,442	449,066	463,820	216,349	97	
Phil R	218,833	209,316	237,706	222,389	90,898	41	
Thailand	86,350	99,282	133,594	145,192	96,423	43	
China t	19,123	8,703	21,679	37,528	7,901	4	
Mexico	34,381	40,933	34,342	35,740	10,512	5	
Singapr	8,844	6,008	5,875	10,172	4,769	2	
Malaysa	13,112	11,696	12,146	8,388	3,504	2	
Ivy Cst	3,855	3,442	2,194	3,741	1,768	1	
Hg Kong	1	38	105	594	396	1/	
Other GSP	2,210	1,024	1,424	74	177	1/	
Other	0	0	0	54	229	1/	
Gross imports	86,795	88,506	108,000	116,302	60,913	100	
26 developed countries, total	1,559	1,601	1,947	2,015	1,439	2	
GSP countries, total	85,236	86,905	106,053	114,272	59,411	98	
Phil R	46,408	46,138	54,928	54,300	26,297	43	
Thailand	18,986	22,970	31,639	35,814	25,614	42	
China t	4,868	2,464	5,609	9,458	2,147	4	
Mexico	8,157	9,725	8,307	8,916	2,727	4	
Singapr	2,152	1,534	1,565	2,598	1,176	2	
Malaysa	3,253	2,994	3,113	2,191	899	1	
Ivy Cst	922	844	533	827	368	1	
Hg Kong	2/	11	24	139	104	1/	
Other GSP	489	224	337	29	79	1/	
Other	-	-	-	15	64	1/	

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

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

Table D-2.--Pineapples, prepared or preserved, in airtight containers: U.S. imports by certain world areas, including designated GSP countries, 1977-80 and January-June 1981

Item	Quantity (1,000 pounds)			Value (1,000 dollars)		January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980	1981		
Gross imports-----	387,645	381,502	450,237	461,906	219,453		100
26 developed cttries, total:	6,571	6,814	7,927	8,639	6,050		3
GSP countries, total-----	381,074	374,688	442,311	453,215	213,173		97
Phil R-----	218,833	209,312	237,705	221,971	90,861		41
Thailand-----	86,284	98,999	133,389	144,611	96,382		44
China t-----	17,441	8,536	21,430	37,291	7,677		4
Mexico-----	30,599	35,680	28,094	27,107	8,039		4
Singapr-----	8,844	5,972	5,836	9,846	4,697		2
Malaysa-----	13,112	11,690	12,146	8,013	3,284		2
Ivy Cst-----	3,855	3,442	2,194	3,741	1,768		1
Hg Kong-----	1	38	105	594	396		1/
Other GSP-----	2,105	1,017	1,411	41	70		1/
Other-----	0	0	0	53	229		1/
Gross imports-----	85,335	87,233	106,237	113,686	60,019		100
26 developed cttries, total:	1,535	1,601	1,946	1,994	1,431		2
GSP countries, total-----	83,800	85,632	104,291	111,678	58,524		98
Phil R-----	46,408	46,135	54,927	54,183	26,272		44
Thailand-----	18,971	22,897	31,496	35,599	25,578		43
China t-----	4,330	2,313	5,380	9,274	2,056		3
Mexico-----	7,310	8,699	6,933	7,028	2,114		4
Singapr-----	2,152	1,525	1,556	2,523	1,161		2
Malaysa-----	3,253	2,988	3,113	2,092	844		1
Ivy Cst-----	922	844	533	827	368		1
Hg Kong-----	2/	11	24	139	104		1/
Other GSP-----	453	220	331	13	26		1/
Other-----	-	-	-	14	64		1/

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

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

Table D-3.--Pineapples, prepared or preserved, not in airtight containers: U.S. imports by certain world areas, including designated GSP countries, 1977-80 and January-June 1981

Item	Quantity (1,000 pounds)				January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980		
Gross imports	5,739	5,754	6,760	10,715	3,209	100
26 developed countries, total:	103	0	4	109	34	1
GSP countries, total:	5,636	5,754	6,756	10,605	3,175	99
Mexico	3,782	5,252	6,248	8,634	2,473	77
Thailand	66	282	205	581	41	1
China t	1,682	167	249	237	224	7
Phil R	0	3	1	418	37	1
Malaysia	0	6	0	376	220	7
Singapr	0	36	39	327	72	2
Guatmal	0	0	11	27	100	3
Venez	0	0	0	6	0	
Other GSP	106	7	1	0	8	1/
Other	0	0	0	1	0	
	Value (1,000 dollars)					
Gross imports	1,459	1,273	1,763	2,616	895	100
26 developed countries, total:	24	-	1	21	8	1
GSP countries, total:	1,436	1,273	1,762	2,594	887	99
Mexico	847	1,026	1,374	1,858	613	69
Thailand	15	73	143	215	35	4
China t	538	151	229	184	91	10
Phil R	-	3	1	117	25	3
Malaysia	-	6	-	99	55	6
Singapr	-	9	9	75	15	2
Guatmal	-	-	5	12	49	6
Venez	-	-	-	3	-	
Other GSP	36	4	1	-	3	1/
Other	-	-	-	1	-	

1/ Less than 0.5 percent.

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

Table D-4.--Fruit mixtures, prepared or preserved, in airtight containers and not containing apricots, citrus fruits, peaches, or pears: U.S. imports by certain world areas, including designated GSP countries, 1977-80 and January-June 1981

Item	1977		1978		1979		1980		January - June 1981	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Gross imports	9,015	2,230	8,980	2,110	6,008	1,920	13,759	4,303	4,579	1,498
26 developed countries, total:	36	14	1	1	4	2	1	3	5	2
GSP countries, total:	8,979	2,216	8,979	2,109	6,004	1,918	13,758	4,300	4,574	1,493
Phil R	8,902	2,186	8,769	2,042	5,822	1,857	13,592	4,246	4,506	1,449
Mexico	71	18	178	46	166	46	156	48	20	7
Thailand	0	-	23	13	4	2	9	5	40	32
Dom Rep	0	-	0	-	0	-	1	3	0	-
India	0	-	0	-	0	-	0	-	0	-
Hg Kong	1	4/	1	4/	5	4/	0	-	1	3/
Taiwan	5	4/	6	4/	6	4/	0	-	6	2/
Other	0	-	0	-	0	-	0	-	0	-
Gross imports	2,230	2,230	2,110	2,110	1,920	1,920	4,303	4,303	1,498	1,498
26 developed countries, total:	14	14	1	1	2	2	3	3	5	5
GSP countries, total:	2,216	2,216	2,109	2,109	1,918	1,918	4,300	4,300	1,493	1,493
Phil R	2,186	2,186	2,042	2,042	1,857	1,857	4,246	4,246	1,449	1,449
Mexico	18	18	46	46	46	46	48	48	7	7
Thailand	-	-	13	13	2	2	5	5	32	32
Dom Rep	-	-	-	-	-	-	3/	3/	-	-
India	-	-	4/	4/	4/	4/	-	-	3/	3/
Hg Kong	4/	4/	4/	4/	4/	4/	-	-	3	3
Taiwan	4/	4/	4/	4/	4/	4/	-	-	2	2
Other	-	-	-	-	-	-	-	-	-	-

1/ Estimated. Data for 1977-79 are based on ratios of imports by source for all prepared or preserved fruit mixtures (TSUS items 150.02 and 150.05) entered in 1980 and January-June 1981.

2/ Less than 0.5 percent.

3/ Less than \$500.

4/ Not available.

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



TITLE: MISCELLANEOUS FRUIT PRODUCTS

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty 1/		U.S. imports in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current col. 1 (1/1/81)	Final concession: rate 2/ (1/1/81)		
152.30	Orange fruit peel, prepared or preserved except crude, dried or in brine.	1.4¢/lb (AVE 4.1%):	1.4¢/lb (AVE 4.1%):		Yes.
152.7640	Fruit paste and fruit pulp, n.s.p.f.	15%	2/ 8¢ per 35%	73 251	Yes.
154.90	Mixtures of two or more kinds of candied, crystallized or glace nuts, fruits or vege- table substances.	3/	3/ 3/	25	Yes.

1/ The symbol "%" indicates percent ad valorem. The symbol "/" indicates per stated unit of quantity. For specific and compound rates, the ad valorem equivalent, based on the value of total imports in 1980 from most-favored-nation countries, is shown in parenthesis, e.g. (AVE X.X%) the final concession rate of duty represents the full concession rate for the products included in this item. The full concession rate became effective on Jan. 1, 1981.

2/ No concession was granted on this item in the recent trade negotiations.

3/ The highest rate applicable to any of the components.

## II: Comments

Description and uses

Orange peel.-- Orange peel is the leading fruit peel produced in the United States. It is a byproduct of the orange processing industry, and is used primarily for livestock feed. 1/ Small amounts are used in the manufacture of edible fruit peel, essential oils, pectin, and flavoring extracts. Edible orange peel otherwise prepared or preserved (TSUS item 152.30) is produced both by citrus processors and by confectioners, and consists of orange peel packed in sugar sirup, with or without spices added. It is used principally in making fruit cakes, other bakery products and confectionery.

Miscellaneous fruit pastes and pulps.--This digest also includes fruit pastes and pulps (TSUS 152.7640) not separately provided for in the TSUS. The fruit pastes and pulps considered herein are those of pineapple, quince, avocado, apple, berry, peach, plum, prune, raisin, lemon, pear, and grape, among others. 2/ Fruit pulps generally are prepared by pulverizing cooked or uncooked whole fruit to a homogeneous condition; sugar may be added. No exact definition of fruit pulps exists for customs purposes. Pulps are used for many purposes, including fruit nectar, fruit juice, jams, baby food, yogurt and ice cream. Fruit pastes are usually prepared by evaporating water from prepared fruit pulps or by grinding a dried fruit (such as raisins) to obtain

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1/ Orange peel prepared for livestock feed is dutiable under TSUS item 184.85 and is not included in this report.

2/ Not included are pastes and pulps of apricot, fig, guava, mango, papaya, tamarind, orange, strawberry, banana, plantain, and most of the other important tropical fruits.



a product with a firm consistency. Fruit pastes are generally used as a confection or as a filling in bakery goods and jellies. Other uses include that of raisin paste in meat tenderizers, and avocado paste in guacamole dips.

Mixtures of glace candied, crystallized or fruit, fruit peels, nuts, etc.--Mixtures of fruit, fruit peels, nuts and vegetable substances, when candied, crystallized, or glazed are provided for in TSUS item 154.90. The term "candied" refers to a product which has been impregnated with sugar, usually so that 70 percent or more of the weight of the product is sugar. "Crystallized" means that sugar crystals have formed on the surface of the product, resulting in a rough, crystalline appearance. "Glace" refers to a surface coating of the product with sugar sirup which results in a smooth, shiny appearance. Besides adding sweetness, texture, and appearance to the candied articles, the addition of sugar preserves the article. The principal use for candied fruit and fruit peel is in fruit cakes for holiday use. Other uses are as ingredients in bakery foods, as confectionery or in confectionery manufacture, and as food garnishes. Domestic manufacturers generally mix various candied fruits and fruit peels in standard and made-to-order combinations for industrial baking uses. Some popular mixtures include, for example, glace cherries, pineapple, citron peel and orange peel. Mixes, as well as their individual components, are also marketed through retail outlets for home use. Glace nuts may be sold separately or mixed with other glace products. The principal glace nuts are glace peanuts or glace almonds (so-called "Jordan almonds").

U.S. customs treatment

Miscellaneous fruit pastes and pulps.--\* \* \*

\* \* \*. For example, a domestic industry trade association claims that a pineapple "pulp" product does not exist. If this was the case with pineapple paste and pulp, importers could claim that their product was that rather than "otherwise prepared or preserved pineapple" (TSUS item 148.98), with a 1980 ad valorem equivalent (AVE) duty of 2.8 percent, or "pineapple juice" (TSUS items 165.44 and 165.46), with 1980 AVE's of 22.8 percent or 8.6 percent. This association also maintains that a type of pulp "lemon puree" now enters under item 152.7640, although lemon puree may also apparently enter under TSUS item 147.21.

Mixtures of glaze, candied or crystallized fruit, fruit peels, nuts, etc.--The products imported under TSUS item 154.90 are confectionery products, although most U.S. imports of confectionery products enter under TSUS item 157.10, which has a duty of 7 percent ad valorem and is a GSP-eligible item. 1/

U.S. consumption, production, and producers

Orange peel.--Prepared or preserved edible orange peel can be considered a confectionery product. U.S. consumption of all types of confectionery

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1/ In 1978, the Commission in the course of Investigation 22-41, under sec. 22 of the Agricultural Adjustment Act, as amended, considered the impact of U.S. imports of confectionery containing sugar on the domestic sugar industry. Two Commissioners found that imports under TSUS item 157.10 are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with, the price support operations being conducted by the U.S. Department of Agriculture for sugar cane and sugar beets, or to reduce substantially the amount of any product being processed in the United States from such domestic sugar cane and sugar beets," and recommended quantitative limitations on confectionery entering under TSUS item 157.10 in the amount of 150 million pounds annually. One Commissioner found no injury to the program. Three Commissioners made no finding with respect to TSUS item 157.10.

The products entering under item 154.90 are dutiable at the highest rate applicable to any of the components. By giving this item GSP duty-free status, a foreign producer could avoid paying duty on any other dutiable glaze fruits, or nuts, by simply mixing several different items. Duties on other unmixed glaze products range from 1.2 percent AVE to 23.7 percent AVE. Some of these unmixed glaze products are also GSP-eligible.

generally has been declining over the past decade, and it is likely that U.S. consumption of prepared or preserved orange peel has also. U.S. consumption of edible orange peel is estimated at 3.7 million pounds in 1980. Data on the U.S. production of such orange peel are not available, although it is known that the U.S. industry consumed about 12.8 billion pounds of fresh oranges in 1977 (at a wholesale cost of \$485 million). Orange peel is a byproduct of this use. An industry source has estimated 1980 U.S. production of prepared orange peel at 4 million pounds, valued at \$1.2 million (table A-1). <sup>1/</sup>

Miscellaneous fruit pastes and pulps.--As outlined above, considerable differences exist as to the exact type of fruit-paste and fruit-pulp products under consideration with regard to TSUS item 152.7640 (table A-2). In 1977, the U.S. canning and freezing industries consumed 5.8 billion pounds of fresh fruits (except oranges) purchased at a cost of \$540 million; by 1980, estimated consumption of such fruits declined about 2 percent to 5.7 billion pounds. Considerable amounts of fruit paste and pulp are produced as intermediary products in the process of making such products as juices, nectars, concentrates, jams, baby food, jellies, and preserves. Grape paste and pulp can also be an intermediary product in the making of wine. The principal domestic pastes and pulps produced are those of apple, peach, pineapple, pear, and grape. Smaller amounts of paste and pulp of berry (blueberry), lemon (citrus except oranges), avocado, prune, plum and raisin are also produced domestically. Such fruit pastes and pulps are produced by the U.S. canned fruit, dehydrated fruit, frozen fruit, and frozen fruit specialties industries.

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<sup>1/</sup> Testimony of California-Arizona citrus league before the Commission on Nov. 3, 1981.

Mixtures of glace, candied, or crystallized, fruit, fruit peels, nuts, etc.--U.S. consumption of these glace products, like that of other types of confectionery, has declined over the years. During 1976-80, U.S. consumption of all (mixed 1/ or unmixed) types of glace fruit, fruit peels, nuts, and vegetable substances fell from an estimated 56 million pounds to about 49 million pounds or by 2 percent annually (table A-3). These data do not include other types of competitive chocolate and nonchocolate confectionery, of which Americans consumed approximately 3.8 billion pounds annually. Domestic consumption of glace fruit, fruit peels, nuts, and other confectionery has declined as a result of consumers purchasing less confectionery and more of other types of snack foods.

There are about 19 firms producing glace fruit, fruit peels, nuts, and other substances in the United States; one firm is reported to have a 50-percent share of the domestic market with the rest divided mostly among the next five largest firms. Domestic firms produce mainly candied cherries, candied pineapple, candied fruit peel, glace almonds, and sugared peanuts. Relative abundance of fresh fruits and edible nuts in the United States is a definite advantage for these firms as compared with producers in other countries, although the availability of lower cost sugar in certain foreign countries may outweigh these advantages.

U.S. shipments of mixed or unmixed candied fruit, fruit peels, and nuts declined in 1980 to an estimated 46 million pounds from 50 million pounds shipped in 1976 (table A-3). This decline followed that of the entire U.S. confectionery industry. It is not known exactly how much glace fruit, fruit

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1/ Data for mixtures are not separately reported except for imports.

peels, nuts and vegetable substances are marketed to consumers as a mixture rather than as an unmixed product. \* \* \*. Some unmixed glace fruit and fruit peel may later be mixed by retail merchants before being sold at the retail level.

#### U.S. exports

U.S. exports of the products under consideration in this digest are relatively small in relation to domestic production. U.S. exports of prepared or preserved orange peel are not separately reported but are estimated to be valued at \$120,000 in 1980 (table A-1). U.S. exports of fruit pastes and pulps of all kinds have trended upward in recent years and amounted to about \$13 million in 1980; the principal markets have been Venezuela, Japan, the Dominican Republic, and Canada (table B-1). The most important fruit paste and pulp product exported was canned fruit baby food (fruit puree). U.S. exports of candied fruit, fruit peels, and nuts have also increased and were valued at \$1.6 million in 1980 with about two-thirds of them destined for Canada, Italy, and Saudia Arabia (table B-2).

#### U.S. imports

Orange peel.--U.S. imports of prepared or preserved orange peel averaged slightly below \$100,000 annually during 1976-80 (table C-1). In 1980, imports accounted for 6.3 percent of the value of domestic consumption of orange peel (table A-1). In that year, Spain supplied 44 percent of the \$73,000 in U.S. imports of prepared orange peel and the Dominican Republic 29 percent (table C-1). In 1980, GSP-eligible countries supplied 36 percent of the imports (in terms of value) (table D-1). There are few qualitative differences between imported and domestic edible orange peels; thus the two tend to compete mainly on the basis of price.

Miscellaneous fruit pastes and pulps.--Annual U.S. imports of miscellaneous fruit pastes and pulps averaged \$318,000 in 1976-80 (table C-2). In 1980 the leading sources of imports of miscellaneous fruit paste and pulp were West Germany (37 percent), Mexico (28 percent), Argentina (12 percent), and Chile (8 percent). GSP-eligible countries accounted for 53 percent of the imports in 1980 (table D-2).

The imported fruit pastes and pulps under consideration are quite heterogenous so that the degree of competition with domestic products depends on the type of fruit product concerned. However, most of the products imported are also produced domestically. And, for similar fruit categories (for example pineapple or raisin), imported and domestic products are highly substitutable and competitive with each other.

Mixtures of candied, crystallized or glaze fruit, fruit peels, nuts, etc.--U.S. imports of all types of mixed or unmixed candied, crystallized, or glaze fruit, fruit peels, nuts, and vegetable substances averaged about 8.7 million pounds (valued at \$5.7 million) annually in 1976-80, and in that period accounted for 16.3 percent of domestic consumption (table A-3). During 1976-80 annual U.S. imports of mixtures of candied, crystallized, or glaze products ranged from 46,400 pounds to 7,600 pounds; in 1980 imports amounted to 14,600 pounds, valued at \$25,000 (table C-3). Italy, Australia, France, and Spain supplied 92 percent of the value of 1980 imports of mixtures of glaze products; GSP-eligible countries accounted for 4 percent of the total (table D-3). Most glaze fruit, fruit peels, and nuts are imported unmixed rather than mixed, partly because of the rate of duty structure.

Some of the imported glaze fruit products are very competitive with domestic products, since there are few qualitative differences between them.

This is particularly the case with glace cherries, pineapple and citrus peel. Moreover, foreign producers of glace cherries, pineapple and citrus often have access to lower cost raw fruit and, in some cases, sugar than do domestic producers.

Position of interested parties

The petitioners for GSP designation of the items in this digest were the Government of Jamaica for orange peel, and glace, candied or crystallized mixtures of fruit, fruit peel, etc., and the Andean Group for fruit pastes and pulps.

Opposition to the granting of GSP designation for imports of orange peel, fruit pastes and pulps, and mixtures of glace, candied, or crystallized fruit, fruit peels, nuts, etc. was expressed by the following: Senator Alan Cranston of California, Senator Barry Goldwater of Arizona, Senator Dennis DeConcini of Arizona, Congressman Robert J. Lagomarsino of California, Congressman Carlos J. Moorhead of California, Congressman Robert T. Matsui of California, Congressman Barry M. Goldwater, Jr. of California, Congressman Clair W. Burgener of California, Congressman George E. Brown, Jr. of California, Congressman John J. Rhodes of Arizona, Congressman Vic Fazio of California, Congressman Norman D. Shumway of California, Congressman William M. Thomas of California, Congressman Robert E. Badham of California, and Congressman Jerry Lewis of California. They cited adverse effects on domestic citrus, avocado, raisin, and prune producers as well as the present difficulties of California fruit growers with the med-fly infestation. Many also indicated that such GSP designation was untimely since the United States is attempting to reduce unfair trade practices of other countries directed at U.S. citrus exports.

Moreover, some of the GSP petitioning countries unduly restrict U.S. citrus exports, and may also not receive the principal benefits of GSP designation, which would go instead to the more developed fruit exporting countries. Several of the Congressman also indicated that the GSP petitions should be denied because of procedural deficiencies.

Domestic producer interests opposed GSP status for imports of fruit paste and pulp, orange peel, and mixtures of glace, crystallized or candied fruit, fruit peel, nuts, etc. stating that it would adversely affect the domestic industry. They noted that such designation may lead to misclassification of processed fruit products which are now classified in TSUS items other than in the TSUS item 152.7640 under consideration. They also mentioned that such designation was untimely because: (1) it would benefit primarily countries other than the GSP-petitioning countries; (2) The United States is now negotiating the lowering of foreign trade barriers directed against U.S. fruit product exports; (3) the current med-fly infestation in the United States makes duty-free entry of citrus products untimely; and (4) the GSP petitioners failed to meet procedural requirements.

The American Farm Bureau Federation opposes special unilateral tariff concessions to developing countries. The Federation states that tariff concessions should only be granted in the negotiating process where concession are received as well as granted, and that the Generalized System of Preferences is inconsistent with the most-favored-nation principle. Such preferences create serious problems for some domestic producers, and many of the developing countries exporting agricultural products to the United States



under the GSP are already highly competitive.

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1021--Con.

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Digest No.  
1021--Con.

Table A-1.--Orange peel, edible, prepared or preserved, except crude, dried or in brine: U.S. production, foreign trade, apparent consumption, and ratio of imports to consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Production	Exports <sup>1/</sup>	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1976-----	2/	2/	235	2/	2/
1977-----	2/	2/	204	2/	2/
1978-----	2/	2/	125	2/	2/
1979-----	2/	2/	173	2/	2/
1980-----	4,000	400	151	3,700	4.1
January-June:					
1980-----	2/	2/	93	2/	2/
1981-----	2/	2/	104	2/	2/
Value					
1976-----	2/	2/	93	2/	2/
1977-----	2/	2/	102	2/	2/
1978-----	2/	2/	69	2/	2/
1979-----	2/	2/	156	2/	2/
1980-----	1,200	120	73	1,150	6.3
January-June:					
1980-----	2/	2/	41	2/	2/
1981-----	2/	2/	67	2/	2/
Unit value					
1976-----	2/	2/	\$0.39	-	-
1977-----	2/	2/	.50	-	-
1978-----	2/	2/	.55	-	-
1979-----	2/	2/	.90	-	-
1980-----	\$0.30	\$0.30	.48	-	-
January-June:					
1980-----	2/	2/	.44	-	-
1981-----	2/	2/	.64	-	-

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

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

Source: Production, California-Arizona Citrus League; imports compiled from official statistics of the U.S. Department of Commerce.

Table A-2.--Miscellaneous fruit pastes and pulps, n.s.p.f.: U.S. production, foreign trade, apparent consumption, and ratio of imports to consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Production <u>1/</u>	Exports <u>2/</u>	Imports <u>3/</u>	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1976-----	<u>1/</u>	16,379	450	<u>1/</u>	<u>1/</u>
1977-----	<u>1/</u>	18,749	1,337	<u>1/</u>	<u>1/</u>
1978-----	<u>1/</u>	27,284	1,827	<u>1/</u>	<u>1/</u>
1979-----	<u>1/</u>	25,695	1,121	<u>1/</u>	<u>1/</u>
1980-----	<u>1/</u>	30,099	615	<u>1/</u>	<u>1/</u>
January-June:					
1980-----	<u>1/</u>	16,324	458	<u>1/</u>	<u>1/</u>
1981-----	<u>1/</u>	23,861	293	<u>1/</u>	<u>1/</u>
Value					
1976-----	<u>1/</u>	5,611	108	<u>1/</u>	<u>1/</u>
1977-----	<u>1/</u>	6,794	312	<u>1/</u>	<u>1/</u>
1978-----	<u>1/</u>	9,979	520	<u>1/</u>	<u>1/</u>
1979-----	<u>1/</u>	10,898	399	<u>1/</u>	<u>1/</u>
1980-----	<u>1/</u>	12,587	251	<u>1/</u>	<u>1/</u>
January-June:					
1980-----	<u>1/</u>	6,524	179	<u>1/</u>	<u>1/</u>
1981-----	<u>1/</u>	9,741	122	<u>1/</u>	<u>1/</u>
Unit value					
1976-----	<u>1/</u>	\$0.34	\$0.24	<u>1/</u>	-
1977-----	<u>1/</u>	.36	.23	<u>1/</u>	-
1978-----	<u>1/</u>	.37	.28	<u>1/</u>	-
1979-----	<u>1/</u>	.42	.36	<u>1/</u>	-
1980-----	<u>1/</u>	.42	.41	<u>1/</u>	-
January-June:					
1980-----	<u>1/</u>	.40	.39	<u>1/</u>	-
1981-----	<u>1/</u>	.41	.42	<u>1/</u>	-

1/ Not available on a comparable basis.2/ Exports include all types of fruit paste and pulp, and fruit baby food (schedule B items 152.5500 and 152.8000).3/ TSUS item 152.7640.

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

Digest No.  
1021--Con.

Table A-3.--Candied, crystallized, or glace fruit, fruit peels, nuts, and other substances: U.S. production, foreign trade, apparent consumption, and ratio of imports to consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Ship- ment <u>1/</u>	Ex- ports <u>2/</u>	Imports			Apparent con- sump- tion	Ratio (percent) of imports to con- sumption
			Mix- ed <u>3/</u>	Unmix- ed <u>4/</u>	Total		
Quantity							
1976-----	50,200	2,127	46	7,464	7,510	55,500	13.5
1977-----	49,100	3,368	10	8,984	8,994	54,700	16.4
1978-----	48,000	3,910	8	9,797	9,805	53,900	18.2
1979-----	47,000	4,750	8	10,150	10,158	52,400	19.4
1980-----	46,000	3,992	15	6,853	6,868	48,900	14.1
January-June:							
1980-----	<u>5/</u>	1,754	4	3,765	3,769	<u>5/</u>	<u>5/</u>
1981-----	<u>5/</u>	2,163	3	3,842	3,845	<u>5/</u>	<u>5/</u>
Value							
1976-----	<u>5/</u>	868	45	4,268	4,313	<u>5/</u>	<u>5/</u>
1977-----	<u>5/</u>	871	14	5,650	5,650	<u>5/</u>	<u>5/</u>
1978-----	<u>5/</u>	1,365	10	6,406	6,406	<u>5/</u>	<u>5/</u>
1979-----	<u>5/</u>	1,283	11	6,670	6,670	<u>5/</u>	<u>5/</u>
1980-----	<u>5/</u>	1,638	25	5,262	5,287	<u>5/</u>	<u>5/</u>
January-June:							
1980-----	<u>5/</u>	814	3	2,819	2,822	<u>5/</u>	<u>5/</u>
1981-----	<u>5/</u>	733	3	3,286	3,289	<u>5/</u>	<u>5/</u>
Unit value							
1976-----	<u>5/</u>	\$0.39	\$0.96	\$0.57	\$0.57	-	-
1977-----	<u>5/</u>	.26	1.36	.63	.63	-	-
1978-----	<u>5/</u>	.35	1.30	.65	.65	-	-
1979-----	<u>5/</u>	.27	1.39	.66	.66	-	-
1980-----	<u>5/</u>	.41	1.73	.77	.77	-	-
January-June:							
1980-----	<u>5/</u>	.46	.98	.75	.75	-	-
1981-----	<u>5/</u>	.34	.87	.86	.86	-	-

1/ Estimated based on SIC Nos. 2065871-2065879; this includes all types of glace fruit, nuts, and vegetable substances, mixed or unmixed.

2/ Schedule B item 154.00 which includes mixed and unmixed glace products.

3/ TSUS item 154.90. 4/ TSUS items 154.05 through 154.60. 5/ Not available.

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

Table B-1--Miscellaneous fruit pastes and pulps, n.s.p.f.: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	1976		1977		1978		1979		1980		January-June-- 1981	
	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)
Venez--	0		5	4,992			6,732	6,722			4,201	8,042
Japan--	4,966		6,300	7,174			5,398	5,687			2,824	1,854
Dom Rep--	1,444		1,620	1,288			2,884	3,854			2,343	1,221
Canada--	3,150		3,926	5,421			3,530	3,836			2,009	2,838
C Rica--	37		19	536			766	947			525	467
Panama--	63		51	107			502	854			775	98
Nethlds--	408		991	2			1,325	1,325			37	449
S Arab--	216		185	233			164	617			441	2,347
All other--	6,097		5,650	7,531			5,201	6,058			3,167	6,546
Total--	16,379		18,749	27,284			25,695	30,099			16,324	23,861
Venez--			2	1,694			2,904	3,081			1,987	3,668
Japan--	1,841		2,802	2,675			2,302	2,620			1,152	1,108
Dom Rep--	665		776	598			1,463	1,657			856	554
Canada--	582		845	1,375			1,140	1,027			489	755
C Rica--	5		9	193			331	444			255	207
Panama--	30		28	37			162	368			322	47
Nethlds--	31		128	3			21	366			20	192
S Arab--	89		79	102			271	314			216	811
All other--	2,368		2,124	3,301			2,302	2,711			1,228	2,400
Total--	5,611		6,794	9,979			10,898	12,587			6,524	9,741
Venez--				\$0.35			\$0.43	\$0.46			\$0.47	\$0.46
Japan--	0.37			0.44			0.43	0.44			0.41	0.60
Dom Rep--	0.46			0.48			0.51	0.43			0.37	0.45
Canada--	0.18			0.22			0.32	0.27			0.24	0.27
C Rica--	0.14			0.48			0.43	0.47			0.48	0.44
Panama--	0.48			0.56			0.32	0.43			0.41	0.48
Nethlds--	0.08			0.13			0.13	0.28			0.54	0.43
S Arab--	0.41			0.42			0.53	0.51			0.59	0.35
All other--	0.39			0.38			0.44	0.45			0.39	0.37
Average--	0.34			0.36			0.42	0.42			0.40	0.41

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



Table B-2.-Mixtures of two or more kinds of candied, crystallized, or glace nuts, fruits or vegetable substances: U.S. exports of domestic merchandise, by principal markets, 1976--80, January-June 1980, and January-June 1981

Market	Quantity (pounds)					Value (1,000 dollars)	Unit value (per pound)					
	1976	1977	1978	1979	1980		1980	1980	1980	1980	1981	
Canada	1,848,242	2,932,557	3,164,896	3,934,353	3,245,046	606	461	606	539	597	255	293
Italy	80,995	87,454	88,712	75,237	98,100	191	181	191	305	293	207	133
S. Arab.	0	1,280	204,494	5,336	95,216	1	1	151	7	162	153	-
Panama	24,560	29,070	51,089	36,113	132,292	18	18	35	30	85	13	4
Guatmal	0	0	20,835	0	58,934	-	-	36	-	80	-	17
FR Germ.	0	14,560	552	5,974	15,900	2	2	12	69	64	-	6
Arab Em.	3,000	5,000	0	5,050	35,169	6	6	6	64	53	53	-
Belgium	0	0	0	0	47,748	-	-	-	-	74	74	-
All other	260,401	298,231	378,970	688,223	263,540	203	203	344	365	237	237	280
Total	2,217,198	3,368,152	3,909,548	4,750,286	3,991,945	871	871	1,365	1,263	1,638	814	733
Canada	436	461	606	539	597	436	461	606	539	597	255	293
Italy	148	181	191	305	293	148	181	191	305	293	207	133
S. Arab.	-	1	151	7	162	-	1	151	7	162	153	-
Panama	16	18	35	30	85	16	18	35	30	85	13	4
Guatmal	-	-	36	-	80	-	-	36	-	80	-	17
FR Germ.	-	2	12	69	64	-	2	12	69	64	-	6
Arab Em.	4	6	6	64	53	4	6	6	64	53	53	-
Belgium	-	-	-	-	-	-	-	-	-	-	-	-
All other	264	203	344	365	237	264	203	344	365	237	237	280
Total	868	871	1,365	1,263	1,638	868	871	1,365	1,263	1,638	814	733
Canada	\$0.24	\$0.16	\$0.19	\$0.14	\$0.18	\$0.24	\$0.16	\$0.19	\$0.14	\$0.18	\$0.18	\$0.17
Italy	1.83	2.07	2.16	4.05	2.98	1.83	2.07	2.16	4.05	2.98	2.76	3.70
S. Arab.	-	0.60	0.74	1.32	1.70	-	0.60	0.74	1.32	1.70	1.68	-
Panama	0.63	0.61	0.69	0.83	0.64	0.63	0.61	0.69	0.83	0.64	0.76	1.86
Guatmal	-	-	1.75	-	1.35	-	-	1.75	-	1.35	-	1.59
FR Germ.	-	0.14	1.85	1.96	4.32	-	0.14	1.85	1.96	4.32	-	1.17
Arab Em.	1.29	1.14	1.20	1.20	1.11	1.29	1.14	1.20	1.20	1.11	1.11	-
Belgium	-	-	-	-	1.11	-	-	-	-	1.11	1.01	-
All other	1.01	0.68	0.91	0.53	0.90	1.01	0.68	0.91	0.53	0.90	1.01	0.66
Average	0.39	0.26	0.35	0.27	0.41	0.39	0.26	0.35	0.27	0.41	0.46	0.34

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

Table C-1--Orange peel, otherwise prepared or preserved. U.S. Imports in consumption, by source, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (pounds)					Value (1,000 dollars)
	1976	1977	1978	1979	1980	
Spain	0	600	0	0	69,974	43,519
Dom Rep	144,856	59,398	62,726	37,734	56,734	39,469
China P	12,324	6,435	6,483	6,794	3,347	1,999
Greece	7,238	11,013	9,489	6,248	8,757	5,157
Brazil	69,892	123,273	40,189	23,789	12,600	2,400
Hg Kong	652	3,188	150	3,835	30	30
FR Germ	0	0	6,064	94,369	0	0
Taiwan	0	75	0	172	0	0
All other	0	238	282	0	0	0
Total	234,962	204,225	125,383	172,991	151,442	92,574
Value (1,000 dollars)						
Spain	-	1/	-	-	32	17
Dom Rep	47	21	28	16	21	14
China P	15	20	11	14	9	4
Greece	6	9	8	5	7	4
Brazil	21	41	18	10	4	1
Hg Kong	5	11	1	5	1	1
FR Germ	-	-	3	107	-	-
Taiwan	-	1/	-	1/	-	-
All other	-	1/	1	-	-	-
Total	93	102	69	156	73	41
Unit value (per pound)						
Spain	-	\$0.75	-	-	\$0.46	\$0.39
Dom Rep	0.32	0.35	0.45	0.42	0.36	0.35
China P	1.19	3.14	1.68	1.99	2.58	1.95
Greece	0.81	0.77	0.80	0.86	0.81	0.82
Brazil	0.30	0.33	0.44	0.41	0.34	0.33
Hg Kong	7.26	3.45	5.41	1.18	23.77	3.41
FR Germ	-	-	0.51	1.13	-	1.54
Taiwan	-	3.36	1.87	1.87	-	-
All other	-	1.88	1.87	-	-	0.24
Average	0.39	0.50	0.55	0.90	0.48	0.64

1/ Less than 500.

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

Table C-2-Fruit pastes and pulps, nsfp: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976		1977		1978		1979		1980		January-June-- 1981	
	Quantity (1,000 pounds)											
FR Germ	0	0	0	0	0	72	107	107	107	107	107	1
Mexico	52	762	250	176	318	318	240	240	240	240	240	161
Argent	328	388	1,206	480	43	43	0	0	0	0	0	24
Chile	0	0	12	156	88	88	88	88	88	88	88	0
France	1/	0	1/	1	1/	1	1/	1/	1/	1/	1/	1
Hungary	0	0	0	0	24	24	17	17	17	17	17	0
Malaysia	0	0	0	0	1	1	0	0	0	0	0	1
Phil R	5	5	22	2	7	7	2	2	2	2	2	4
All other	64	183	336	234	16	16	4	4	4	4	4	101
Total	450	1,337	1,827	1,121	615	615	458	458	458	458	458	293
Value (1,000 dollars)												
FR Germ	-	-	-	-	-	60	93	93	93	93	93	1
Mexico	10	172	54	35	71	71	53	53	53	53	53	44
Argent	76	73	305	138	30	30	-	-	-	-	-	17
Chile	-	-	2	40	21	21	21	21	21	21	21	-
France	1	-	1	2	8	8	1/	1/	1/	1/	1/	4
Hungary	-	-	-	-	7	7	5	5	5	5	5	-
Malaysia	-	-	-	-	4	4	-	-	-	-	-	3
Phil R	3	2	10	1	4	4	1	1	1	1	1	2
All other	19	66	148	122	13	13	7	7	7	7	7	50
Total	108	312	520	399	251	251	179	179	179	179	179	122
Unit value (per pound)												
FR Germ	-	-	-	-	-	\$0.84	\$0.87	\$0.87	\$0.87	\$0.87	\$0.87	\$2.44
Mexico	0.19	0.23	0.22	0.20	0.22	0.20	0.22	0.22	0.22	0.22	0.22	0.28
Argent	0.23	0.19	0.25	0.29	0.70	0.29	0.70	0.70	0.70	0.70	0.70	0.71
Chile	-	-	0.15	0.26	0.24	0.26	0.24	0.24	0.24	0.24	0.24	-
France	2.98	-	3.55	3.14	0.71	3.14	0.71	0.71	0.71	0.71	0.71	2.70
Hungary	-	-	-	-	0.31	-	0.31	0.31	0.31	0.31	0.31	-
Malaysia	-	-	-	-	2.77	-	2.77	2.77	2.77	2.77	2.77	2.63
Phil R	0.53	0.37	0.45	0.39	0.52	0.39	0.52	0.52	0.52	0.52	0.52	0.56
All other	0.30	0.36	0.44	0.52	0.83	0.52	0.83	0.83	0.83	0.83	0.83	0.49
Average	0.24	0.23	0.28	0.36	0.41	0.36	0.41	0.41	0.41	0.41	0.41	0.42

1/ Less than 500.

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

Table C-3--Mixtures of two or more kinds of candied, crystallized, or glace nuts fruit, or vegetable substances: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (pounds)					Value (1,000 dollars)
	1976	1977	1978	1979	1980	
Italy	0	4,481	3,848	5,733	7,288	165
Austral	41,800	0	0	0	1,370	0
France	292	683	326	1,481	1,144	141
Spain	1,221	4,592	2,095	529	1,164	0
China P	995	0	0	0	1,100	0
Israel	0	204	0	0	2,100	0
FR Germ	0	0	0	0	455	0
Syria	0	0	0	419	0	0
All other	2,120	345	1,421	0	0	0
Total	46,428	10,305	7,690	8,162	14,621	3,506
Value (1,000 dollars)						
Italy	-	6	3	5	9	1
Austral	38	-	-	-	6	-
France	1	2	1	4	6	1
Spain	1	5	3	1	2	-
China P	1	-	-	-	1	-
Israel	-	1	-	-	1	-
FR Germ	-	-	-	-	1	-
Syria	-	-	-	1	-	-
All other	4	1	3	-	-	-
Total	45	14	10	11	25	3
Unit value (per pound)						
Italy	-	\$1.40	\$0.89	\$0.87	\$1.27	\$7.67
Austral	0.91	-	-	-	4.47	-
France	3.25	2.21	2.45	2.98	4.91	3.45
Spain	0.90	1.15	1.37	1.71	1.70	-
China P	0.77	-	-	-	0.80	-
Israel	-	1.73	-	-	0.38	-
FR Germ	-	-	-	-	1.33	-
Syria	-	-	-	2.60	-	-
All other	1.75	1.80	2.03	-	-	0.76
Average	0.96	1.36	1.30	1.39	1.73	0.98

1/ Less than 500.

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

Table D-1-Orange fruit peel, prepared or preserved, except crude, dried or in brine: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (pounds)				January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980		
Gross imports	204,225	125,383	172,991	151,442	104,472	100
26 developed cttries, total	238	6,346	94,369	0	17,259	17
GSP countries, total	185,934	103,065	65,530	69,364	82,258	79
Dom Rep	59,395	62,726	37,734	56,734	74,791	72
Brazil	123,273	40,189	23,789	12,600	0	
Hg Kong	3,188	150	3,885	30	81	1/
Haiti	0	0	0	0	6,614	6
Portugl	0	0	0	0	772	1
China t	75	0	172	0	0	
Other	18,053	15,972	13,042	82,078	4,955	5
Value (1,000 dollars)						
Gross imports	102	69	156	73	67	100
26 developed cttries, total	2/	4	107	-	27	40
GSP countries, total	73	46	30	26	28	42
Dom Rep	21	28	16	21	26	39
Brazil	41	18	10	4	-	
Hg Kong	11	1	5	1	2/	1/
Haiti	-	-	-	-	1	2
Portugl	-	-	-	-	1	1
China t	2/	-	2/	-	-	
Other	29	18	19	48	12	18

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

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

Table D-2. Miscellaneous fruit pastes and pulps, n.s.p.f.: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (pounds)						
Gross imports	1,337,128	1,826,808	1,121,021	615,156	223,294	100
26 developed ctries, total	29,492	140,239	113,450	121,300	13,568	5
GSP countries, total	1,247,891	1,673,941	1,004,250	463,046	279,659	95
Mexico	761,849	250,383	175,618	317,739	160,547	55
Argent	387,621	1,206,463	460,380	43,125	24,275	8
Chile	0	11,640	156,482	87,809	0	
Malaysia	0	0	0	1,410	1,313	1/
Phil R	4,600	22,172	2,300	7,404	3,700	1
Brazil	79,609	175,152	71,892	3,684	1,125	1/
Hq Kong	0	225	0	480	8,220	3
Dom Rep	0	4,260	59,150	800	6,750	2
Other GSP	14,212	3,646	59,128	595	73,729	25
Other	59,745	12,628	2,621	30,810	67	1/
Value (1,000 dollars)						
Gross imports	312	520	399	251	122	100
26 developed ctries, total	20	83	123	106	15	13
GSP countries, total	275	425	274	133	106	87
Mexico	172	54	35	71	44	36
Argent	73	305	138	30	17	14
Chile	-	2	40	21	-	
Malaysia	-	-	-	4	3	3
Phil R	2	10	1	4	2	2
Brazil	19	49	22	1	5	1
Hq Kong	-	1	-	1	2	4
Dom Rep	-	1	15	1	2	2
Other GSP	9	3	22	2/	32	26
Other	17	12	3	12	2/	1/

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

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

Table D-3. Mixtures of two or more kinds of candied, crystallized, or glace nuts, fruits or vegetable substances: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (pounds)						
Gross imports	10,305	7,690	8,162	14,621	3,053	100
26 developed cttries, total	5,509	5,595	7,214	10,257	1,400	46
GSP countries, total	204	0	419	2,100	1,653	54
Israel	204	0	0	2,100	0	54
Portuql	0	0	0	0	1,653	0
Syria	0	0	419	0	0	0
Hq Kong	0	0	0	0	0	0
Other	4,592	2,095	529	2,264	0	0
Value (1,000 dollars)						
Gross imports	14	10	11	25	3	100
26 developed cttries, total	8	7	9	22	1	53
GSP countries, total	/	-	1	1	1	47
Israel	/	-	-	1	-	47
Portuql	-	-	-	-	1	-
Syria	-	-	1	-	-	-
Hq Kong	-	-	-	-	-	-
Other	5	3	1	3	-	-

Less than 500.

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





TITLE: CERTAIN GROUND PEPPER

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty <u>1/</u>		U.S. imports:		Product produced in the U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: rate : (1/1/81)	Current : col. 2 (1/1/81)	in 1980 : (\$1,000)	
161.84	Pepper, capsicum or cayenne or red, ground.	5.1¢/lb.	2/ (6.2%)	8¢/lb. (9.8%)	214	Yes.

1/ The symbol "%" indicates percent ad valorem. The symbol "/" indicates per stated unit of quantity. For specific and compound rates, the ad valorem equivalent, based on the value of total imports in 1980 from most-favored-nation countries, is shown in parenthesis, e.g. (AVE X.X%).

2/ No concession was granted on this item in the recent trade negotiations.

## II. Comment

Description and uses

Capsicum, cayenne, or red pepper is the dried fruit of the pungent varieties of the plant genus Capsicum, family Solanaceae. The fruit are used principally in the dried and ground form as a seasoning for foods (e.g. for soups, prepared meats, chili con carne, stews, curries, and sauces) and in pharmaceutical preparations. Capsicum peppers, usually grown on irrigated land, are harvested when fully mature. Ripe peppers are sliced or chopped, and then dried artificially or in the sun. The dried peppers are stored under refrigeration until they are ground and blended to various grades, based on the pungency or capsaicin content of the peppers. Capsaicin is the ingredient in these peppers which gives the tongue a burning sensation.

A number of varieties having different degrees of pungency are grown commercially. The large, heartshaped ancho peppers and the Anaheim or "California long" are red, mildly hot varieties grown chiefly in the Southwestern United States and used principally in ground chili pepper and chili powder. Generally, capsicum peppers imported from Mexico are similar to and directly competitive with the aforementioned types.

Cayenne peppers are much smaller and hotter than the foregoing varieties and are grown chiefly in the Southern States for use in the production of hot red pepper and hot sauces. Most of the different varieties of capsicum peppers imported from Eastern countries such as Japan, India, and Pakistan are blended with the less pungent varieties of domestic cayenne peppers to increase the pungency of ground red pepper and the sauces prepared from them.

U.S. consumption, production, and producers

U.S. consumption of capsicum, cayenne, or red pepper increased irregularly from an estimated 27.9 million pounds in 1978 to 34.1 million pounds in 1980 (table A). 1/ During 1976-80, production of capsicum, cayenne, or red peppers for drying increased irregularly from 23.9 million pounds, valued at an estimated \$9.4 million, to 34.3 million pounds, valued at \$14.4 million (table A). During 1978-80, the ratio of U.S. imports of ground red pepper to consumption of capsicum, cayenne, or red pepper was about 1 percent. California and New Mexico are the major producing states. Production is also believed to take place in Arizona, Louisiana, Mississippi, North Carolina, and South Carolina. The number of firms processing (grinding) these peppers is small; a few large firms, mostly in California, manufacture and market the major part of the pepper crop.

U.S. exports and imports

U.S. exports of red pepper have steadily declined during 1978-80 from 738,000 pounds valued at \$811,000 in 1978, to 394,000 pounds valued at \$505,000 in 1980 (table B). 2/ Sweden, Costa Rica, and Australia are the major export markets. These countries accounted for 20, 13, and 11 percent, respectively, of U.S. exports (by value) in 1980. It is believed these exports are primarily ground red pepper. 3/ During 1976-80, U.S. imports of ground red pepper increased irregularly from 103,000 pounds valued at \$94,000

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1/ Consumption consists of estimated U.S. production of capsicum, cayenne, or red pepper for drying, plus U.S. imports entered under item 161.84, minus U.S. exports of capsicum, cayenne, or red pepper.

2/ U.S. exports of red pepper were not reported separately before 1978 in U.S. foreign trade statistics.

3/ Exports classified under this category may also consist of unground red pepper.

to 261,000 pounds valued at \$214,000 (table C). Major suppliers in 1980 included Thailand (21 percent, by value), Japan (20 percent), and the Republic of Korea (19 percent). Trade sources indicate imports of ground red pepper are very similar to and competitive with domestic ground red pepper. However, imports of this item are minor in relation to domestic production and consumption. Spice companies prefer to import capsicum, cayenne, or red peppers in a whole, dried form and process (grind) the peppers domestically in order to control quality and flavor. Imports of ground capsicum, cayenne, or red peppers amounted to 2.3 percent (by quantity) of total imports of these peppers (ground and unground) in 1980. U.S. imports of this item from GSP designated countries have been increasing and in 1980 were 222,000 pounds or 85 percent (by quantity) of total imports (table D).

#### Position of interested parties

The Government of Jamaica submitted the request that ground red pepper be eligible for GSP status.

The American Farm Bureau Federation opposes special unilateral tariff concessions to developing countries. The Federation states that tariff concessions should only be granted in the negotiating process where concessions are received as well as granted, and that the generalized system of preferences is inconsistent with the most-favored-nation principle. Such preferences create serious problems for some domestic producers, and many of the developing countries exporting agricultural products to the United States under the GSP are already highly competitive.

\* \* \* \* \*

Table A.--Capsicum, cayenne, or red pepper: U.S. production, foreign trade, apparent consumption, and ratio of imports to consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Production <u>1/</u>	Exports	Imports <u>2/</u>	Apparent consumption <u>2/</u>	Ratio (percent) of imports to consumption
Quantity					
1976-----	23,920	<u>3/</u>	103	<u>3/</u>	<u>3/</u>
1977-----	32,220	<u>3/</u>	180	<u>3/</u>	<u>3/</u>
1978-----	28,020	738	153	27,867	.6
1979-----	26,680	606	293	26,387	1.1
1980-----	34,260	394	261	34,127	.8
Jan.-June:					
1980-----	<u>3/</u>	194	124	<u>3/</u>	<u>3/</u>
1981-----	<u>3/</u>	311	118	<u>3/</u>	<u>3/</u>
Value					
1976-----	9,424	<u>3/</u>	94	<u>4/</u>	<u>4/</u>
1977-----	11,793	<u>3/</u>	181	<u>4/</u>	<u>4/</u>
1978-----	10,367	811	156	<u>4/</u>	<u>4/</u>
1979-----	10,539	558	174	<u>4/</u>	<u>4/</u>
1980-----	14,423	505	214	<u>4/</u>	<u>4/</u>
Jan.-June:					
1980-----	<u>3/</u>	246	110	<u>3/</u>	<u>3/</u>
1981-----	<u>3/</u>	318	118	<u>3/</u>	<u>3/</u>
Unit value					
1976-----	\$0.39	-	\$0.92	-	-
1977-----	.37	-	1.01	-	-
1978-----	.37	\$1.10	1.02	-	-
1979-----	.40	.92	.60	-	-
1980-----	.42	1.28	.82	-	-
Jan.-June:					
1980-----	<u>3/</u>	1.27	.89	-	-
1981-----	<u>3/</u>	1.02	1.00	-	-

1/ Estimated domestic production and value of peppers for drying, compiled from California and New Mexico Crop and Livestock Reporting Service. Total values and unit values cannot be meaningfully compared to import values as production is of peppers (unground) for drying. 2/ Only includes ground red pepper imported under item 161.84. Imports entered under item 161.84 accounted for about 23 percent (by quantity) of total imports of capsicum, cayenne, or red pepper in 1980. 3/ Not available. 4/ Not meaningful.

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

Table B.--Pepper, capsicum or cayenne or red, ground: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	1976		1977		1978		1979		1980		January-June-- 1981	
	Quantity (1,000 pounds)											
Sweden	0	0	45	75	103	22	108					
C Rica	0	0	45	23	54	35	33					
Austral	0	0	3	28	33	9	23					
Canada	0	0	241	236	51	27	12					
Phil R	0	0	31	19	15	10	24					
U King	0	0	27	106	5	5	1					
Greece	0	0	1	4	6	4	2					
Japan	0	0	8	1	5	2	0					
All other	0	0	337	114	121	78	109					
Total	0	0	738	606	394	194	311					
Value (1,000 dollars)												
Sweden	-	-	44	72	101	23	95					
C Rica	-	-	60	27	63	41	41					
Austral	-	-	3	32	57	11	25					
Canada	-	-	167	176	42	21	7					
Phil R	-	-	30	27	26	16	25					
U King	-	-	107	73	24	24	1					
Greece	-	-	20	19	22	4	20					
Japan	-	-	25	6	20	10	-					
All other	-	-	354	127	149	95	104					
Total	-	-	811	558	505	246	318					
Unit value (per pound)												
Sweden	-	-	\$0.98	\$0.97	\$0.98	\$1.07	\$0.88					
C Rica	-	-	1.33	1.15	1.16	1.16	1.25					
Austral	-	-	0.88	1.17	1.71	1.11	1.12					
Canada	-	-	0.70	0.75	0.81	0.77	0.56					
Phil R	-	-	0.96	1.40	1.70	1.61	1.05					
U King	-	-	4.05	0.69	4.99	4.99	1.43					
Greece	-	-	13.58	5.10	3.92	0.98	8.10					
Japan	-	-	3.16	7.08	3.87	4.25	-					
All other	-	-	1.05	1.11	1.23	1.21	0.95					
Average	-	-	1.10	0.92	1.28	1.27	1.02					

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

Table C.--Pepper, capsicum or cayenne or red, ground: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 pounds)						
	1976	1977	1978	1979	January-June-- 1980 1981		
Thailand	31	28	12	16	34	19	25
Japan	16	17	12	11	16	8	12
Kor Rep	11	60	22	1	89	1	5
India	10	22	48	75	51	47	3
Pakistan	10	6	12	171	31	22	55
Spain	0	0	0	0	5	5	0
China t	4	11	1	0	9	9	1
U King	0	0	0	1	8	1	5
All other	20	36	45	19	19	12	12
Total	103	180	153	293	261	124	118
	Value (1,000 dollars)						
Thailand	23	23	16	21	44	25	39
Japan	25	33	36	39	42	17	28
Kor Rep	16	67	33	2	41	4	6
India	6	11	24	36	31	28	2
Pakistan	5	4	6	61	13	9	21
Spain	-	-	-	-	10	10	-
China t	5	13	1	-	8	8	4
U King	-	-	-	1	6	2	3
All other	15	30	40	15	18	7	14
Total	94	181	156	174	214	110	118
	Unit value (per pound)						
Thailand	\$0.73	\$0.82	\$1.40	\$1.30	\$1.31	\$1.32	\$1.52
Japan	1.56	1.93	2.95	3.72	2.65	2.12	2.40
Kor Rep	1.48	1.12	1.45	1.74	0.46	3.56	1.38
India	0.57	0.53	0.50	0.49	0.61	0.59	0.70
Pakistan	0.51	0.67	0.46	0.36	0.42	0.42	0.38
Spain	-	-	-	-	1.90	1.90	-
China t	1.05	1.15	1.69	-	0.98	0.98	3.03
U King	-	-	-	0.52	0.80	1.74	0.66
All other	0.72	0.84	0.89	0.79	0.96	0.63	1.21
Average	0.92	1.01	1.02	0.60	0.82	0.89	1.00

1/ Less than \$500.

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



Table D.--Pepper, capsicum or cayenne or red, ground: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (1,000 pounds)						
Gross imports	130	153	233	261	118	100
26 developed cttries, total	29	22	13	28	23	19
GSP countries, total	147	131	279	222	93	78
Thailand	23	12	16	34	25	22
Kor Rep	60	22	1	29	5	4
India	22	48	75	51	3	3
Pakistan	6	12	171	31	55	47
China t	11	1	0	9	1	1
Mexico	16	19	13	4	0	0
Lebanon	0	0	0	1	0	0
Hq Kong	0	11	0	2	0	0
Other GSP	5	6	4	2	2	2
Other	4	0	1	11	3	2
Value (1,000 dollars)						
Gross imports	181	156	174	214	118	100
26 developed cttries, total	49	60	44	57	41	35
GSP countries, total	129	96	130	146	74	63
Thailand	23	16	21	44	39	33
Kor Rep	67	33	2	41	6	5
India	11	24	36	31	2	2
Pakistan	4	6	61	13	21	18
China t	13	1	-	8	4	4
Mexico	9	7	6	3	-	-
Lebanon	-	-	-	2	-	-
Hq Kong	-	6	-	2	-	-
Other GSP	3	4	5	1	1	1
Other	3	-	1/	11	3	2

1/ Less than \$500.

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



TITLE: CERTAIN BRANDY

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty 1/		U.S. imports: in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: rate 2/ (1/1/81)		
168.78	Brandy, other than pisco and singani, and slivovitz, in containers each holding not over 1 gallon valued over \$13 per gallon.	\$1.06/ proof gal. (AVE 3.2%)	50¢/ proof gal. (AVE 1.5%)	\$8.88/ proof gal. (AVE 25.7%)	\$101,147 : Yes.

1/ The symbol "%" indicates percent ad valorem. The symbol "/" indicates per stated unit of quantity. For specific and compound rates, the ad valorem equivalent, based on the value of total imports in 1980 from most-favored-nation countries, is shown in parenthesis, e.g., (AVE x.x%).

2/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through 8 equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

## II. Comment

Description and uses

This digest covers item 168.78 brandy, other than pisco, singani, and slivovitz, in containers each holding not over 1 gallon valued over \$13 per gallon. Brandy is defined in the standards of identity of the Bureau of Alcohol, Tobacco, and Firearms (ATF) (27 CFR 5.21) in part as "a distillate, or a mixture of distillates, obtained solely from the fermented juice, mash or wine of fruit, or from the residue thereof, distilled at less than 190 degrees proof in such manner as to possess the taste, aroma, and characteristics generally attributed to the product, and bottled at not less than 80 degrees proof."

"Neutral brandy" is identified in the labeling regulations as brandy distilled at more than 170 degrees proof; "pomace brandy" or "marc brandy," as brandy distilled from the skin and pulp of sound, ripe grapes, citrus, or other fruit after the withdrawal of the juice or wine therefrom: and "lees brandy," as brandy distilled from the lees of standard grape, citrus, or other fruit wine. If brandy is made from the pomace or marc of grapes it may be designated "grappa." Brandy must bear the designation of the fruit from which it is derived.

"Flavored brandy," according to ATF regulations, contains added natural flavoring materials with or without the addition of sugar. It may be bottled at no less than 70 degrees proof. It may also contain up to 15 percent by volume of wine, without disclosure on the label, if the additional wine is derived from the particular fruit corresponding to the labeled flavor of the product.

Specific recognition is given in the regulations to "Cognac" or "Cognac (grape) brandy" as grape brandy distilled in the Cognac region of France, which is entitled to be designated as Cognac by the laws and regulations of the French Government.

#### U.S. consumption, production, and producers

Annual U.S. consumption of brandy increased irregularly from 14.0 million gallons in 1976 to 16.5 million gallons in 1980 (table A). 1/ Imports accounted for about 18 percent of consumption in 1980. During 1976-80, U.S. production also remained relatively stable near the 1980 level of 13.6 million gallons valued at an estimated \$51 million. The Department of Treasury reports there were 53 plants authorized to produce distilled spirits from fruit in 1980. Trade sources indicate about 30 companies produce brandy domestically.

Wineries are the chief U.S. producers of brandy and most beverage brandy is produced in California. Many wineries also produce neutral brandy at about 180 degrees proof for the purpose of fortifying dessert wines or for use in the preparation of vermouth, cordials, and liqueurs. Much of the production in California is shipped in bulk under bond to firms in other States where it is rectified 2/ and bottled under a variety of labels. These secondary marketing operations are of importance in Indiana, Kentucky, Ohio, and Pennsylvania.

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1/ Consumption includes domestic bottlings plus imports entered under item 168.78 minus exports. Imports of brandy entered under item 168.78 in 1980 accounted for about 88 percent (by value) of total brandy imports in 1980.

2/ Rectifying consists chiefly of "purifying, refining, mixing, or blending of liquors other than in the course of original distillation," within the meaning of the U.S. Internal Revenue Code.

U.S. exports and imports

U.S. exports of brandy are minor in relation to U.S. production, imports, and consumption. During 1976-80 brandy exports (all brandies) ranged from 22,000 gallons valued at \$233,000, in 1977 to 63,000 gallons, valued at \$622,000, in 1978 (table A).

A large number of different brandies are marketed in the United States. Included among them are foreign specialty products for which it would be difficult to find domestic counterparts, such as French Cognac and Armagnac, sherry brandies from Spain, and certain Greek brandies. It is believed the great majority of imports which enter under item 168.78 consists of premium Cognac brandy from France. These specialty product brandies sell at prices substantially above domestic brandies and are not generally competitive with domestic brandies.

During 1976-80, U.S. imports of brandy in containers holding not over 1 gallon and valued over \$13 per gallon increased from 634 thousand gallons, valued at \$15.2 million, to 2.9 million gallons valued at \$101 million (table B). During 1976-80 over 96 percent (by value) of the imports were supplied by France. In 1980, imports from GSP designated countries amounted to less than 1 percent (by value) of total imports and during January-June 1981 they accounted for 2 percent (table C). Mexico was the chief supplier in 1980,

accounting for 44,000 gallons of the 50,000 gallons imported from GSP eligible countries. Portugal supplied most of the remainder. Imports of brandy from Mexico have increased significantly during 1977-80 from 1,000 gallons valued at \$24,000 to 44,000 gallons valued at \$749,000. Imports from Mexico during January-June 1981 were 64,000 gallons valued at \$960,000. Trade sources indicate the majority of brandy imports from Mexico are consumed near border areas by people of Hispanic heritage.

Position of interested parties

The Egyptian Vineyard Company of Egypt was the petitioner regarding brandy.

There were no representations from interested parties concerning brandy during the investigations.

Digest No.  
1025--Con.

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Table A.—Brandy: U.S. production, foreign trade, apparent consumption, and ratio of imports to consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Production <u>1/</u>	Exports <u>2/</u>	Imports <u>3/</u>	Apparent consumption <u>3/</u>	Ratio (percent) of imports to consumption
Quantity					
1976-----	13,408	30	634	14,012	4.5
1977-----	15,395	22	1,528	16,901	9.0
1978-----	13,460	63	2,472	15,869	15.6
1979-----	13,699	56	2,866	16,509	17.4
1980-----	13,603	47	2,924	16,480	17.7
Value					
1976-----	34,217	192	15,185	4/	4/
1977-----	44,646	233	30,374	4/	4/
1978-----	41,322	622	50,008	4/	4/
1979-----	44,796	677	67,694	4/	4/
1980-----	51,147	519	101,147	4/	4/
Unit value					
1976-----	\$2.55	\$6.40	\$23.97		
1977-----	2.90	10.60	19.88		
1978-----	3.07	9.87	20.23		
1979-----	3.27	12.09	23.62		
1980-----	3.76	11.04	34.60		

1/ Production includes bottlings of all brandies. Value for 1976 based on the 1972 Census of Manufactures and for 1977-80 on the 1977 Census of Manufactures adjusted by the producer price index for distilled spirits of the Bureau of Labor Statistics.

2/ Exports include all brandies.

3/ Includes only brandy imported under item 168.78 in 1980 and comparable items for certain earlier years.

4/ Not meaningful since in 1980 values at different trade levels are not comparable.

Source: Production compiled from official statistics of the U.S. Department of the Treasury; value of production based on official statistics of the U.S. Department of Commerce and the Bureau of Labor Statistics; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table B.--Brandy, other than pisco and singani, and slivovitz, in containers each holding not over 1 gallon valued over \$13 per gallon: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976		1977		1978		1979		1980		1981	
	Quantity (1,000 gallons)											
France	612	1,490	2,428	2,787	2,771	1,284	1,650					
U King	6	25	9	36	39	16	19					
Spain	11	8	14	14	36	15	34					
Mexico	1/	1	1/	3	44	10	64					
Italy	1	1	4	7	16	14	5					
Fr Germ	1	1	12	13	11	3	8					
Portuql	0	1/	0	4	5	3	2					
Israel	0	0	0	0	1/	1/	2					
All other	2	1	4	2	1	1	6					
Total	634	1,528	2,472	2,866	2,924	1,348	1,790					
	Value (1,000 dollars)											
France	14,613	29,471	48,994	65,345	97,307	42,312	61,721					
U King	160	449	198	821	1,384	649	730					
Spain	319	337	426	491	899	349	819					
Mexico	5	24	5	488	749	161	960					
Italy	21	24	92	157	429	371	127					
Fr Germ	11	25	234	227	249	67	212					
Portuql	-	1	-	115	93	56	55					
Israel	-	-	-	-	8	8	28					
All other	55	43	58	49	29	16	189					
Total	15,185	30,374	50,008	67,694	101,147	43,989	64,842					
	Unit value (per gallon)											
France	\$23.88	\$19.78	\$20.18	\$23.45	\$35.12	\$32.96	\$37.42					
U King	24.89	18.19	21.93	22.50	35.78	40.12	37.85					
Spain	28.02	41.86	29.97	35.32	24.74	23.05	24.25					
Mexico	16.69	25.29	13.50	163.98	16.93	15.40	15.00					
Italy	20.03	20.54	23.56	23.51	26.43	25.73	26.21					
Fr Germ	20.99	16.92	19.18	17.58	22.86	19.37	27.13					
Portuql	-	13.39	-	32.36	20.30	17.77	22.32					
Israel	-	-	-	-	17.36	17.61	16.89					
All other	31.38	31.61	15.24	24.92	26.45	27.36	29.35					
Average	23.97	19.88	20.23	23.62	34.60	32.64	36.23					

1/ Less than 500.

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

Table C.--Brandy, other than pisco and singani, and slivovitz, in containers each holding not over 1 gallon valued over \$13 per gallon: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (1,000 gallons)						
Gross imports-----	1,528	2,472	2,866	2,924	1,790	100
26 developed cttries, total:	1,519	2,457	2,844	2,837	1,696	94
GSP countries, total-----	1	2/	7	50	68	4
Mexico-----	1	2/	3	44	64	4
Portuqul-----	2/	0	4	5	2	1/
Israel-----	0	0	0	2/	2	1/
Yugoslvi-----	0	0	2/	2/	2/	1/
Cyprus-----	0	0	0	2/	2/	1/
Swazlnd-----	0	0	0	2/	0	
Peru-----	0	0	0	2/	0	
Hg Kong-----	0	0	0	0	0	
Other GSP-----	0	2/	0	0	0	
Other-----	8	15	15	37	35	2
Value (1,000 dollars)						
Gross imports-----	30,374	50,008	67,694	101,147	64,842	100
26 developed cttries, total:	30,012	49,566	66,583	99,381	62,948	97
GSP countries, total-----	24	6	609	860	1,047	2
Mexico-----	24	5	488	749	960	1
Portuqul-----	1	-	115	93	55	1/
Israel-----	-	-	-	8	28	1/
Yugoslvi-----	-	-	5	4	2	1/
Cyprus-----	-	-	-	2	2	1/
Swazlnd-----	-	-	-	2	-	
Peru-----	-	-	-	1	-	
Hg Kong-----	-	-	-	-	-	
Other GSP-----	-	1	-	-	-	
Other-----	338	436	502	907	847	1

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

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



TITLE: CERTAIN MARINE SPONGES

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty <u>1/</u>		U.S. imports: in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current col. 1 (1/1/81)	Final concession: rate 2/ (1/1/81)		
190.85	Sponges, marine: or yellow.	2.6%	Free	72	Yes.

1/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through 8 equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

## II. Comment

Description and uses

This digest covers grass, velvet, and yellow marine sponges all of which are dutiable under TSUS item 190.85. Marine sponges of commerce are the cleaned and dried skeletal structures of primitive marine animals. Marine sponges are noted for their ability to absorb and release liquids and for their ability, when wet, to become soft without losing their toughness. They are known as marine sponges to distinguish them from synthetic sponges or vegetable fiber sponges, e.g., loofah sponges. There is little competition between marine, synthetic, and vegetable fiber sponges. Marine sponges are generally far more expensive and are considered superior to and usually are not used interchangeably with synthetic and vegetable fiber sponges. Whether domestic or imported, most types of marine sponges (including grass, velvet, and yellow) are used interchangeably--depending on grade or quality--chiefly for cleaning and scrubbing such items as windows, walls, rugs, cars, horses, and military artillery. They are also used in bathing, printing, painting, tile setting, and leather processing. Sizable quantities are used as decorations. In addition to the foregoing general purpose marine sponges, there also are some special purpose types of marine sponges (not included in this digest) with specialized uses in ceramics, cosmetics, and hospital surgery.

Of all the various marine sponges, the three here considered rank in the medium to lower range in quality and price. The yellow sponge is slightly more valuable, on the average, than the grass sponge. The velvet sponge is even more valuable, but it is insignificant in commerce. As with most

marine sponges, these three each have different varieties and grades depending on the waters of origin. Imports are generally similar to and competitive with the domestic products.

U.S. consumption, production, and producers

The apparent U.S. consumption of grass, velvet, and yellow sponges increased from 23,000 pounds in 1976 to 54,000 pounds in 1979, and then declined to 41,000 pounds in 1980 (table A). However, these figures do not take into account inventories, which are believed to have been large at times, nor do they take into account exports, which are believed to be small, but may be large enough to affect apparent consumption levels. In addition, the figures do not allow for the effects of interchanges in usage of these sponges with other marine sponges not included in this digest. Although the statistics on marine sponges historically have indicated an erratic pattern, the actual flow of trade, however, is considered by trade sources to be fairly stable. A short-term increase during 1976-80 in both volume and unit value appears to indicate an increase in demand, but trade sources say this did not occur. A major U.S. buyer explains that there have been no major developments in recent years to cause a strong upward or downward trend in demand or consumption; however, there have always been erratic fluctuations in both domestic production and imports because of variations in growing conditions on the sponge beds and because of the extent to which the weather permits sponge harvesting. The rising average values during 1976-80 may result from a rising average quality of imports.

In terms of quantity, grass, velvet, and yellow sponges account for about one-third of the U.S. consumption of all marine sponges.

The U.S. sponge industry is located in Florida. The domestic sponge fleet consists of many small boats manned by a total of perhaps 50 to 75 persons, many of whom are part time or transient.

Grass, velvet, and yellow sponges account for about one-half of the U.S. landings of marine sponges, in terms of volume. U.S. production of such sponges increased from about 10,000 pounds per year during 1976-79 to 25,000 pounds in 1980, apparently due to the variables of sponge harvesting. In addition to natural growing conditions and weather, production also is affected by the availability of labor willing to do the difficult, and sometimes risky, work of harvesting and preparing the sponges.

#### U.S. trade

U.S. exports of grass, velvet, and yellow sponges are believed to be small.

U.S. imports of the sponges here considered increased from 13,000 pounds in 1976 to 45,000 pounds in 1979, and then declined to 16,000 pounds in 1980 (table B). Sponge trade statistics present an erratic historic pattern which is largely a reflection of sponge harvesting conditions. During 1976-80, the ratio of imports to apparent consumption ranged from a high of 83 percent in 1979 to a low of 39 percent in 1980. Imports of the subject sponges account for about one-third of the U.S. imports of all marine sponges, in terms of volume. U.S. produced sponges and imports are directly competitive, but at current price levels the U.S. market and foreign markets together can readily absorb all of the world's marine sponge output. During 1976-80 more than three-fourths of the subject imports entered from the Bahamas (a GSP eligible country); the remainder were from various sources in Europe, Asia, and North America (tables B and C).



**Position of interested parties**

The Egyptian Export Promotion Center of Egypt submitted the petition to add these sponges to the list of eligible articles for the GSP.

There were no representations from interested parties concerning sponges during the investigations.

Digest No.  
1029--Con.

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Table A.--Sponges, grass, velvet, or yellow: U.S. production, foreign trade, apparent consumption, and ratio of imports to consumption, 1976-80 and January-June 1980 and January-June 1981

Period	Pro- duction	Exports <u>1/</u>	Imports	Apparent consump- tion <u>2/</u>	Ratio (per- cent) of imports to consumption
Quantity (1,000 pounds)					
1976-----	10		13	23	56.5
1977-----	11		25	36	69.4
1978-----	9		37	46	80.4
1979-----	9		45	54	83.3
1980-----	<u>3/</u> 25		16	41	39.0
January-June:					
1980-----	<u>3/</u> 10		8	18	44.4
1981-----	<u>3/</u> 8		14	22	63.6
Value (1,000 dollars)					
1976-----	29		23	52	44.2
1977-----	32		68	100	68.0
1978-----	38		126	154	81.8
1979-----	38		124	162	76.5
1980-----	<u>3/</u> 105		72	177	40.7
January-June:					
1980-----	<u>3/</u> 43		41	84	49.4
1981-----	<u>3/</u> 37		85	122	69.7
Unit value (per pound)					
1976-----	\$2.75		\$1.75	-	-
1977-----	3.00		2.77	-	-
1978-----	4.30		3.44	-	-
1979-----	4.02		2.74	-	-
1980-----	<u>3/</u> 4.24		4.52	-	-
January-June:					
1980-----	<u>3/</u> 4.23		5.08	-	-
1981-----	<u>3/</u> 4.88		6.06	-	-

1/ Exports are believed to be small but they may possibly be large enough to affect the ratio of imports to consumption.

2/ Does not include inventories. Inventory data are not available, but inventories are believed to be large at times.

3/ Preliminary.

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

Table B.--Sponges, grass, velvet, or yellow: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1981
	Quantity (1,000 pounds)					
Bahamas	12	21	32	27	14	6
Japan	1/	0	1	1	1/	1/
India	0	1	1	0	1	0
Spain	0	0	0	0	1/	1/
Canada	0	2	2	3	1	1
Phil R	0	0	0	0	1/	1/
France	0	0	0	1	0	0
China t	0	0	0	1	0	0
Turk Is	0	0	0	13	0	0
U King	0	0	1/	1/	0	0
All other	1	1	1	1/	0	1/
Total	13	25	37	45	16	8
	Value (1,000 dollars)					
Bahamas	10	57	104	105	61	32
Japan	1	-	5	5	5	5
India	-	9	13	-	3	-
Spain	-	-	-	-	1	1
Canada	-	2	2	3	1	1
Phil R	-	-	-	-	1/	1/
France	-	-	-	4	-	-
China t	-	-	-	3	-	-
Turk Is	-	-	-	2	-	-
U King	-	-	1	2	-	-
All other	12	1	1	1	-	19
Total	23	68	126	124	72	41
	Unit value (per pound)					
Bahamas	\$0.80	\$2.70	\$3.26	\$3.88	\$4.36	\$5.39
Japan	.94	-	4.81	5.09	12.99	12.99
India	-	8.66	12.97	-	2.96	-
Spain	-	-	-	-	29.24	29.24
Canada	-	1.13	1.19	.89	1.12	1.12
Phil R	-	-	-	-	1.65	1.65
France	-	-	-	4.25	-	-
China t	-	-	-	2.52	-	-
Turk Is	-	-	-	.16	-	-
U King	9.27	.70	32.09	\$8.90	-	-
All other	1.77	2.73	3.40	2.76	4.52	5.08
Average						6.07

1/ Less than 500.

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

Table C.--Sponges, grass, velvet, or yellow: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (1,000 pounds)				January - June 1981	
	1977	1978	1979	1980	Imports	Percentage distribution
Gross imports-----	25	37	45	16	14	100
26 developed cttries, total:	2	3	4	2	4	32
GSP countries, total-----	23	33	41	14	9	65
Bahamas-----	21	32	27	14	5	35
India-----	1	1	0	1	4	30
Phil R-----	0	0	0	1/	0	
Turk Is-----	0	0	13	0	0	
Venez-----	1	0	0	0	0	
China t-----	0	0	1	0	0	
Tunisia-----	0	0	0	0	0	
Other-----	0	1	1/	1/	1/	3
Gross imports-----	68	126	124	72	85	100
26 developed cttries, total:	2	8	14	6	32	38
GSP countries, total-----	66	117	109	64	34	40
Bahamas-----	57	104	105	61	21	24
India-----	9	13	-	3	14	16
Phil R-----	-	-	-	1/	-	
Turk Is-----	-	-	2	-	-	
Venez-----	1	-	-	-	-	
China t-----	-	-	3	-	-	
Tunisia-----	-	-	-	-	-	
Other-----	-	1	1	1	18	22

1/ Less than 500.

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



TITLE: BLINDS, AND SIMILAR ARTICLES OF UNSPUN FIBROUS VEGETABLE MATERIALS

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item number	Brief product description	Rates of duty		U.S. imports: in 1980 (\$1,000)	Product produced in the U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: rate 1/ (1/1/81)		
222.50	Blinds and similar articles of unspun fibrous vegetable materials.	14%	8%	4,222	Yes. 2/

1/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through 4 equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1983.

2/ Product is produced from imported material.

## II. Comment

Description and uses

This digest includes blinds, shutters, curtains, screens, and shades, of unspun fibrous vegetable materials, with or without their hardware. The unspun fibrous vegetable materials include bamboo, rattan, willow (osier), chip, raffia, palm-leaf, straw, grass, seagrass, and similar fibrous substances which have not been spun.

The principal materials imported consist of woven matchstick bamboo or chip; however, woven material of other vegetable fibers are also imported. Matchstick bamboo is made by splitting bamboo into very narrow strips which are further processed into round rods of about .05 inch in diameter and lengths up to 10 feet. Chip is produced by slicing thin wood veneers into narrow strips of about .05 to .06 inch in thickness, one-fourth to three-eighths inch in width, and up to 10 feet in length. The matchstick bamboo or chip is woven together with binding cords or threads to form large mats ordinarily of 2.5 to 10 feet in width and 100 feet in length, in large bulk rolls.

The blinds, curtains, screens, and shades included here are generally manufactured in foreign countries of the woven materials described above. They usually consist of completely finished articles used as porch shades and for interior household and decorative purposes. Also included here are folding screens of the panel type that are made of unspun fibrous materials.

U.S. consumption, production, and producers

The raw materials used for the articles considered here are almost entirely supplied by imports. However, between 10 and 20 U.S. firms import



either raw material or pre-woven material and then weave and/or assemble it to form blinds, shutters, shades, etc. These firms primarily manufacture custom orders inasmuch as standard stock items and sizes can be produced by foreign suppliers with less expensive labor. It is estimated that the total U.S. market for "woven wood" blinds, shades, etc., amounts to about \$40 million per year. Of this total, about \$4 million to \$6 million per year (customs value) has been imported under TSUS item 222.50 in recent years. Because of the mark-ups that occur on these articles, imports most likely account for \$15 million to \$20 million of the total U.S. market. Consumption is believed to have decreased in recent years due to the overall economic slowdown, increased competition from plastics and metals, and changes in consumer tastes.

#### U.S. exports

All articles of unspun fibrous vegetable material are exported under item number 222.0000. Total exports under this number were \$4.4 million in 1980. Separate statistics for the articles covered in this digest are not available.

#### U.S. imports

U.S. imports of the articles included in this digest, by value, rose from \$3.7 million in 1976 to \$6.0 million in 1978, before dropping to \$4.2 million in 1980 (table A). Taiwan is by far the leading supplier, accounting for \$2.7 million (65 percent) of 1980 imports (table B). In addition, Taiwan accounted for 67 percent of total imports of these articles during January-June 1981, thus exceeding the competitive need limits (table C). Imports from countries with GSP status accounted for \$3.8 million, or 90 percent of 1980 imports (table C). U.S. production of articles covered in this digest are nearly all

custom items as opposed to the lower-priced stock items imported. This quality of the domestic product somewhat insulates it from competition with the imported articles.

Position of interested parties

The original GSP petitioner for this digest was the government of Jamaica. There were no representations from interested parties concerning blinds and similar articles of unspun fibrous vegetable materials during the investigation.

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Table A.--Blinds and similar articles of unspun fibrous vegetable material:  
U.S. production, foreign trade, apparent consumption, and ratio of imports to  
consumption, 1976-80, January-June 1980 and January-June 1981

Period	Pro- duction	Exports	Imports	Apparent consump- tion	Ratio (per- cent) of imports to consumption
Quantity 1,000 pounds)					
1976-----	1/	1/	3,719	1/	1/
1977-----	1/	1/	4,110	1/	1/
1978-----	1/	1/	6,034	1/	1/
1979-----	1/	1/	4,980	1/	1/
1980-----	1/	1/	4,222	1/	1/
January-June:					
1980-----	1/	1/	2,328	1/	1/
1981-----	1/	1/	2,960	1/	1/
Value (1,000 dollars)					
1976-----	1/	1/	1/	1/	1/
1977-----	1/	1/	1/	1/	1/
1978-----	1/	1/	1/	1/	1/
1979-----	1/	1/	1/	1/	1/
1980-----	1/	1/	1/	1/	1/
January-June:					
1980-----	1/	1/	1/	1/	1/
1981-----	1/	1/	1/	1/	1/
Unit value (per pound)					
1976-----	1/	1/	1/	1/	1/
1977-----	1/	1/	1/	1/	1/
1978-----	1/	1/	1/	1/	1/
1979-----	1/	1/	1/	1/	1/
1980-----	1/	1/	1/	1/	1/
January-June:					
1980-----	1/	1/	1/	1/	1/
1981-----	1/	1/	1/	1/	1/

1/ Not available.

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

Table B.--Blinds and similar articles of unspun fibrous vegetable material: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	(In thousands of dollars)					January-June--	
	1976	1977	1978	1979	1980	1980	1981
China t-----	3,205	3,475	5,232	3,387	2,734	1,556	1,987
Phil R-----	163	179	150	798	638	314	263
Hq Kong-----	130	210	221	285	367	265	357
Japan-----	146	142	245	235	217	79	106
China M-----	38	66	121	207	193	66	207
Indonesia-----	-	-	-	-	16	9	3
Kor Rep-----	1/	1	8	24	16	15	8
Italy-----	2	4	10	7	10	4	-
All other-----	36	31	47	35	31	18	29
Total-----	3,719	4,110	6,034	4,980	4,222	2,328	2,960

1/ Less than 500.

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

Table C.--Blinds and similar articles of unspun fibrous vegetable material: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981		Percentage distribution
					Imports	Imports	
Value (1,000 dollars)							
Gross imports	4,110	6,034	4,980	4,222	2,760		100
26 developed cttries, total	151	259	247	243	112		4
GSP countries, total	3,875	5,621	4,509	3,786	2,641		89
China t	3,475	5,232	3,387	2,734	1,937		67
Phil R	179	150	798	638	263		9
Hg Kong	210	221	285	367	357		12
Indonesia				16	3		1/
Kor Rep	1	8	24	16	8		1/
Haiti	1		5	5	16		1
Thailnd	3	2/	5	4	2/		1/
Mexico	1	2		2	7		1/
Other GSP	3	6	4	4	7		1/
Other	65	155	229	194	207		7

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

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

TITLE: SISAL BASKETS

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on
		Current : col. 1 : (1/1/81): rate 1/	Final : Current : col. 2 : (1/1/81)		
387.35 (pt.)	Sisal baskets	6.5% ad	4.4% ad	2/ 3,111	3/
		val.	val.		

1/ Represents the full concession rate for the products included in the item. The full concession rate will become effective through eight annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

2/ Sisal baskets are believed to account for less than 1 percent of the total value of imports under TSUS item 387.35.

3/ There is no known commercial production of these baskets in the United States.

## II. Comment

Description and uses

Sisal baskets are classified under TSUS item 387.35, a category for textile articles not specially provided for that are not ornamented and that are of vegetable fibers, except cotton. These baskets, which are usually handwoven, come in a variety of shapes and sizes and contain raw hide or sisal fiber straps. Sisal baskets have many end uses, including handbags, beach bags, and shopping bags, and are sold primarily at craft fairs and in specialty stores.

Sisal fiber is a hard fiber obtained from the leaves of the agave sisalama plant, grown in tropical areas such as Mexico, Brazil, and East Africa. After the fiber has been extracted from the leaf, it is dried and then spun into yarn. The yarn is used to produce cordage and a variety of woven products.

U.S. consumption, production, and producers

U.S. consumption of sisal baskets is believed to be supplied entirely by imports (table A). There is no known commercial production of these baskets in the United States. Only small amounts of the fiber itself are imported into the United States for crafts and industrial use.

U.S. exports

U.S. exports of sisal baskets are believed to be negligible or nil.



U.S. imports

U.S. imports of sisal baskets are not separately reported, but are believed to account for less than 1 percent of imports under TSUS item 387.35, which are shown in table B. Imports of these baskets are believed to be very small because of the limited demand in the U.S. market.

It is believed that these baskets come primarily from GSP eligible countries since 87 percent of the quantity and 73 percent of the value of TSUS item 387.35 were imported from them during January-June 1981, as shown in table C. Because sisal fibers are primarily grown in East Africa, Brazil, and Mexico, it is likely that most sisal baskets are produced there.

Position of interested parties

The petition for GSP treatment of TSUS item 387.35(pt.), sisal baskets, was filed by the Republic of Kenya. Its petition states that, if sisal baskets were granted GSP eligibility, the industry in Kenya would be able to compete more efficiently with industries already having GSP treatment on their products, such as rattan, bamboo, stick, and willow items. Furthermore, the duty-free treatment may generate more sales and foreign exchange, thereby aiding the rural cottage industry.

Digest No.  
3001--Con.

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Table A.--Sisal baskets: U.S. production, exports, imports for consumption, and apparent consumption: 1976-80, January-June 1980, and January-June 1981

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

Period	Production <u>1/</u>	Exports <u>1/</u>	Imports <u>2/</u>	Apparent consump- tion	Ratio (per- cent) of imports to consumption
Quantity					
1976-----	:	:	:	:	:
1977-----	:	:	:	:	:
1978-----	:	:	:	:	:
1979-----	:	:	:	:	:
1980-----	:	:	:	:	:
January-June--	:	:	:	:	:
1980-----	:	:	:	:	:
1981-----	:	:	:	:	:
Value					
1976-----	:	:	40	40	100
1977-----	:	:	40	40	100
1978-----	:	:	30	30	100
1979-----	:	:	25	25	100
1980-----	:	:	30	30	100
January-June--	:	:	:	:	:
1980-----	:	:	20	20	100
1981-----	:	:	10	10	100
Unit value					
1976-----	:	:	:	:	:
1977-----	:	:	:	:	:
1978-----	:	:	:	:	:
1979-----	:	:	:	:	:
1980-----	:	:	:	:	:
January-June	:	:	:	:	:
1980-----	:	:	:	:	:
1981-----	:	:	:	:	:

1/ There is no known commercial production of sisal baskets in the United States.

2/ Sisal baskets are believed to account for less than 1 percent of TSUS item 387.35. The values shown are approximations based on total imports under TSUS item 387.35.

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

Table B.--Articles n.s.p.f., not ornamented, of vegetable fibers except cotton: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981<sup>1/</sup>

Source	Quantity (pounds)				Value (1,000 dollars)	Unit value (per pound)
	1976	1977	1978	1979		
India	9,140	109,687	33,786	3,270,971	5,142,429	4,029,700
China	234,090	198,166	109,331	154,129	173,756	135,058
Mexico	422,882	915,229	917,254	868,053	506,128	249,392
Poland	1,018,182	1,104,065	767,924	182,551	127,018	127,018
Hg Kong	43,317	104,494	148,877	84,250	72,573	1,684
Phil R	382,347	44,926	40,590	40,994	24,263	9,925
China M	207,251	305,571	158,628	42,010	44,213	39,133
U King	10,584	12,547	27,136	4,951	28,038	16,459
All other	394,146	608,238	177,709	137,594	216,133	137,819
Total	2,721,939	3,402,923	2,381,235	4,785,503	6,334,551	4,746,188
India	28	52	42	914	1,524	1,189
China	247	271	152	235	366	307
Mexico	291	459	532	508	364	180
Poland	1,577	1,716	1,187	285	228	228
Hg Kong	72	148	180	131	83	5
Phil R	939	104	60	86	75	27
China M	275	398	230	69	69	60
U King	26	36	55	35	51	32
All other	577	736	472	299	351	192
Total	4,033	3,919	2,910	2,562	3,111	2,220
India	\$3.11	\$0.47	\$1.24	\$0.28	\$0.30	\$0.30
China	1.06	1.37	1.39	1.53	2.11	2.27
Mexico	0.69	0.50	0.58	0.59	0.72	0.72
Poland	1.55	1.55	1.55	1.56	1.80	1.80
Hg Kong	1.66	1.42	1.21	1.56	1.14	3.12
Phil R	2.46	2.31	1.47	2.11	3.08	2.77
China M	1.33	1.30	1.45	1.63	1.56	1.54
U King	2.50	2.85	2.02	7.10	1.80	1.95
All other	1.46	1.21	2.66	2.17	1.62	1.39
Average	1.48	1.15	1.22	0.54	0.49	0.47

<sup>1/</sup> Sisal baskets account for less than 1 percent of imports shown in table B.

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

Table C.--Articles n.s.p.f., not ornamented, of vegetable fibers except cotton: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981 <sup>1/</sup>

Item	Quantity (pounds)				Value (1,000 dollars)		Percentage distribution
	1977	1978	1979	1980	1979	1980	
Gross imports-----	3,402,923	2,381,235	4,785,503	6,334,551	641,750	100	
26 developed cttries, total:	1,235,911	873,863	254,407	193,322	72,103	11	
GSP countries, total-----	1,848,989	1,347,548	4,486,056	6,097,008	557,948	87	
India-----	109,687	33,786	3,270,971	5,142,429	0		
China t-----	198,166	109,331	154,129	173,756	7,217	1	
Mexico-----	915,229	917,254	868,053	506,128	454,390	71	
Hg Kong-----	104,494	148,877	84,250	72,573	3,336	1	
Phil R-----	44,926	40,590	40,994	24,263	23,436	4	
Haiti-----	2,950	2,205	369	12,533	28,117	4	
Sri Lka-----	0	0	0	66,046	0		
Thailand-----	1,358	220	0	84,984	0		
Other GSP-----	472,179	95,285	67,290	14,296	41,452	6	
Other-----	318,023	159,824	45,040	44,221	11,699	2	
Value (1,000 dollars)							
Gross imports-----	3,919	2,910	2,562	3,111	917	100	
26 developed cttries, total:	2,071	1,527	553	486	196	21	
GSP countries, total-----	1,431	1,150	1,938	2,556	671	73	
India-----	52	42	914	1,524	-		
China-----	271	152	235	366	26	3	
Mexico-----	459	532	508	364	315	34	
Hg Kong-----	148	180	131	83	7	1	
Phil R-----	104	60	86	75	56	6	
Haiti-----	12	9	2	40	98	11	
Sri Lka-----	-	-	-	32	-		
Thailand-----	2	1	-	24	-		
Other GSP-----	383	175	61	47	168	18	
Other-----	418	233	71	69	50	6	

<sup>1/</sup> Sisal baskets account for less than 1 percent of imports shown in table C.

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



TITLE: WOVEN OR KNIT FABRICS OF VEGETABLE FIBERS OR OF COTTON, COATED, FILLED, OR LAMINATED WITH RUBBER OR PLASTICS

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 : (1/1/81)	Final : concession : rate 1/ : (1/1/81)		
355.65	Woven or knit fabrics of vegetable fibers, or of cotton, coated, filled, or laminated with rubber or plastics.	8.5% ad : val.	5.3% ad : val. <u>2/</u>	17,089	Yes.
355.6510	Woven or knit fabrics of cotton, coated or filled or laminated with rubber or plastics.	8.5% ad : val.	5.3% ad : val. <u>2/</u>	16,293	Yes.

1/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through six annual stages with the first stage on Jan. 1, 1982, and the last stage on Jan. 1, 1987.

2/ Also represents the LDDC rate, effective Jan. 1, 1982.

## II. Comment

Description and uses

The products being considered in this analysis include (1) certain coated or filled fabrics of all types of vegetable fibers in 5-digit item 355.65 and (2) the portion of that item which is in chief value cotton (item 355.6510). 1/ The fabrics are either woven or knit (except pile and tufted fabrics) and are either coated, filled, or laminated with rubber or plastics. In order for the finished product to be classified as "coated or filled" for duty purposes, the surface must have been visibly and significantly affected (other than by change in color) by a substance added in the finishing process to fill the spaces between the yarns, thereby improving the appearance and adding other qualities, such as water repellency. The fabrics are classified as laminated when rubber or plastics are applied in the form of preexisting sheets of such material.

These fabrics, many of which have a leather-like appearance and texture, are used in a variety of different products, such as automobiles, furniture, handbags, luggage, and footwear. Other end uses include wall coverings, wearing apparel (such as rainwear), and interlinings for men's suits and coats. These fabrics vary greatly in weight, strength, stretch control, and other physical properties, and are usually produced in 54-inch widths. Most of such fabrics of vegetable fibers contain a cotton base fabric, very few contain a base fabric of other vegetable fibers such as flax, jute, or ramie.

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1/ In determining the component fibers of chief value, the coating, filling, or nontextile laminating substance is disregarded.



U.S. consumption, production, and producers

The discussion in this section includes only those fabrics which contain a woven or knit cotton base, because virtually all these fabrics are made with a cotton base.

Apparent consumption in 1980 was estimated at 116.8 million square yards, valued at \$318 million (table A-2), a decrease of 36 percent from 1979 and 53 percent from 1976. Virtually all the decline in consumption was absorbed by the domestic industry, whose output declined 55 percent between 1976 and 1980, from 267.2 million square yards, valued at \$554 million to 119.8 million square yards, valued at \$327 million. Consequently, the share of the market supplied by imports, which fluctuated in a small range, rose from 4 percent to nearly 9 percent in the period.

Most of the decline in apparent consumption and domestic production of these fabrics was a direct result of the decline in the output of the domestic automobile industry. In addition, current economic conditions and a substitution of cloth for vinyl have reduced purchases of some items, such as furniture, that contain the subject fabrics.

There are slightly more than 100 firms producing coated fabrics in the United States; 20 of these firms produce approximately 60 percent of total output. Most of the firms are located in Massachusetts, New Jersey, New York, Ohio, Connecticut, and Pennsylvania. They range in size from less than 25 employees to those with more than several hundred. In general, the smaller firms are privately held and the larger firms are publicly held. These firms comprise a secondary industry in that they purchase fabric from textile mills and later convert these fabrics by coating them with rubber or plastic.

U.S. exports

Exports of the subject fabrics which contain a woven or knit base of vegetable fibers are believed to consist entirely of those having a cotton base fabric. Exports declined 58 percent from 31.4 million square yards (\$43.8 million) in 1976 to 13.1 million square yards (\$24.6 million) in 1980 (table B). Exports in January-June 1981 were 5.5 million square yards (\$12.5 million), a 17-percent decrease from those in the corresponding period of 1980.

The quantity of exports was about triple those of imports in 1976; however, by 1980 exports were only 30 percent higher. Canada is the primary foreign market for these exported fabrics, accounting for 46 percent of the total in 1980. A large proportion of these fabrics are used in the Canadian automobile industry. The remainder of the exports in 1980 consisted of small shipments to a large number of countries.

Exports, which are equal to approximately 10 percent of the domestic production, declined annually during 1976-80. This is primarily a result of domestic producers encountering increasing competition from low-wage countries in the foreign market.

U.S. imports

U.S. imports of the cotton fabrics 1/ under consideration rose from less than 11 million square yards in 1976 and 1977 to more than 12.6 million square

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1/ The discussion in this section is directed primarily toward such fabrics which contain a woven or knit cotton base. Since import statistics for those woven or knit fabrics containing all vegetable fibers (including cotton) would be less than 5 percent larger.

Digest No.  
3002--Con.

yards in 1978 and 1979, before falling in 1980 to 10.1 million square yards, the lowest annual level in 1976-80 (table C-2). The value, however, increased annually during the period, reaching a high of \$16.3 million in 1980.

GSP-eligible countries accounted for 51 percent of the quantity and 41 percent of the value of the imports during January-June 1981 (table D-2). Colombia is the primary source of imports, accounting for 22 percent of the total value in 1976, increasing to 44 percent in 1978, and then declining to 27 percent in 1980. Other leading sources are Canada, Germany, and Italy which together accounted for 47 percent of the total value in 1980. Colombia had the lowest unit value for imports in the first six months of 1981--\$0.95 per square yard, compared with \$1.52 per square yard for the total. Brazil, the petitioner, was ranked as the fifth leading import source of such fabrics in 1980. Imports from Brazil increased annually from 136.7 thousand square yards (\$108,000) in 1976 to 516 thousand square yards (\$1.2 million) in 1980.

Industry sources indicate that the bulk of the imported fabrics are comparable or slightly inferior in quality to most domestically produced fabric. However, demand for the fabrics is influenced more by price than quality. Throughout the 1976-80 period, the domestically produced coated fabrics were priced higher than similar imports. In 1980 the domestic fabrics were priced almost 70 percent higher per square yard than imports. Since these fabrics are an intermediate component in a finished product, their quality becomes less important as they are combined with other materials. The lower priced imports are usually consumed in industries such as footwear, handbags, and apparel where quality is not as important as price.

Position of interested parties

The petition for GSP treatment of TSUSA item 355.6510 was filed by the Brazilian Government on behalf of the Inpasa Company of Sao Paulo. This company, employing 150 workers, would like to make full utilization of its capacity by increasing production for export to the U.S. market. It feels there is an extremely high tariff on such coated fabrics with a synthetic base fabric. Therefore, they are forced to export only such coated fabrics with a cotton fabric base that has a lower import duty. They estimate that their exports of such coated fabric to the U.S. market would triple if allowed GSP treatment.

The Chemical Fabrics and Film Association (CFFA), representing 60 to 70 percent of the U.S. coated fabric industry, \* \* \* oppose the granting of GSP treatment for such articles. The CFFA \* \* \* believe that granting duty-free treatment would have an adverse economic effect on U.S. coated fabric producers because of the declining demand situation in the United States.

\* \* \* \* \*

Table A-1.--Certain woven or knit fabrics of vegetable fibers (including cotton), coated or filled with rubber or plastics, or laminated with sheet rubber or plastics: U.S. production, exports, imports, and apparent consumption, 1976-80

(Quantity in thousands of square yards; value in thousands of dollars;  
unit value per square yards)

Year	Production <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption <u>1/</u>	Ratio (percent) of imports to consumption
Quantity					
1976-----	267,206	31,389	10,988	246,805	4.5
1977-----	265,087	29,197	10,475	246,365	4.3
1978-----	234,108	20,132	12,882	226,858	5.7
1979-----	187,037	17,068	12,788	182,757	7.0
1980-----	119,763	13,119	10,557	117,201	9.0
Value					
1976-----	553,517	43,756	13,466	523,227	2.6
1977-----	588,521	38,631	10,623	560,513	1.9
1978-----	532,123	27,777	13,858	518,204	2.7
1979-----	431,027	24,552	15,427	421,902	3.7
1980-----	326,674	24,644	17,088	319,118	5.4
Unit value					
1976-----	\$2.07	\$1.39	\$1.23	-	-
1977-----	2.22	1.32	1.01	-	-
1978-----	2.27	1.38	1.08	-	-
1979-----	2.31	1.44	1.21	-	-
1980-----	2.73	1.88	1.62	-	-

1/ Estimated by the staff of the U.S. International Trade Commission from Statistics furnished by the Chemical Fabrics and Film Association. Production is believed to consist almost entirely of cotton base fabrics.

2/ Export statistics include only those fabrics with a cotton base.

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

Table A-2.--Certain woven or knit fabrics of cotton, coated or filled with rubber or plastics, or laminated with sheet rubber or plastics: U.S. production, exports imports, and apparent consumption, 1976-80

(Quantity in thousands of square yards; value in thousands of dollars;  
unit value per square yards)

Year	Production <u>1/</u>	Exports	Imports	Apparent consumption <u>1/</u>	Ratio (percent) of imports to consumption
Quantity					
1976-----	267,206	31,389	10,837	246,654	4.4
1977-----	265,087	29,197	10,226	246,727	4.1
1978-----	234,108	20,132	12,707	226,683	5.6
1979-----	187,037	17,068	12,619	182,588	6.9
1980-----	119,763	13,119	10,111	116,756	8.7
Value					
1976-----	553,517	43,756	13,252	523,013	2.5
1977-----	588,521	38,631	10,308	560,198	1.8
1978-----	532,123	27,777	13,468	517,814	2.6
1979-----	431,027	24,552	15,146	421,621	3.6
1980-----	326,674	24,644	16,293	318,323	5.1
Unit value					
1976-----	\$2.07	\$1.39	\$1.22	-	-
1977-----	2.22	1.32	1.01	-	-
1978-----	2.27	1.38	1.06	-	-
1979-----	2.31	1.44	1.20	-	-
1980-----	2.73	1.88	1.61	-	-

1/ Estimated by the staff of the U.S. International Trade Commission from statistics furnished by the Chemical Fabrics and Film Association.

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

Table B.--Certain woven or knit fabrics of cotton, coated or filled with rubber or plastics, or laminated with sheet rubber or plastics: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	1976		1977		1978		1979		1980		January-June-- 1981	
	Quantity (square yards)	Value (\$1,000 dollars)	Quantity (square yards)	Value (\$1,000 dollars)	Quantity (square yards)	Value (\$1,000 dollars)	Quantity (square yards)	Value (\$1,000 dollars)	Quantity (square yards)	Value (\$1,000 dollars)	Quantity (square yards)	Value (\$1,000 dollars)
Canada	17,490,724	28,341	14,024,630	20,279	10,993,029	7,878,966	5,589,802	7,878,966	5,589,802	2,807,923	2,105,991	
Fr Germ	331,357	374	1,369,192	823	503,374	498,138	639,125	498,138	639,125	320,817	380,907	
Hg Kong	577,478	766	505,426	766	368,716	364,911	496,926	364,911	496,926	300,214	408,860	
Austral	450,308	656	642,991	1,072	579,658	523,527	687,966	523,527	687,966	232,895	316,613	
U King	635,649	13	547,285	653	264,974	322,203	372,517	322,203	372,517	213,408	258,708	
Argent	3,218	572	81,297	68	1,272	70,637	345,247	70,637	345,247	237,332	3,489	
Phil R	583,537	577	483,001	437	318,825	604,910	501,482	604,910	501,482	178,630	57,808	
Rep Saf	381,478	577	336,086	535	258,380	270,516	250,747	270,516	250,747	97,567	132,606	
All other	10,934,787	11,782	11,207,294	13,998	6,843,641	6,534,010	4,237,177	6,534,010	4,237,177	2,260,067	1,797,321	
Total	31,388,536	43,756	29,197,202	38,631	20,131,869	17,067,818	13,118,989	17,067,818	13,118,989	6,648,853	5,462,303	
Canada	28,341	28,341	20,279	20,279	17,074	12,456	11,419	12,456	11,419	4,831	5,477	
Fr Germ	374	374	823	823	458	666	1,362	666	1,362	539	887	
Hg Kong	766	766	766	766	755	689	1,091	689	1,091	602	968	
Austral	656	656	1,072	1,072	640	597	874	597	874	354	466	
U King	13	13	68	68	5	125	660	478	660	422	782	
Argent	572	572	437	437	326	488	244	488	244	106	13	
Phil R	577	577	535	535	429	432	573	432	573	188	316	
Rep Saf	11,782	11,782	13,998	13,998	7,638	8,621	7,046	8,621	7,046	3,401	3,478	
All other	43,756	43,756	38,631	38,631	27,777	24,552	24,644	27,777	24,644	11,078	12,492	
Canada	\$1.62	\$1.62	\$1.45	\$1.45	\$1.55	\$1.58	\$2.04	\$1.58	\$2.04	\$1.72	\$2.60	
Fr Germ	1.13	1.13	0.60	0.60	0.91	1.34	2.13	1.34	2.13	1.68	2.33	
Hg Kong	1.33	1.33	1.52	1.52	2.05	1.89	2.19	1.89	2.19	2.00	2.37	
Austral	1.50	1.50	1.67	1.67	1.10	1.14	1.41	1.14	1.41	1.52	1.47	
U King	1.03	1.03	1.19	1.19	1.70	1.48	2.35	1.48	2.35	2.33	3.02	
Argent	3.96	3.96	0.84	0.84	3.73	1.77	1.92	1.77	1.92	1.78	3.76	
Phil R	0.98	0.98	0.90	0.90	1.02	0.81	1.29	1.02	1.29	1.37	1.83	
Rep Saf	1.51	1.51	1.59	1.59	1.66	1.60	2.28	1.60	2.28	1.93	2.38	
All other	1.08	1.08	1.25	1.25	1.12	1.32	1.66	1.12	1.66	1.50	1.94	
Average	1.39	1.39	1.32	1.32	1.38	1.44	1.88	1.38	1.88	1.67	2.29	

1/ Less than 500.

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



Table C-1.--Certain woven or knit fabrics of vegetable fibers, coated or filled with rubber or plastics, or laminated with sheet rubber or plastics: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (square yards)					Value (1,000 dollars)	
	1976	1977	1978	1979	1980	1980	1981
Colomb	3,653,101	6,432,649	6,879,100	6,910,271	4,669,230	2,603,245	2,315,194
Canada	1,886,615	1,657,291	3,421,503	1,664,055	1,681,497	735,198	1,364,766
Fr Germ	1,565,892	781,468	688,430	800,420	998,838	441,971	831,225
Italy	1,074,243	495,636	298,877	495,278	729,482	350,800	302,796
Brazil	136,696	29,080	275,198	514,717	516,067	225,539	333,590
Japan	355,814	285,090	312,757	121,670	222,158	108,131	242,862
Mexico	0	0	530,429	1,847,988	1,155,767	503,290	344,688
France	1,804,282	522,716	279,285	175,235	110,286	53,388	69,254
All other	510,912	271,234	196,577	258,724	473,653	194,820	430,862
Total	10,987,555	10,475,164	12,882,156	12,788,358	10,556,978	5,216,382	6,235,237
Value (1,000 dollars)							
Colomb	2,927	3,621	5,949	6,380	4,563	2,583	2,201
Canada	2,430	2,600	2,798	1,859	2,951	1,123	1,919
Fr Germ	2,490	1,581	1,495	1,653	2,579	1,214	1,014
Italy	1,756	869	584	1,631	2,438	1,864	938
Brazil	108	74	796	1,397	1,171	566	987
Japan	590	545	791	435	1,021	502	1,063
Mexico	-	-	481	1,115	946	398	333
France	2,408	883	530	432	413	187	258
All other	756	449	433	523	1,007	481	983
Total	13,466	10,623	13,858	15,427	17,088	8,917	9,696
Unit value (per square yard)							
Colomb	\$0.80	\$0.56	\$0.86	\$0.92	\$0.98	\$0.99	\$0.95
Canada	1.29	1.57	0.82	1.12	1.75	1.53	1.41
Fr Germ	1.59	2.02	2.17	2.06	2.58	2.75	1.22
Italy	1.63	1.75	1.96	3.29	3.34	5.31	3.10
Brazil	0.79	2.55	2.89	2.71	2.27	2.51	2.96
Japan	1.66	1.91	2.53	3.58	4.59	4.65	4.38
Mexico	-	-	0.91	0.60	0.82	0.79	0.97
France	1.33	1.69	1.90	2.47	3.74	3.49	3.72
All other	1.46	1.66	2.20	2.02	2.13	2.47	2.28
Average	1.23	1.01	1.08	1.21	1.62	1.71	1.56

1/ Less than 500.

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

Table C-2.--Certain woven or knit fabrics of cotton, coated or filled with rubber or plastics, or laminated with sheet rubber or plastics: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (square yards)					Unit value (per square yard)
	1976	1977	1978	1979	1980	
Colomb	3,653,101	6,432,649	6,879,100	6,908,580	4,502,254	2,603,245
Canada	1,880,090	1,580,100	3,406,225	1,618,785	1,681,397	735,198
Fr Germ	1,494,661	670,925	600,361	694,047	931,836	423,435
Italy	1,060,986	480,932	273,931	494,663	693,118	350,637
Brazil	136,696	12,390	249,052	514,717	516,067	225,539
Japan	354,376	275,325	312,697	116,686	206,005	92,431
Mexico	0	0	530,429	1,847,988	1,108,983	456,506
France	1,804,282	517,403	275,388	175,235	105,278	53,388
All other	452,605	255,830	179,493	248,571	366,433	155,299
Total	10,836,797	10,225,554	12,706,676	12,619,272	10,111,371	5,095,678
	Value (1,000 dollars)					
Colomb	2,927	3,621	5,949	6,379	4,413	2,583
Canada	2,419	2,569	2,763	1,828	2,950	1,123
Fr Germ	2,412	1,440	1,356	1,474	2,458	1,182
Italy	1,718	842	509	1,628	2,303	1,864
Brazil	108	32	719	1,397	1,171	566
Japan	589	526	791	409	931	418
Mexico	-	-	481	1,115	880	331
France	2,408	866	529	432	385	187
All other	671	412	371	484	801	361
Total	13,252	10,308	13,468	15,146	16,293	8,614
	Unit value (per square yard)					
Colomb	\$0.80	\$0.56	\$0.86	\$0.92	\$0.98	\$0.99
Canada	1.29	1.63	0.81	1.13	1.75	1.53
Fr Germ	1.61	2.15	2.26	2.12	2.64	2.79
Italy	1.62	1.75	1.86	3.29	3.32	5.32
Brazil	0.79	2.56	2.89	2.71	2.27	2.51
Japan	1.66	1.91	2.53	3.50	4.52	4.52
Mexico	-	-	0.91	0.60	0.79	0.73
France	1.33	1.67	1.92	2.47	3.66	3.49
All other	1.48	1.61	2.07	1.95	2.19	2.33
Average	1.22	1.01	1.06	1.20	1.61	1.69

1/ Less than 500.

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



Table C-2.--Certain woven or knit fabrics of cotton, coated or filled with rubber or plastics, or laminated with sheet rubber or plastics: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1981
	Quantity (square yards)					
Colomb-----	3,653,101	6,432,649	6,879,100	6,908,580	4,502,254	2,603,245
Canada-----	1,880,090	1,580,100	3,406,225	1,618,785	1,681,397	735,198
Fr Germ-----	1,494,661	670,925	600,361	694,047	931,836	423,435
Italy-----	1,060,986	480,932	273,931	494,663	693,118	350,637
Brazil-----	136,696	12,390	249,052	514,717	516,067	225,539
Japan-----	354,376	275,325	312,697	116,686	206,005	92,431
Mexico-----	0	0	530,429	1,847,988	1,108,983	456,506
France-----	1,804,282	517,403	275,388	175,235	105,278	53,388
All other-----	452,605	255,830	179,493	248,571	366,433	155,299
Total-----	10,836,797	10,225,554	12,706,676	12,619,272	10,111,371	5,095,678
	Value (1,000 dollars)					
Colomb-----	2,927	3,621	5,949	6,379	4,413	2,583
Canada-----	2,419	2,569	2,763	1,828	2,950	1,123
Fr Germ-----	2,412	1,440	1,356	1,474	2,458	1,182
Italy-----	1,718	842	509	1,628	2,303	1,864
Brazil-----	108	32	719	1,397	1,171	566
Japan-----	589	526	791	409	931	418
Mexico-----	-	-	481	1,115	880	331
France-----	2,408	866	529	432	385	187
All other-----	671	412	371	484	801	361
Total-----	13,252	10,308	13,468	15,146	16,293	8,614
	Unit value (per square yard)					
Colomb-----	\$0.80	\$0.56	\$0.86	\$0.92	\$0.98	\$0.99
Canada-----	1.29	1.63	0.81	1.13	1.75	1.53
Fr Germ-----	1.61	2.15	2.26	2.12	2.64	2.79
Italy-----	1.62	1.75	1.86	3.29	3.32	5.32
Brazil-----	0.79	2.56	2.89	2.71	2.27	2.51
Japan-----	1.66	1.91	2.53	3.50	4.52	4.52
Mexico-----	-	-	0.91	0.60	0.79	0.73
France-----	1.33	1.67	1.92	2.47	3.66	3.49
All other-----	1.48	1.61	2.07	1.95	2.19	2.33
Average-----	1.22	1.01	1.06	1.20	1.61	1.69

1/ Less than 500.

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

Table D-1.--Certain woven or knit fabrics of vegetable fibers, coated or filled with rubber or plastics, or laminated with sheet rubber or plastics: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (square yards)				Value (1,000 dollars)		January - June 1981	
	1977	1978	1979	1980	Imports	Percentage distribution	Imports	Percentage distribution
Gross imports	10,475,164	12,882,156	12,788,358	10,556,978	6,235,237		6,235,237	100
26 developed cttries, total	3,913,623	5,116,631	3,410,489	3,953,920	3,034,156		3,034,156	49
GSP countries, total	6,522,470	7,732,046	9,309,786	6,572,478	3,145,436		3,145,436	50
Colomb	6,432,649	6,879,100	6,910,271	4,669,230	2,315,194		2,315,194	37
Brazil	29,080	275,198	514,717	516,067	333,590		333,590	5
Mexico	0	530,429	1,847,988	1,155,767	344,688		344,688	6
China t	55,027	18,180	36,094	169,557	151,964		151,964	2
Sri Lka	0	0	0	59,484	0		0	
Israel	0	5,571	0	1,045	0		0	
Hq Kong	5,574	23,268	0	500	0		0	
Phil R	0	300	0	828	0		0	
Other GSP	140	0	716	0	0		0	
Other	39,071	33,479	68,083	30,580	55,645		55,645	1
Value (1,000 dollars)								
Gross imports	10,623	13,858	15,427	17,088	9,696		9,696	100
26 developed cttries, total	6,781	6,482	6,394	9,946	5,687		5,687	59
GSP countries, total	3,765	7,320	8,930	7,056	3,896		3,896	40
Colomb	3,621	5,949	6,380	4,563	2,201		2,201	23
Brazil	74	796	1,397	1,171	987		987	10
Mexico	0	481	1,115	946	333		333	3
China t	64	40	36	322	375		375	4
Sri Lka	0	0	0	46	0		0	
Israel	0	6	0	5	0		0	
Hq Kong	5	48	0	2	0		0	
Phil R	0	1	0	2	0		0	
Other GSP	2/	0	1	0	0		0	
Other	77	56	103	86	112		112	1

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

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

Table D-2.--Certain woven or knit fabrics of cotton, coated or filled with rubber or plastics, or laminated with sheet rubber or plastics: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (square yards)				January - June 1981	
	1977	1978	1979	1980	Imports	Percentage distribution
Gross imports	10,225,554	12,706,676	12,619,272	10,111,371	6,070,314	100
26 developed cttries, total	3,682,063	4,968,517	3,243,094	3,817,532	2,929,597	48
GSP countries, total	6,504,420	7,704,680	9,308,095	6,263,259	3,085,072	51
Colomb	6,432,649	6,879,100	6,908,580	4,502,254	2,315,194	38
Brazil	12,390	249,052	514,717	516,067	333,590	6
Mexico	0	530,429	1,847,988	1,108,983	344,688	6
China t	55,027	18,180	36,094	133,582	91,600	2
Israel	0	5,571	0	1,045	0	
Hg Kong	4,354	22,048	0	500	0	
Phil R	0	300	0	828	0	
Argent	0	0	0	0	0	
Other GSP	0	0	716	0	0	
Other	39,071	33,479	68,083	30,580	55,645	1
Value (1,000 dollars)						
Gross imports	10,308	13,468	15,146	16,293	9,223	100
26 developed cttries, total	6,509	6,169	6,115	9,501	5,368	58
GSP countries, total	3,721	7,243	8,928	6,705	3,743	41
Colomb	3,621	5,949	6,379	4,413	2,201	24
Brazil	32	719	1,397	1,171	987	11
Mexico	0	481	1,115	880	333	4
China t	64	40	36	232	222	2
Israel	0	6	0	5	0	
Hg Kong	4	48	0	2	0	
Phil R	0	1	0	2	0	
Argent	0	0	0	0	0	
Other GSP	0	0	1	0	0	
Other	77	56	103	86	112	1

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

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

TITLE: CERTAIN WOVEN FLOOR COVERINGS

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty			U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current col. 1 (1/1/81):	Final concession rate 1/ (1/1/81):	Current col. 2 (1/1/81):		
	Floor coverings of pile					
	or tufted construction,					
	of textile materials:					
	With pile inserted or					
	knotted during					
	weaving or knitting:					
	With pile not hand-					
	inserted and not					
	hand-knotted:					
	[Of cotton]					
	[Of coir]					
	[Of jute]					
	Other:					
	Wilton (including					
	brussels) and					
	velvet (including:					
	tapestry) floor					
	coverings, and					
	floor coverings					
	of like character:					
	or description:					
	[Of wool]					
	[Of manmade fibers]:					
	Other:					
360.4640	Imitation	21% ad	10% ad	60% ad	19	No.
	oriental-----	val.	val.	val.		
360.4645	Other-----	21% ad	10% ad	60% ad	91	No.
		val.	val.	val.		

1/ Represents full concession rate for products included in the item. This rate will become effective through six annual stages with the first on Jan. 1, 1982, and the last on Jan. 1, 1987.

Note.--The part of the description enclosed in brackets is included only to define the articles under

## II. Comment

Description and uses

TSUSA item 360.4640 provides for imitation oriental floor coverings and item 360.4645 provides for other floor coverings, both of which are woven on Wilton or velvet looms. Although virtually all floor coverings woven on Wilton and velvet looms are made of wool, cotton, or manmade fibers, those under consideration exclude these fibers and coir and jute. Most of the recent imports under items 360.4640 and 360.4645 are believed to be in chief value of silk. The petitioner's floor coverings are pure silk throw rugs made on Wilton looms; none are currently exported to the United States.

Wilton floor coverings are woven on a Wilton loom with a jacquard attachment, which uses a series of perforated patterned cards to regulate the feeding of different colors of yarn. The jacquard system assures accurate reproduction of intricate patterns, such as found in imitation oriental floor coverings. Floor coverings woven on velvet looms, which are similar to Wilton looms but without the jacquard system, are primarily made of solid colors. Both types of floor coverings are used in the contract market for institutional use.

U.S. consumption, production, and producers

Imports account for virtually all U.S. consumption of the woven floor coverings under consideration (table A). There is little or no commercial production in the United States of these floor coverings.



U.S. exports

Exports of the floor coverings under consideration are believed to be negligible or nil.

U.S. imports

U.S. imports of the woven carpets covered in this digest decreased 58 percent from \$263,000 in 1978 to \$110,000 in 1980 (table B). The quantity decreased 72 percent during the period, from 22,600 square yards to 6,400. The average value, however, increased 48 percent from \$11.68 a square yard to \$17.29. These imported carpets are purchased for aesthetic or design purposes rather than for price.

Floor coverings classified under TSUSA item 360.4645 (other than imitation oriental rugs) accounted for \$91,000 or 83 percent of total imports in 1980 (table B-2). Imports of these floor coverings rose from \$102,000 in 1976 to \$218,000 in 1979, before decreasing to \$91,000 in 1980. Imports of imitation oriental floor coverings classified under item 360.4640 declined from \$127,000 in 1978 to less than \$20,000 in the years 1979 and 1980 (table B-1).

Countries eligible for GSP treatment accounted for approximately 1 percent of the imports in 1976-80; in January-June 1981, no shipments originated from these countries (table C). The major foreign suppliers were Italy, the United Kingdom, West Germany, and Belgium.

Position of interested parties

The petition for GSP treatment of TSUSA items 360.4640 and 360.4645 was filed by Kaplan, Russin & Vecchi, on behalf of Caesarea-Glenoit Industries,

Digest No.  
3003--Con.

Ltd. of Israel. This company believes that the elimination of duty on the woven silk floor coverings will make it feasible to import these items from Israel. Since the carpets are expensive, and the current duty is 21 percent ad valorem, the elimination of the duty would significantly lower the export price. They believe that there is no domestic industry producing a like or directly competitive product and that there would be no adverse impact upon the domestic carpet industry.

\* \* \* \* \*

Table A.--Certain woven floor coverings (TSUSA items 360.4640 and -.4645): U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

(Quantity in square yards; value in thousands of dollars;  
unit value per square yard)

Period	Production	Exports	Imports	Apparent consumption	Ratio (per cent) of imports to consumption
Quantity					
1976-----	0	0	1/	1/	1/
1977-----	0	0	1/	1/	1/
1978-----	0	0	22,556	22,556	100
1979-----	0	0	15,244	15,244	100
1980-----	0	0	6,351	6,351	100
January-June--					
1980-----	0	0	4,602	4,602	100
1981-----	0	0	4,883	4,883	100
Value					
1976-----	-	-	1/	1/	1/
1977-----	-	-	1/	1/	1/
1978-----	-	-	263	263	100
1979-----	-	-	226	226	100
1980-----	-	-	110	110	100
January-June--					
1980-----	-	-	78	78	100
1981-----	-	-	50	50	100
Unit value					
1976-----	-	-	1/	-	-
1977-----	-	-	1/	-	-
1978-----	-	-	\$11.68	-	-
1979-----	-	-	14.82	-	-
1980-----	-	-	17.29	-	-
January-June--					
1980-----	-	-	16.94	-	-
1981-----	-	-	10.34	-	-

1/ Not available.

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

Table B.--Certain woven floor coverings: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (square yards)					Value (1,000 dollars)		Unit value (per square yard)
	1976	1977	1978	1979	1980	1980	January-June-- 1981	
Italy	1,225	5,505	3,879	3,879	3,879	4,706		
U King	933	716	826	175	175	114		
Fr Germ	1,469	125	1,128	93	93	0		
Belgium	18,757	8,353	275	275	275	34		
Nethlds	0	0	15	0	0	0		
Hq Kong	0	8	12	0	0	0		
Afghan	0	50	3	0	0	0		
Iran	0	0	33	0	0	0		
Canada	0	0	178	0	178	0		
China	0	0	2	0	2	0		
All other	172	487	0	0	0	29		
Total	22,556	15,244	6,351	4,602	4,602	4,883		
Value (1,000 dollars)								
Italy	11	49	58	58	58	47		
U King	15	16	24	14	14	1		
Fr Germ	10	14	17	2	2	-		
Belgium	224	130	4	4	4	1		
Nethlds	-	-	3	-	-	-		
Hq Kong	-	1	2	-	-	-		
Afghan	-	1	1	-	-	-		
Iran	-	-	1	-	-	-		
Canada	-	-	1	-	-	-		
China	-	-	2	-	2	1		
All other	2	16	2	2	2	1		
Total	263	226	110	78	78	50		
Unit value (per square yard)								
Italy	\$9.00	\$8.86	\$14.84	\$14.84	\$14.84	\$10.09		
U King	16.57	22.19	28.58	77.32	77.32	11.08		
Fr Germ	7.12	112.92	14.86	21.91	21.91	-		
Belgium	11.96	15.54	13.94	13.94	13.94	35.91		
Nethlds	-	-	221.07	-	-	-		
Hq Kong	-	79.13	180.00	-	-	-		
Afghan	-	19.00	263.67	-	-	-		
Iran	-	-	23.64	-	-	-		
Canada	-	-	3.37	-	3.37	-		
China	-	-	205.00	-	205.00	-		
All other	12.65	32.32	-	-	-	18.83		
Average	11.68	14.82	17.29	16.94	16.94	10.34		

1/ Not available, however, total imports are believed to be less than \$100,000.  
2/ Less than 500.

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

Table B-1.--Certain woven imitation oriental floor coverings (tsusa 360.4640): U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1980	1981
	Quantity (square yards)						
Fr Germ	0	39	0	999	0	0	0
U King	194	0	0	533	0	0	0
Belgium	9,562	383	0	275	275	0	0
Nethlds	0	0	0	15	0	0	0
Afghan	0	0	0	3	0	0	0
China M	156	171	0	0	0	0	0
Hg Kong	0	8	0	0	0	0	0
India	0	24	0	0	0	0	0
Switzld	11	0	0	0	0	0	0
Canada	0	0	0	0	0	0	0
All other	0	0	0	0	0	0	0
Total	9,923	625	0	1,825	275	0	0
	Value (1,000 dollars)						
Fr Germ	-	2/	-	6	-	-	-
U King	5	-	5	5	-	-	-
Belgium	120	4	4	4	4	-	-
Nethlds	-	-	-	3	-	-	-
Afghan	-	-	-	1	-	-	-
China M	1	2	-	-	-	-	-
Hg Kong	-	1	-	-	-	-	-
India	-	2/	-	-	-	-	-
Switzld	2/	-	-	-	-	-	-
Canada	-	-	-	-	-	-	-
All other	-	-	-	-	-	-	-
Total	127	8	-	19	4	-	-
	Unit value (per square yard)						
Fr Germ	-	\$6.79	-	\$5.58	-	-	-
U King	24.79	-	-	9.38	-	-	-
Belgium	12.56	11.19	-	13.94	13.94	-	-
Nethlds	-	-	-	221.07	-	-	-
Afghan	-	-	-	263.67	-	-	-
China M	8.37	12.23	-	-	-	-	-
Hg Kong	-	79.13	-	-	-	-	-
India	-	12.50	-	-	-	-	-
Switzld	32.45	-	-	-	-	-	-
Canada	-	-	-	-	-	-	-
All other	-	-	-	-	-	-	-
Average	12.75	12.12	-	10.14	13.94	-	-

1/ Not available, however, total imports are believed to be less than \$100,000.  
2/ Less than 500.

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

Table B-2.--Certain other woven floor coverings (tsusa 360.4645): U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976		1977		1978		1979		1980		January-June-- 1981	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Italy	729	1,225	655	1,225	1,225	5,505	3,879	3,879	3,879	3,879	4,706	
U King	3,259	2,977	2,977	739	739	716	293	175	293	175	114	
Fr Germ	301	235	235	1,469	86	86	129	93	129	93	0	
Hq Kong	0	0	0	0	0	0	12	0	12	0	0	
Iran	0	0	0	0	0	0	33	0	33	0	0	
Canada	41	65	65	0	0	0	178	178	178	178	0	
China t	0	0	0	0	0	0	2	2	2	2	0	
Belgium	5,925	5,538	5,538	9,195	7,970	7,970	0	0	0	0	34	
Switzld	405	743	743	0	141	141	0	0	0	0	0	
Kuwait	0	0	0	0	8	8	0	0	0	0	0	
All other	957	1,858	1,858	5	193	193	0	0	0	0	29	
Total	11,617	12,071	12,071	12,633	14,619	14,619	4,526	4,327	4,526	4,327	4,883	
Value (1,000 dollars)												
Italy	7	7	7	11	49	58	58	58	58	58	47	
U King	36	39	39	11	16	19	19	14	19	14	1	
Fr Germ	3	2	2	10	14	11	2	2	11	2	-	
Hq Kong	-	-	-	-	-	2	1	-	2	-	-	
Iran	-	-	-	-	-	1	1	-	1	-	-	
Canada	1	2	2	-	-	1	1	1	1	1	-	
China t	-	-	-	-	-	1/2	1/2	1/2	1/2	1/2	1	
Belgium	36	59	59	104	126	126	-	-	-	-	1	
Switzld	9	16	16	-	5	5	-	-	-	-	-	
Kuwait	-	-	-	-	4	4	-	-	-	-	-	
All other	10	21	21	1	6	6	-	-	-	-	1	
Total	102	145	145	137	218	218	91	74	91	74	50	
Unit value (per square yard)												
Italy	\$9.36	\$11.07	\$11.07	\$9.00	\$8.86	\$14.84	\$14.84	\$14.84	\$14.84	\$14.84	\$10.09	
U King	10.96	12.95	12.95	14.42	22.19	63.52	63.52	77.32	77.32	77.32	11.08	
Fr Germ	11.17	9.23	9.23	7.12	161.05	86.76	86.76	21.91	21.91	21.91	-	
Hq Kong	-	-	-	-	-	180.00	180.00	-	-	-	-	
Iran	-	-	-	-	-	23.64	23.64	-	-	-	-	
Canada	23.76	23.95	23.95	-	-	3.37	3.37	3.37	3.37	3.37	-	
China t	-	-	-	-	-	205.00	205.00	205.00	205.00	205.00	-	
Belgium	6.03	10.57	10.57	11.34	15.75	-	-	-	-	-	35.91	
Switzld	23.19	21.48	21.48	-	33.45	-	-	-	-	-	-	
Kuwait	-	-	-	-	437.50	-	-	-	-	-	-	
All other	10.46	11.52	11.52	102.60	31.52	-	-	-	-	-	18.83	
Average	8.78	12.05	12.05	10.84	14.94	20.17	20.17	17.13	17.13	17.13	10.34	

1/ Less than 500.

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

Table C.--Certain woven floor coverings: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1981				1980		1979		1978		1977		January - June 1981	
	Quantity (square yards)		Value (1,000 dollars)		Imports		Imports		Imports		Imports		Percentage distribution	
Gross imports	24,239	22,556	15,244	6,351	4,883	100								
26 developed cttries, total	23,469	22,395	14,953	6,301	4,883	100								
GSP countries, total	766	5	41	14	0									
Hq Kong	1	0	8	12	0									
China	0	0	0	2	0									
Brazil	701	0	0	0	0									
Portugal	38	0	0	0	0									
Turkey	0	0	0	0	0									
Israel	11	0	9	0	0									
India	2	5	24	0	0									
Malaysia	1	0	0	0	0									
Other GSP	12	0	0	0	0									
Other	4	156	250	36	0									
Gross imports	292	263	226	110	50	100								
26 developed cttries, total	286	262	216	106	50	100								
GSP countries, total	6	1	2	3	-									
Hq Kong	1/	-	1	2	-									
China	-	-	-	1/	-									
Brazil	4	-	-	-	-									
Portugal	1	-	-	-	-									
Turkey	1/	-	-	-	-									
Israel	1/	-	1	-	-									
India	1/	1	1/	-	-									
Malaysia	1/	-	-	-	-									
Other GSP	1	-	-	-	-									
Other	1/	1	8	2	-									

1/ Less than 500.

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



Table C-1.--Certain woven imitation oriental floor coverings (tsusa 350.4640): U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (square yards)						
Gross imports	12,168	9,923	625	1,825	0	-
26 developed countries, total	12,127	9,767	422	1,822	0	-
GSP countries, total	40	0	32	0	0	-
Brazil	9	0	0	0	0	-
Portugal	29	0	0	0	0	-
Turkey	0	0	0	0	0	-
Israel	0	0	0	0	0	-
India	1	0	24	0	0	-
Hq Kong	1	0	8	0	0	-
China t	0	0	0	0	0	-
Moroc	0	0	0	0	0	-
Other	1	156	171	3	0	-
Value (1,000 dollars)						
Gross imports	147	127	8	19	-	-
26 developed countries, total	146	125	5	18	-	-
GSP countries, total	1	-	1	-	-	-
Brazil	1/	-	-	-	-	-
Portugal	1/	-	-	-	-	-
Turkey	1/	-	-	-	-	-
Israel	-	-	-	-	-	-
India	1/	-	1/	-	-	-
Hq Kong	1/	-	1	-	-	-
China t	-	-	-	-	-	-
Moroc	-	-	-	-	-	-
Other	1/	1	2	1	-	-

1/ Less than 500.

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

Table C-2.--Certain other woven floor coverings (tsusa 360.4645): U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977		1978		1979		1980		January - June 1981	
	Quantity (square yards)		Quantity (square yards)		Quantity (square yards)		Quantity (square yards)		Imports	Percentage distribution
Gross imports	12,071	12,633	14,619	4,525	4,883	100				
26 developed cttries, total	11,342	12,628	14,531	4,479	4,883	100				
GSP countries, total	726	5	9	14	0					
Hg Kong	0	0	0	12	0					
China t	0	0	0	2	0					
Brazil	692	0	0	0	0					
Portuogl	9	0	0	0	0					
Israel	11	0	9	0	0					
India	1	5	0	0	0					
Malaysa	1	0	0	0	0					
Singapr	12	0	0	0	0					
Other GSP	0	0	0	0	0					
Other	3	0	79	33	0					
Value (1,000 dollars)										
Gross imports	145	137	218	91	50	100				
26 developed cttries, total	140	136	212	88	50	100				
GSP countries, total	5	1	1	3	-					
Hg Kong	-	-	-	2	-					
China t	-	-	-	1	-					
Brazil	4	-	-	-	-					
Portuogl	1	-	-	-	-					
Israel	1	1	1	-	-					
India	1	-	-	-	-					
Malaysa	1	-	-	-	-					
Singapr	1	-	-	-	-					
Other GSP	-	-	-	-	-					
Other	1	-	6	1	-					

1/ Less than 500.

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

TITLE: CERTAIN BEDDING

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 : (1/1/81):	Final : concession : rate 1/ : (1/1/81):		
	Other bedding, not orna- mented:	:	:	:	:
	[Of vegetable fibers]	:	:	:	:
	[Of wool]	:	:	:	:
	[Of manmade fibers]	:	:	:	:
	[Of silk]	:	:	:	:
363.90	Other-----	8.5% ad	5.3% ad	40% ad	No.
		val.	val.	val.	
		:	:	:	:

1/ Represents the full concession rate for the products included in the item. The full concession rate will become effective through six annual stages with the first stage on Jan. 1, 1982, and the last stage on Jan. 1, 1987.

Note.--The part of the description enclosed in brackets is included only to define the articles under consideration.

## II. Comment

Description and uses

The petitioner, the Andean Group, requested GSP treatment for blankets of llama or alpaca hair under TSUS item 363.90. Articles of llama and alpaca hair, however, are considered in the TSUS to be wool products. Consequently, blankets of llama or alpaca hair would be classified under TSUS items 363.65 (wool blankets not over 3 yards in length) or 363.70 (wool blankets over 3 yards). The following analysis is limited to the bedding entered under item 363.90.

Articles classified under TSUS item 363.90 consist of unornamented bed furnishings made of textile fibers other than vegetable, wool, silk, and manmade fibers. Furnishings in chief value of rabbit hair are types of articles classified under this provision. Most of the recent imports under item 363.90 are believed to be misclassified; they included polyurethane mattress covers for cribs, which are properly classified in schedule 7 as plastic articles.

U.S. consumption, production, and producers

U.S. consumption of the bedding under consideration is negligible (table A). There is little or no commercial production in the United States of these items.

U.S. exports

Exports of the bedding are believed to be negligible.

U.S. imports

U.S. imports of bedding covered in this digest increased from \$4,000 in 1976 to \$76,000 in 1978, and then decreased to \$23,000 in 1980 (table B). In January-June 1981, imports totaled \$4,000, or 71 percent less than those in the corresponding period of 1980. The major supplier since 1976 has been Taiwan, accounting for 60 to 90 percent of the quantity annually, except in 1977 when there were no shipments.

Countries eligible for GSP treatment supplied about one-fourth of the value of these imports in 1978 and 1979 and about half of the value in 1980 (table C). Another 30 percent of the value in 1980 was supplied by China.

Imports supply virtually all domestic consumption of the bedding, which consists of specialty items purchased by consumers for their aesthetic appeal or design. Demand for these items is believed to be price inelastic.

Position of interested parties

The petition for GSP treatment of TSUS item 363.90 was filed by the Andean Group. This organization believes that the elimination of duty on llama and alpaca blankets will help develop an export market for handcrafted items from Bolivia.

Digest No.  
3005--Con.

\* \* \* \* \*

Table A.--Certain bedding of fibers other than vegetable, wool, silk, and manmade fibers: U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Production	Exports	Imports	Apparent consumption	Ratio (per cent) of imports to consumption
Quantity					
1976-----	0	0	2,148	2,148	100
1977-----	0	0	1,349	1,349	100
1978-----	0	0	38,422	38,422	100
1979-----	0	0	14,504	14,504	100
1980-----	0	0	6,922	6,922	100
January-June--					
1980-----	0	0	6,349	6,349	100
1981-----	0	0	1,309	1,309	100
Value					
1976-----	-	-	4	4	100
1977-----	-	-	17	17	100
1978-----	-	-	76	76	100
1979-----	-	-	52	52	100
1980-----	-	-	23	23	100
January-June--					
1980-----	-	-	14	14	100
1981-----	-	-	4	4	100
Unit value					
1976-----	-	-	\$1.79	-	-
1977-----	-	-	12.38	-	-
1978-----	-	-	1.97	-	-
1979-----	-	-	3.57	-	-
1980-----	-	-	3.33	-	-
January-June--					
1980-----	-	-	2.17	-	-
1981-----	-	-	3.26	-	-

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

Table B.--Certain bedding (tsus 363.90): U.S. imports for consumption, by principal sources, 1976-80,  
January-June 1980, and January-June 1981

Source	Quantity (pounds)					1981
	1976	1977	1978	1979	1980	
China t	1,792	0	22,840	9,108	6,226	0
China M	0	0	281	0	0	0
Japan	0	0	0	0	141	0
France	0	0	0	0	17	18
Italy	0	105	0	292	10	0
Canada	185	0	0	358	256	0
Ireland	0	0	0	0	14	0
Austral	0	0	0	417	0	0
N Zeal	0	0	0	1,999	0	0
Norway	0	0	0	1,846	0	11
All other	171	1,244	15,301	484	0	1,280
Total	2,148	1,349	38,422	14,504	6,922	1,309
	Value (1,000 dollars)					
China t	2	-	20	10	12	-
China M	-	-	1	-	7	-
Japan	-	-	-	-	1	-
France	-	-	-	-	1	1
Italy	-	3	-	10	1	-
Canada	1	-	-	1	1/	-
Ireland	-	-	-	-	1	-
Austral	-	-	-	16	-	-
N Zeal	-	-	-	6	-	-
Norway	-	-	-	4	-	1
All other	2	14	55	4	-	3
Total	4	17	76	52	23	14
	Unit value (per pound)					
China t	\$0.90	-	\$0.87	\$1.09	\$2.00	-
China M	-	-	2.69	-	26.73	-
Japan	-	-	-	-	8.80	-
France	-	-	-	-	61.71	45.89
Italy	-	26.16	-	35.21	60.60	-
Canada	3.79	-	-	3.48	2.18	-
Ireland	-	-	-	-	20.71	-
Austral	-	-	-	37.90	-	-
N Zeal	-	-	-	3.20	-	-
Norway	-	-	-	2.33	-	54.09
All other	8.88	11.21	3.61	7.76	-	2.22
Average	1.79	12.38	1.97	3.57	3.33	2.17

1/ Less than 500.

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



Table C.--Certain bedding (tsus 363.90): U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (pounds)					January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980	1981		
Gross imports	1,349	38,422	14,504	6,922	1,309		100
26 developed cttries, total:	742	15,078	5,378	438	1,248		95
GSP countries, total	607	23,000	9,126	6,226	61		5
China t	0	22,840	9,106	6,225	0		
Haiti	183	0	0	0	0		
Peru	86	85	18	0	40		3
Bolivia	0	0	0	0	0		
Kor Rep	0	0	0	0	21		2
Hg Kong	338	0	0	0	0		
Kenya	0	75	0	0	0		
Other	0	344	0	258	0		
	Value (1,000 dollars)						
Gross imports	17	76	52	23	4		100
26 developed cttries, total:	8	54	41	4	3		78
GSP countries, total	9	21	11	12	1		22
China t	1/	20	10	12	-		
Haiti	1	1	1	-	1		15
Peru	-	-	-	-	-		
Bolivia	-	-	-	-	-		
Kor Rep	-	-	-	-	-		
Hg Kong	8	1/	-	-	1/		7
Kenya	-	-	-	-	-		
Other	-	1	-	7	-		

1/ Less than 500.

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



TITLE: HANDWOVEN JACQUARD-FIGURED TAPESTRIES OF COTTON

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 : (1/1/81): rate 1/	Final : concession : col. 2 : (1/1/81): rate 1/		
	Tapestries, including hand- worked petit-point and other needlepoint tapestries, all the foregoing of textile materials:				
	[Gobelin and other hand- woven tapestries fit only: for use as well hangings, and valued over \$20 per square foot]				
	Other:				
	Of vegetable fibers:				
	Jacquard-figured:				
	Not pile con- struction:				
	Of cotton:				
364.07	Certified hand-	15% ad	7.2% ad	190	No.
(pt.)	loomed and	val.	val.		
	folklore pro- ducts.				

1/ Represents the full concession rate for the products included in the item. The full concession rate will become effective through six equal annual stages with the first stage on Jan. 1, 1982, and the last stage on Jan. 1, 1987.

Note.--The part of the description enclosed in brackets is included only to define the articles under consideration.

## II. Comment

Description and uses

The petitioner, the Andean Group, requested GSP treatment for handwoven needlepoint tapestries of 100-percent cotton thread on a hemp or cotton canvas under TSUS item 364.07. Needlepoint tapestries, however, are classified under item 364.18, tapestries other than Jacquard-figured tapestries of vegetable fibers. This item is currently receiving GSP treatment. Although the needlepoint tapestries are not classified under item 364.07, the following analysis will be limited to hand-loomed and folklore products entered under item 364.07.

TSUS item 364.07 provides for Jacquard-figured tapestries of cotton, used primarily as decorative wall hangings. These tapestries contain intricate designs woven into the fabric on a Jacquard loom which uses a series of perforated patterned cards to control each warp thread according to the motif desired. The designs are usually imitations of the traditional handwoven tapestries, which were made from heavier fabrics containing designs often depicting historic events and which were used primarily as wall hangings to protect against drafts. Excluded from consideration are Gobelin and other handwoven tapestries fit only for use as wall hangings and valued over \$20 a square foot, which enter duty-free under TSUS item 364.05.

Statutory eligibility for GSP

A question exists as to whether textile articles, including the tapestries entering under TSUS item 364.07, are eligible for GSP when section 503(c)(1)(A) of the Trade Act of 1974 excludes from eligibility articles which

are subject to textile agreements. Textile articles are subject to control under the Multifiber Arrangement. Nevertheless, the resolution of this issue does not affect the Commission's statutory responsibilities to provide the President with the requested advice concerning the probable economic effect of the elimination of the import duty on U.S. industries and consumers.

#### U.S. consumption, production, and producers

Imports account for virtually all U.S. consumption of Jacquard-figured tapestries of cotton that are hand-loomed or folklore products (table A). There is little or no commercial production in the United States of these tapestries.

#### U.S. exports

Exports of the Jacquard-figured tapestries are believed to be negligible or nil.

#### U.S. imports

Imports fluctuated widely in 1976-80, ranging from a low of \$61,000 in 1976 to a high of \$233,000 in 1977 (table B). Imports in 1980 totaled \$190,000; in January-June 1981, imports amounted to \$43,000, a 43-percent decrease over the corresponding period of 1980. France, Italy, and Belgium, together, accounted for 67 to 92 percent of the total value of imports in the years 1976-80; in January-June 1981, they accounted for 70 percent of the total. Imports from the countries of the Andean Group--the petitioner--were negligible from 1976 to June 1981.

Countries eligible for GSP treatment accounted for an average of 10 percent of the value of imports in the years 1976-80; in January-June 1981, they supplied 1 percent of imports (table C).

The tapestries under consideration are specialty items, demand for which is influenced primarily by their intrinsic value. Their aesthetic appeal or design are more important to the consumer than price.

Position of interested parties

The petition for GSP treatment of TSUS item 364.07 (pt.) was filed by the Andean Group. This organization believes that the elimination of duty on handwoven needlepoint tapestries will help develop an export market for handcrafted items from Colombia.

\* \* \* \* \*

Table A.--Handwoven jacquard-figured tapestries of cotton (TSUS item 364.07): U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

(Quantity in square yards; value in thousands of dollars;  
unit value per square yard)

Period	Production	Exports	Imports	Apparent consumption	Ratio (per cent) of imports to consumption
Quantity					
1976-----	0	0	11,472	11,472	100
1977-----	0	0	17,174	17,174	100
1978-----	0	0	29,103	29,103	100
1979-----	0	0	31,897	31,897	100
1980-----	0	0	18,660	18,660	100
January-June--					
1980-----	0	0	6,999	6,999	100
1981-----	0	0	6,368	6,368	100
Value					
1976-----	-	-	61	61	100
1977-----	-	-	233	233	100
1978-----	-	-	129	129	100
1979-----	-	-	80	80	100
1980-----	-	-	190	190	100
January-June--					
1980-----	-	-	76	76	100
1981-----	-	-	43	43	100
Unit value					
1976-----	-	-	\$5.32	-	-
1977-----	-	-	13.58	-	-
1978-----	-	-	4.44	-	-
1979-----	-	-	2.50	-	-
1980-----	-	-	10.17	-	-
January-June--					
1980-----	-	-	10.80	-	-
1981-----	-	-	6.76	-	-

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



Table B.--Hand-woven jacquard-figured tapestries of cotton (tsus 364.07): U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (square yards)					Value (1,000 dollars)		Unit value (per square yard)	
	1976	1977	1978	1979	1980	1980	1981	1980	1981
France	1,552	3,290	5,730	17,469	7,078	2,555	884		
Italy	1,024	5,212	8,473	8,433	4,141	1,556	743		
Belgium	5,332	933	4,126	143	2,621	1,512	3,606		
China M	0	4	6,009	134	1,830	0	1,060		
Sri Lka	0	0	0	5	228	228	0		
Haiti	18	0	99	0	601	601	0		
Colomb	410	2,214	0	0	1,371	331	0		
Mexico	450	0	116	96	60	0	0		
Austria	310	0	0	2	350	0	0		
Guatmal	0	0	1,255	810	164	0	0		
All other	2,376	5,521	3,295	4,805	216	216	75		
Total	11,472	17,174	29,103	31,897	18,660	6,999	6,368		
France	14	177	29	30	100	39	17		
Italy	3	29	38	26	40	15	11		
Belgium	24	8	31	5	25	13	2		
China M	-	2	18	2	13	-	11		
Sri Lka	-	-	-	1/	4	4	-		
Haiti	1	-	4	-	3	3	-		
Colomb	2	3	-	-	2	1	-		
Mexico	1/	-	1	1/	1	-	-		
Austria	-	-	-	1/	1	-	-		
Guatmal	16	14	8	14	1/	1/	2		
All other	61	233	129	80	190	76	43		
Total									
France	\$9.02	\$53.93	\$5.03	\$1.74	\$14.12	\$15.41	\$19.78		
Italy	2.63	5.58	4.46	3.06	9.66	9.88	14.68		
Belgium	4.55	8.85	7.44	34.34	9.64	8.68	0.51		
China M	-	408.25	2.98	13.99	7.19	-	10.34		
Sri Lka	-	-	-	60.80	17.52	17.52	-		
Haiti	76.67	-	41.68	-	4.49	4.49	-		
Colomb	5.39	1.47	-	-	1.37	1.78	-		
Mexico	0.69	-	7.58	2.67	15.15	-	-		
Austria	1.84	-	-	182.50	2.09	-	-		
Guatmal	6.55	2.45	0.92	2.11	3.66	-	-		
All other	5.32	13.58	4.44	2.90	2.18	2.18	24.55		
Average				2.50	10.17	10.80	6.76		

1/ Less than 500.

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

Table C.--Hand-woven jacquard-figured tapestries of cotton (tsus 364.07): U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	1981	
					January - June Imports	Percentage distribution
Quantity (square yards)						
Gross imports	17,174	29,103	31,897	18,660	6,368	100
26 developed cttries, total:	10,031	18,667	26,677	14,190	5,273	83
GSP countries, total	7,139	4,087	5,024	2,640	35	1
Sri Lanka	0	0	5	228	0	
Haiti	0	99	0	601	0	
Colomb	2,214	0	0	1,371	0	
Mexico	0	116	96	60	0	
Guatmal	0	1,255	810	164	0	
Kenya	0	0	0	216	0	
Ecuador	90	0	0	0	35	1
Peru	0	0	30	0	0	
Other GSP	4,835	2,617	4,143	0	0	
Other	4	6,349	136	1,830	1,060	17
Value (1,000 dollars)						
Gross imports	233	129	80	190	43	100
26 developed cttries, total:	220	98	67	166	32	74
GSP countries, total	11	12	10	11	11	1
Sri Lanka	-	-	1/	4	-	
Haiti	-	4	-	3	-	
Colomb	3	-	1/	2	-	
Mexico	-	1	-	1	-	
Guatmal	-	1	2	1	-	
Kenya	-	-	-	1/	-	
Ecuador	1	-	-	-	1/	1
Peru	-	-	1	-	-	
Other GSP	8	5	7	-	-	
Other	2	19	2	13	11	25

1/ Less than 500.

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

TITLE: CERTAIN INTERMEDIATE CHEMICALS

I. TSUS item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS item number	Brief product description	Rates of duty				U.S. imports in 1980 (\$1,000)	Product(s) produced in U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: rate 2/ (1/1/81)	Current : col. 2 (1/1/81)	Final : concession: rate 2/ (1/1/81)		
402.56	Benzyl chloride (a-chloro- toluene).	0.9¢/lb. +	7.9%	7¢/lb. +	3/	Yes.	
402.80	Other halogenated hydro- carbon products provided for in the Chemical Appendix to the Tariff Schedules.	12.5%	9.1%	40%	4/ 12,500	Yes.	
402.80pt.	Benzyl dichloride(a,a- dichlorotoluene).	19.4%	9.1%	71%	3/	Yes.	
403.45	Other alcohols-----	11%	6.6%	40%	4/ 2,000	Yes.	
403.45pt.	Benzyl alcohol-----	11%	6.6%	40%	4/ 1,600	Yes.	
403.56pt.	Tetrabromobisphenol A-----	1.4¢/lb. +	0.7¢/lb. +	7¢/lb. +	4/ 2,300	Yes.	
405.08pt.	D(-)-para-hydroxyphenyl- glycine.	19.4%	+ 19.4%	62%	4/ 2,500	No.	
405.60pt.	Benzene acetonitrile-----	1.7¢/lb. +	1.7¢/lb. +	50%	4/ 265	Yes.	
406.28	2-Mercaptobenzothiazole, sodium salt.	15.6%	+ 20%	65.5%	30	Yes.	
406.36	Other specified hetero- cyclic compounds.	1.2¢/lb. +	0.4¢/lb. +	40%	2/ 2,200	Yes for a few. 5/	
		20.5%	+ 12.5%	39.5%			
		11%	5.8%				

See footnotes at end of table.

TITLE: CERTAIN INTERMEDIATES CHEMICALS--(CON.)

I. TSUS item number; brief description; tariff rate information; U.S. imports in 1980; competitive status--(con.)

TSUS item number	Brief product description	Rates of duty			U.S. imports in 1980 (\$1,000)	Product(s) produced in U.S. on 1/3/75
		Current : col. 1 / (1/1/81)	Final : concession: rate 1/ (1/1/81)	Current : col. 2 (1/1/81)		
406.64	Acetone-----	1.3¢/lb. +	0.1¢/lb. +	7¢/lb. +	807	Yes.
		18.7%	+ 18.7%	60%		
		(21.7%)				
406.84	Fumaric acid-----	0.9¢/lb. +	20%	7¢/lb. +	111	Yes.
		27.2%		66.5%		

1/ For specific and compound rates, the ad valorem equivalent, based on the value of total imports in 1980 from most-favored-nation countries, is shown in parenthesis, e.g., (AVE x.x%), if available. In some cases these data are unavailable because the product is included in a basket category, and in other cases the TSUS item number is new and no data are available under the new number.

2/ This rate of duty represents the full concession rates for the products included in the item. The full concession rate will become effective through eight equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

3/ Less than \$500.

4/ Commission estimate.

5/ 4-Aminoantipyrine, 3-Methylbenzo[f]quinoline, and 2-Methyl-5-ethylpyridine.

## II. Comment

Description and uses

The compounds included in this digest are synthetic organic chemicals derived principally from petroleum and natural gas. Most of these chemicals are used as intermediates in the production of more advanced synthetic organic chemicals and finished products such as dyes, medicinal chemicals, photographic chemicals, and pesticides. Some of these chemicals have additional uses and can also be sold without further processing. For example, acetone and benzyl alcohol can be used as solvents. Fumaric acid can be used as a modifier for resins, a plasticizer, and a mordant 1/ for dyes in addition to its use as an intermediate in organic synthesis.

This digest also includes other chemicals whose primary uses are not as intermediate chemicals. For example, tetrabromobisphenol A and certain brominated chemicals are used primarily as flame retardants, while the sodium salt of 2-mercaptobenzothiazole is used mainly as an accelerator for vulcanizing rubber.

U.S. customs treatment

The chemicals classified in the TSUS item numbers in this digest, except items 406.64 and 406.84, are subject to a temporary duty suspension if they are to be used in the production of photographic couplers. The chemicals used for this purpose are temporarily classified in item 907.10 and imported duty-free until the duty suspension expires on or before June 30, 1982.

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1/ Mordant: a substance capable of binding a dye to a textile fiber.

U.S. consumption, production, and producers

During 1976-80, U.S. consumption of the chemicals included in this digest increased from 1.9 billion pounds in 1976 to 2.0 billion pounds in 1980, or by 5.3 percent (table A). During this period, domestic consumption of these chemicals decreased from a high of 2.3 billion pounds in 1977 to the low of 1.7 billion pounds in 1979 primarily due to decreased consumer demand resulting from the economic slowdown which began in 1979 and rising costs for these products. In 1980, domestic consumption of these products rebounded to 2.0 billion pounds; however, this trend was not continued in the first half of 1981 as domestic consumption declined by 3.8 percent compared with consumption in the first half of 1980. This decline in domestic consumption is expected to continue for the remainder of 1981 due to the continuing economic slowdown in the United States resulting from high interest rates and other economic factors. The imports-to-consumption ratio by quantity for these chemicals was less than 2 percent over the entire period (table A).

Domestic production of the chemicals included in this digest during 1976-80 increased from 2.1 billion pounds in 1976 to 2.3 billion pounds in 1980, or by 11.2 percent (table A). During this period, yearly changes in production were similar to the domestic consumption changes as overall U.S. production dominated trends in the domestic consumer demand. It should be noted that aggregate U.S. production data for these chemicals are somewhat misleading because one chemical, acetone, annually accounted for about 90 percent of their total production. In 1980, domestic production of acetone was

2.1 billion pounds. During 1976-80, there was essentially no domestic production of D(-)-para-hydroxyphenylglycine (DPHPG) and only small quantities of a few of the heterocyclic chemicals classified in item 406.36.

Because of the large variety of chemicals which could be included in the TSUS items in this digest, it is difficult to give a precise number of domestic producers. It is estimated, however, that the largest 25 domestic chemical firms annually produce one or more of these chemicals in varying quantities. There are also a number of smaller firms which specialize in the production of a variety of similar chemicals included in this digest (e.g., cyclic halogenated hydrocarbons). The following tabulation gives the number of domestic producers in 1980 for some of the major chemicals included in this digest. 1/

<u>Chemicals</u>	<u>Number of domestic producers</u>
Acetone-----	15
Benzene acetonitrile-----	1
2-Mercaptobenzothiazole, sodium salt-----	3
Benzyl alcohol-----	5
Benzyl chloride-----	2
Benzyl dichloride-----	1
Fumaric acid-----	5
Tetrabromobisphenol A-----	1

#### U.S. exports

During 1976-80, exports of the chemicals included in this digest increased from 151 million pounds, valued at \$4.87 million, in 1976 to 284 million

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1/ Source: U.S. International Trade Commission, Synthetic Organic Chemicals, United States Production and Sales, 1980, USITC Publication 1183, 1980.

pounds, valued at \$84 million, in 1980 (table B). In 1976, exports by quantity represented 7.4 percent of domestic production, increasing to 12.5 percent in 1980 due mainly to lower production costs in the United States (i.e., feedstocks) compared to cost of production in most foreign countries. For the first half of 1981, exports declined 16.3 percent by quantity over exports in the corresponding period of 1980 owing to lower consumer demand in the major foreign markets. The principal export markets by value for these chemicals in 1980 were Japan, Belgium, and the Netherlands.

#### U.S. imports

Imports of the chemicals included in this digest during 1976-80 increased from an estimated 25.7 million pounds in 1976 to 31.7 million pounds in 1980, or by 23 percent; their value increased by over 170 percent from \$27 million in 1976 to \$73 million in 1980 (table C). The large increase in the import value is due mainly to a change in the types of imported chemicals from lower priced chemicals to more expensive types and increasing costs of raw materials.

In the first half of 1981, imports of these chemicals declined owing mostly to the economic slowdown in the United States. In this period, imports of certain intermediate chemicals declined by nearly 63 percent from 23 million pounds in the first half of 1980 to 8.5 million pounds in the corresponding months of 1981. The principal sources for these products by value during this period were Italy, West Germany, Japan, and the United Kingdom.



The difference in quality between the domestic and imported chemicals covered in this digest is not significant. The consumer usually requires a minimum purity for a given chemical which, in most cases, can be attained by either the domestic or imported product. Some of the imported chemicals are priced below their domestic counterparts; these are typically the more basic intermediate chemicals from countries with low raw material and labor costs or from countries which directly or indirectly subsidize their chemical industries.

In 1980, imports of certain intermediate chemicals from GSP countries amounted to 3.4 million pounds, or 10.7 percent of total imports of these chemicals (table D). The principal source of GSP imports in that year was Israel which accounted for 83 percent, or 2.8 million pounds. In the first half of 1981, GSP imports of these chemicals amounted to 659,000 pounds, all of which came from Israel. Israel was also the principal source of GSP imports of these chemicals in 1978-79.

#### Position of interested parties

The Government of Mexico is the petitioner requesting GSP status for 2-mercaptobenzothiazole, sodium salt, (item 406.28), specified heterocyclic compounds (item 406.36), and acetone ex cumene (item 406.64).

Aromaticos Petroquimicos, S. de R.L., Mexico, is the petitioner requesting GSP status for benzyl chloride (item 402.56); other halogenated hydrocarbons (item 402.80) or benzyl dichloride (item 402.80 pt.); other alcohols (item 403.45) or benzyl alcohol (item 403.45 pt.); and benzene acetonitrile (item 405.60 pt.).

Gadot Aromatics Development Ltd. of Israel, the petitioner requesting GSP status for fumaric acid (item 406.84), believes that duty-free status is needed for them to compete effectively in the U.S. market. It contends the domestic producers would not be adversely affected because imports would be inconsequential.

Ameribrom, Inc., the petitioner requesting GSP status for tetrabromobisphenol A, and Emery Industries are in favor of the addition of tetrabromobisphenol A (item 403.56pt.) to the GSP list to upgrade their profitability in the domestic market and to maintain a second source of supply for domestic consumers. GSP status for this product would only result in a 1 to 2 percent increase in imports and not adversely affect the sole domestic producer.

Keneka America Corp., the petitioner, requested that DPHPG (item 405.08 pt.) be added to the GSP list because it will have a beneficial effect on the domestic consumers resulting from lower priced imports. DPHPG is not produced domestically so the addition of this chemical to the GSP list will not harm any domestic firm.

The domestic producers of other chemicals covered by this digest, represented by the Synthetic Organic Chemical Manufacturers Association (SOCMA), have expressed their opposition to the extension of GSP status to these items in a brief to the Commission. The TSUS items in the SOCMA submission are 402.80 or 402.80(pt.) (benzyl dichloride); 403.45(pt.) (benzyl alcohol); 406.36 (62 cyclic intermediates), and 406.64 (acetone). SOCMA objects to the extension of GSP treatment in several cases because the petitioners for GSP status failed to comply with present USTR regulations and

as a result have not provided sufficient information to allow proper evaluation. The SOCMA document also opposes the extension of GSP treatment to acetone and other chemicals because it would adversely affect the domestic producers.

Stauffer Chemical Co. and Hooker Chemical Co. are opposed to granting GSP status to benzyl chloride, other halogenated hydrocarbons, other alcohols, nitrile function compounds, and other mixtures because it would adversely affect their companies' ability to compete with lower priced imported chemicals in the domestic market. These companies are already faced with increasing production costs and competition from products from industrialized countries. Granting GSP treatment to these chemicals would give the beneficiary countries, many of which already enjoy low production costs and, in certain cases, low energy costs as well, a competitive advantage that could force many domestic firms out of the U.S. market.

Reilly Tar and Chemical Corp. is opposed to granting GSP to TSUS item 406.36 because it is the only producer of one of the chemicals listed in this item number and it also produces a chemical which directly competes with another chemical listed in item 406.36. As a small domestic producer, it believes the importation of these chemicals duty-free will seriously affect their ability to maintain a profitable domestic market for their products.

Alberta Gas Chemicals Co. and Pfizer, Inc. are opposed to granting GSP status to item 406.84, fumaric acid. The domestic industry is currently plagued by overcapacity and the prospect for future growth is not bright. The growth rate in the first half of 1981 for fumaric acid is estimated at 1-2

percent. Duty-free imports of fumaric acid could force some domestic producers out of business because they would be unable to compete with lower priced imports.

Rohm and Haas is in favor of GSP status for acetone ex cumene (item 406.64) because it will need increasing quantities of this product in coming years. The additional source of acetone will assure it and other domestic users of acetone a constant supply when domestic supplies are tight. Rohm and Haas believes that imports from GSP countries, especially Mexico, will not be detrimental to the domestic producers.

Great Lakes Chemical Corp. and Ethyl Corp. have both stated their opposition to the addition to the GSP list of those TSUS items which cover tetrabromobisphenol A and other brominated chemicals. In their briefs and testimony, these firms stated that the domestic bromine chemicals industry is already in a depressed state as evidenced by excess capacity resulting from the loss of ethylene dibromide markets (the result of environmental regulations) and the declining number of domestic producers. The granting of GSP status to these items would severely affect this industry while benefiting a country, Israel, whose bromine chemical industry has been increasing its capacity over the past few years without GSP benefits.

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Table A.--Certain intermediate chemicals: U.S. production, foreign trade, apparent consumption, and ratio of imports to consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Production <u>1/</u>	Exports	Imports	Apparent consumption	Ratio (per cent) of imports to consumption
Quantity					
1976-----	2,050,000	150,970	<u>2/</u> 25,670	1,924,700	1.33
1977-----	2,430,000	133,578	34,164	2,330,586	1.46
1978-----	2,250,000	142,604	34,741	2,142,137	1.62
1979-----	2,002,000	303,085	38,007	1,736,922	2.18
1980-----	2,280,000	284,097	31,657	2,027,560	1.56
January-June--					
1980-----	1,200,000	147,552	22,953	1,075,401	2.13
1981-----	1,150,000	123,472	8,527	1,035,055	.82
Value					
1976-----	328,000	48,713	<u>2/</u> 26,954	306,241	8.80
1977-----	413,100	47,629	36,435	401,906	9.06
1978-----	427,500	31,755	89,512	485,257	18.44
1979-----	400,400	71,100	107,303	436,603	24.57
1980-----	547,200	84,411	73,011	535,800	13.62
January-June--					
1980-----	288,000	42,626	53,875	299,249	18.00
1981-----	<u>3/</u>	37,364	14,971	<u>3/</u>	<u>3/</u>
Unit value					
1976-----	\$0.16	\$0.32	\$1.05	-	-
1977-----	.17	.36	1.07	-	-
1978-----	.19	.22	2.58	-	-
1979-----	.20	.23	2.82	-	-
1980-----	.24	.30	2.31	-	-
January-June--					
1980-----	.24	.29	2.35	-	-
1981-----	<u>3/</u>	.30	1.76	-	-

1/ Includes Commission estimates.

2/ Commission estimate.

3/ Not available.

Source: U.S. production, compiled from Synthetic Organic Chemicals, United States Production and Sales, 1976, 1977, 1978, 1979, and 1980; exports and imports, compiled from official statistics of the U.S. Department of Commerce.

Table B.--Certain intermediate chemicals: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	Quantity (1,000 pounds)					
	1976	1977	1978	1979	1980	January-June-- 1981
Japan	37,366	19,525	30,474	89,632	77,006	31,126
Belgium	5,115	6,300	4,748	29,349	32,113	22,302
Netherlands	31,412	22,506	4,906	23,435	33,127	19,465
Italy	9,942	5,910	10,255	21,293	28,528	21,422
China	1,447	1,492	7,264	19,268	18,974	12,407
Venezuela	4,579	10,513	13,878	12,945	14,145	5,673
Canada	11,067	12,116	6,862	5,840	5,109	2,138
Korea	1,419	899	1,038	3,798	8,998	5,155
All other	48,623	54,318	63,179	97,525	66,037	27,864
Total	150,970	133,578	142,604	303,085	284,097	147,552
	Value (1,000 dollars)					
Japan	5,687	4,038	4,438	18,883	19,196	7,920
Belgium	2,077	3,105	1,424	5,522	9,048	5,896
Netherlands	10,029	9,110	2,090	5,831	8,533	4,466
Italy	1,188	926	1,322	3,587	5,471	4,462
China	498	785	1,350	3,252	4,345	2,974
Venezuela	1,071	1,890	2,120	2,857	3,694	1,531
Canada	4,249	4,330	2,664	3,263	3,589	1,525
Korea	1,253	837	239	3,938	3,062	1,378
All other	22,661	22,607	16,058	26,919	27,473	12,475
Total	48,713	47,629	31,755	71,100	84,411	42,626
	Unit value (per pound)					
Japan	\$0.15	\$0.21	\$0.15	\$0.21	\$0.25	\$0.25
Belgium	0.41	0.49	0.30	0.19	0.28	0.26
Netherlands	0.32	0.40	0.43	0.25	0.26	0.23
Italy	0.12	0.16	0.13	0.17	0.19	0.21
China	0.34	0.53	0.19	0.17	0.23	0.24
Venezuela	0.23	0.18	0.15	0.22	0.26	0.27
Canada	0.38	0.36	0.39	0.56	0.70	0.71
Korea	0.88	0.93	0.23	0.25	0.34	0.27
All other	0.47	0.42	0.25	0.28	0.42	0.45
Average	0.32	0.36	0.22	0.23	0.30	0.29

1/ Less than 500.

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

Table C.--Certain intermediate chemicals: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976		1977		1978		1979		1980		1981	
	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)	Quantity (1,000 pounds)	Value (1,000 dollars)
Fr Germ	1/	8,199	8,670	13,633	6,969	4,809	1,819					
Japan	1/	2,844	6,718	6,610	3,368	2,250	666					
Italy	1/	8,010	4,893	4,441	7,719	6,781	2,173					
U King	1/	2,063	6,831	4,952	3,343	2,020	1,320					
Switzld	1/	393	989	688	1,245	712	723					
France	1/	1,422	3,043	3,248	2,453	1,693	509					
Nethlds	1/	4,442	344	327	1,534	1,255	398					
Israel	1/	330	853	2,416	2,824	1,797	569					
All other	1/	6,461	2,398	1,692	2,201	1,636	351					
Total	2/	25,670	34,741	38,007	31,657	22,953	8,527					
Fr Germ	1/	11,840	27,825	44,950	26,008	19,073	3,825					
Japan	1/	4,859	15,770	17,331	11,131	7,587	1,602					
Italy	1/	6,305	11,946	11,709	9,752	7,652	5,001					
U King	1/	4,111	14,422	11,997	7,078	5,390	1,379					
Switzld	1/	2,246	5,336	5,675	4,379	3,203	1,428					
France	1/	2,837	6,125	5,941	4,066	3,104	485					
Nethlds	1/	909	1,671	3,113	3,004	2,707	348					
Israel	1/	747	1,728	1,961	2,548	1,720	300					
All other	1/	2,580	4,190	4,625	5,044	3,439	604					
Total	2/	26,954	36,435	89,512	107,303	73,011	14,971					
Fr Germ	1/	\$1.44	\$3.21	\$3.30	\$3.73	\$3.97	\$2.10					
Japan	1/	1.71	2.35	2.62	3.31	3.37	2.41					
Italy	1/	0.79	2.44	2.64	1.26	1.13	2.30					
U King	1/	1.99	2.11	2.42	2.12	2.67	1.04					
Switzld	1/	5.71	5.90	8.24	3.52	4.50	1.97					
France	1/	2.00	2.01	1.83	1.66	1.83	0.95					
Nethlds	1/	0.20	4.86	9.53	1.96	2.16	0.87					
Israel	1/	2.27	2.03	0.81	0.90	0.96	0.53					
All other	1/	0.40	1.75	2.73	2.29	2.10	1.72					
Average	2/	1.07	2.58	2.82	2.31	2.35	1.76					

1/ Not available

2/ Commission estimate\*

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

Table D.--Certain intermediate chemicals: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (1,000 pounds)				January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980		
Gross imports	34,164	34,741	38,007	31,657	8,527	100
26 developed cttries, total	29,069	33,480	34,223	27,223	7,234	92
GSP countries, total	5,066	1,207	3,062	3,232	569	7
Israel	330	853	2,416	2,624	569	7
India	110	244	518	322	0	
Brazil	4,625	0	0	167	0	
Singapore	0	0	0	4	0	
Mexico	0	0	1	3	0	
China t	0	18	33	2	0	
Argent	0	0	0	51	0	
Malaysia	0	0	0	1	0	
Other GSP	1	93	93	0	0	
Other	28	53	57	329	74	1
Value (1,000 dollars)						
Gross imports	36,435	89,512	107,303	73,011	14,971	100
26 developed cttries, total	34,378	86,475	102,882	67,225	14,573	97
GSP countries, total	1,737	2,644	3,975	4,601	300	2
Israel	747	1,728	1,961	2,548	300	2
India	436	734	1,731	1,681	-	
Brazil	536	-	-	58	-	
Singapore	-	-	-	53	-	
Mexico	-	-	1	22	-	
China t	-	32	58	20	-	
Argent	-	-	-	17	-	
Malaysia	-	-	-	1	-	
Other GSP	18	149	225	-	-	
Other	320	394	446	1,325	98	1

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

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

TITLE: BENZENOID ANTIDEPRESSANTS, TRANQUILIZERS, AND OTHER PSYCHOTHERAPEUTIC AGENTS, PROVIDED FOR IN THE CHEMICAL APPENDIX TO THE TARIFF SCHEDULES; AND AMITRIPTYLINE HYDROCHLORIDE

I. TSUS item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS item No.	Brief product description	Rates of duty			U.S. imports in 1980 (\$1,000)	Product(s) produced in U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession : rate 1/ (1/1/81)	Current : col. 2 (1/1/81)		
412.34	Benzenoid antidepressants, tranquilizers, and other psychotherapeutic agents, provided for in the Chemical Appendix to the TSUS.	36% ad val.	16.6% ad val.	7¢ per lb. + 149.5% ad val.	2/ 3,880	Yes.
412.34 (pt)	Amitriptyline hydrochloride.	36% ad val.	16.6% ad val.	7¢ per lb. + 149.5% ad val.	2/ 623	Yes.

1/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through nine annual stages with the first stage on July 1, 1980, and the last stage on Jan. 1, 1988.

2/ Estimated.

## II. Comments

Description and uses

Antidepressants generally encompass two broad groups of drugs used in the treatment of mental depression. One group of antidepressants is the monoamine oxidase inhibitors. There are about 4 or 5 drugs of this type currently in use in the United States, and these differ from one another in chemical structure and toxic side-effects. The other major group of antidepressants is the tricyclic antidepressants, which are called tricyclic because of their closely related chemical structure. Amitriptyline hydrochloride is one of about 6 tricyclic antidepressants currently in use.

Tranquilizers are drugs capable of exerting a unique type of selective central nervous system depression. These drugs are effective in reducing excitation, anxiety, agitation, and impulsiveness. Many tranquilizers are related to one another by chemical structure. The benzodiazepine type drugs, for example, are variously used as sedatives, muscle-relaxants, anti-convulsants, and as tranquilizers. The various physiological uses of these drugs complicates their classification on the basis of therapeutic use. Another group of tranquilizers is phenothiazine derivatives. These drugs are used as antiemetics, as adjuvants to anesthetics and sedatives for surgery, as well as tranquilizers.

Other psychotherapeutic agents include the antipsychotic drugs, but the distinction between these agents and some of the tranquilizers and antidepressants is not clearly established.



U.S. consumption, production, and producers

Apparent consumption of benzenoid antidepressants, tranquilizers, and other psychotherapeutic agents can be estimated only for 1978-80 because export and import data for this group were not available prior to 1978. Consumption was erratic during 1978-80, ranging from 543,000 pounds valued at \$45 million to 625,000 pounds valued at roughly \$53 million (table A). Consumption of amitriptyline hydrochloride is estimated to have ranged from \* \* \* during 1976-80 (table A1). Value data for amitriptyline hydrochloride consumption \* \* \*. The estimated imports to consumption ratio for these products \* \* \* percent in 1980.

Production of benzenoid antidepressants, tranquilizers, and other psychotherapeutic agents declined from 756,000 pounds in 1976, valued at an estimated \$57 million, to 594,000 pounds in 1980, valued at an estimated \$53 million. Because of the limited number of domestic producers, production data for amitriptyline hydrochloride are not available.

In 1980, 10 to 12 domestic firms produced benzenoid antidepressants, tranquilizers, and other psychotherapeutic agents in bulk form. About 15 to 20 drugs were produced in 1980 that would be classifiable under TSUS item 412.34. In 1980, only two U.S. firms produced amitriptyline hydrochloride in bulk form.

U.S. exports

Exports of antidepressants, tranquilizers, and other psychotherapeutic agents in bulk form were erratic during 1978-80, the only years for which

these data can be estimated with some accuracy. Exports during this period are estimated to have ranged from 64,000 pounds, valued at \$4.8 million, to 82,000 pounds, valued at about \$7.8 million (table B). Principal export markets in 1980 were, on the basis of value of exports, the Netherlands, Switzerland, Japan, and Canada.

Export data for amitriptyline hydrochloride are not available.

#### U.S. imports

Imports of antidepressants, tranquilizers, and other psychotherapeutic agents increased 28 percent on the basis of quantity, from about 32,000 pounds in 1978 to about 41,000 pounds in 1980 (table C). On a value basis, imports increased 48 percent, from \$2.6 million in 1978 to \$3.9 million in 1980. Prior to 1978, import data were not available for this group of drugs. Western Europe and Canada are the principal sources of U.S. imports. Imports from GSP designated countries, mostly Israel, declined from 4,807 pounds, valued at \$186,000, in 1978 to 441 pounds, valued at \$16,000, in 1980 (table D).

Imported drugs of this groups are like and directly competitive with domestically produced products. Some of the imports are intracompany transfers by large multinational drug firms. Much of the remainder is sold to producers of generic pharmaceutical preparations for whom price is the principal consideration. The large drop in the unit value of imports for January-June 1981 reflects, for the most part, the change from the American Selling Price (ASP) method of customs valuation.

Imports of amitriptyline hydrochloride increased from 5,337 pounds in 1977 to 20,637 pounds in 1979 before dropping to 12,465 pounds in 1980. Value data are not available. The estimated ratio of imports to consumption increased from 8.9 percent in 1977 to 25.8 percent in 1979, then dropped to 16.6 percent in 1980. Imports from GSP designated countries declined from 4,807 pounds, valued at \$186,000, in 1978 to 441 pounds, valued at \$16,000, in 1980. In 1978, 70.5 percent (on the basis of quantity) of the GSP imports were from Israel, while in 1979 and 1980 all GSP imports were from Israel. There are no significant differences in domestically produced and imported amitriptyline hydrochloride as both domestic and foreign drugs must meet minimum Food and Drug Administration standards for safety and efficacy. Imported amitriptyline hydrochloride competes in the U.S. market even with a duty of 36 percent ad valorem, because the domestic producer of amitriptyline hydrochloride for the generic market imports from Europe (at a high cost) one of the critical chemicals used in the production process. Imported amitriptyline hydrochloride from Western Europe is competitively priced with the domestic product. With GSP treatment, bulk amitriptyline hydrochloride from Israel could be priced 20 to 30 percent below the U.S. price or the price of amitriptyline imported from Western Europe.

#### Position of interested parties

Plantex, Ltd., an Israeli firm, filed the petition with the U.S. Trade Representative (USTR) for GSP treatment of TSUS item 412.34 and/or amitriptyline hydrochloride (TSUS item 412.34 pt). A similar petition was

filed by Plantex in 1979 requesting GSP treatment for amitriptyline hydrochloride and several other drugs. The 1979 petition was rejected by USTR and amitriptyline hydrochloride was not afforded GSP treatment. Plantex testified before USTR and the Commission that changed circumstances warrant including amitriptyline hydrochloride, in particular, and those drugs classifiable under TSUS item 412.34, in general, on the list of articles eligible for GSP treatment. Plantex also claimed that imports of amitriptyline hydrochloride from Plantex would compete in the U.S. market not with the domestic product, but with that supplied by the highly developed European countries, which now dominate the import market.

The Parke-Davis Specialty Chemicals Division of Warner-Lambert Company, a domestic producer of amitriptyline hydrochloride, is strongly opposed to granting GSP treatment to amitriptyline hydrochloride. Representatives of Parke-Davis testified before USTR and the Commission that without the duty on amitriptyline hydrochloride, Plantex could offer amitriptyline hydrochloride in the U.S. market at a price that would force Parke-Davis out of the amitriptyline hydrochloride business.

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Table A.--Benzenoid antidepressants, tranquilizers, and other psychotherapeutic agents, provided for in the chemical appendix to the tariff schedules: U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

(Quantity in pounds, value in dollars, unit value per pound)						
Period	Production <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption <u>2/</u>	Ratio (per cent) of imports to consumption <u>2/</u>	
Quantity						
1976-----	756,000	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	
1977-----	718,000	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	
1978-----	598,000	86,598	31,897	543,299		5.9
1979-----	648,000	63,984	40,751	624,767		6.5
1980-----	594,000	82,186	40,959	552,773		7.4
Jan. June--						
1980-----	299,000	37,300	30,300	292,000		10.4
1981-----	<u>3/</u>	37,117	33,168	<u>3/</u>		<u>3/</u>
Value						
1976-----	<u>2/</u> 56,700,000	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	
1977-----	<u>2/</u> 57,440,000	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	
1978-----	<u>2/</u> 47,840,000	5,255,000	2,625,000	45,210,000		5.8
1979-----	<u>2/</u> 55,080,000	4,833,000	3,233,000	53,480,000		6.0
1980-----	<u>2/</u> 53,460,000	7,831,000	3,880,000	49,509,000		7.8
Jan.-June--						
1980-----	<u>2/</u> 26,910,000	2,506,000	2,468,000	26,872,000		9.2
1981-----	<u>3/</u>	5,197,000	946,000	<u>3/</u>		<u>3/</u>
Unit value						
1976-----	<u>2/</u> \$75.00	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	
1977-----	<u>2/</u> 80.00	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	
1978-----	<u>2/</u> 80.00	\$60.69	\$82.30	-	-	-
1979-----	<u>2/</u> 85.00	75.54	79.33	-	-	-
1980-----	<u>2/</u> 90.00	95.28	94.72	-	-	-
Jan.-June--						
1980-----	<u>2/</u> 90.00	67.18	81.46	-	-	-
1981-----	<u>3/</u>	140.02	28.53	-	-	-

1/ Production of all antidepressants and tranquilizers, benzenoid and non-benzenoid, in bulk form.

2/ Estimated.

3/ Not available.

Source: Official statistics of the U.S. Department of Commerce and the U.S. International Trade Commission, except as noted.

Table A1.--Amitriptyline hydrochloride: U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

(Quantity in pounds, value in dollars, unit value per pound)						
Period	Production	Exports	Imports	Apparent consumption	Ratio (per cent) of imports to consumption	
Quantity						
1976-----	1/	1/	0	2/ ***	***	***
1977-----	1/	1/	5,337	2/ ***	2/	***
1978-----	1/	1/	7,274	2/ ***	2/	***
1979-----	1/	1/	20,637	2/ ***	2/	***
1980-----	1/	1/	12,465	2/ ***	2/	***
Jan.-June--						
1980-----	1/	1/	1/	1/		1/
1981-----	1/	1/	1/	1/		1/
Value						
1976-----	1/	1/	-	1/		1/
1977-----	1/	1/	1/	1/		1/
1978-----	1/	1/	1/	1/		1/
1979-----	1/	1/	1/	1/		1/
1980-----	1/	1/	1/	1/		1/
Jan.-June--						
1980-----	1/	1/	1/	1/		1/
1981-----	1/	1/	1/	1/		1/
Unit value						
1976-----	1/	1/	-	1/		1/
1977-----	1/	1/	1/	1/		1/
1978-----	1/	1/	1/	1/		1/
1979-----	1/	1/	1/	1/		1/
1980-----	1/	1/	1/	1/		1/
Jan.-June--						
1980-----	1/	1/	1/	1/		1/
1981-----	1/	1/	1/	1/		1/

1/ Not available.

2/ Estimated.

Source: U.S. International Trade Commission, Imports of Benzenoid Chemicals and Products, 1976-80, except as noted.

Table B.--Benzonoid anti-depressants, tranquilizers, and other psychotherapeutic agents, provided for in the chemical appendix to the tariff schedules: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	Quantity (pounds)					Value (1,000 dollars)					Unit value (per pound)											
	1976	1977	1978	1979	1980	1980	1981	1976	1977	1978	1979	1980	1980	1981	1976	1977	1978	1979	1980	1980	1981	
Nethlds	1/			9,682	2,234			19,245							4,409							4,409
Switzld	1/			3,857	3,406			4,284							1,319							1,488
Japan	1/			12,844	6,765			12,603							4,813							6,538
Canada	1/			7,280	9,006			6,281							1,829							4,668
Austral	1/			2,170	2,255			2,004							710							2,728
Hg Kong	1/			4,737	3,557	2/		5,278							2,639	2/						5,050
Belgium	1/			3,656	2,630			1,128							776							3,720
Rep Saf	1/			990	1,386			642							642							634
All other	1/			41,382	32,745			30,399							20,163							7,882
Total	1/			86,598	63,984	2/		82,186							37,300	2/						37,117
Value (1,000 dollars)																						
Nethlds	1/			57	220			2,331							426							900
Switzld	1/			79	701			1,529							429							407
Japan	1/			851	573			832							272							545
Canada	1/			606	365			738							275							613
Austral	1/			399	440			473							172							579
Hg Kong	1/			306	284			428							184							404
Belgium	1/			1,319	983			406							236							830
Rep Saf	1/			204	272			206							116							136
All other	1/			1,434	994			889							395							783
Total	1/			5,255	4,833			7,831							2,506							5,197
Unit value (per pound)																						
Nethlds	1/			65.94	698.50			6121.10							696.62							6204.13
Switzld	1/			20.61	205.86			356.82							325.06							273.63
Japan	1/			66.22	84.77			66.03							56.48							83.34
Canada	1/			83.30	40.54			117.44							150.39							131.29
Austral	1/			183.92	195.15			236.07							242.03							212.14
Hg Kong	1/			64.58	79.93	2/		81.09							69.83	2/						80.00
Belgium	1/			360.66	373.79			359.81							304.66							223.18
Rep Saf	1/			205.95	196.07			213.89							180.98							213.94
All other	1/			34.65	30.37			29.25							19.61							92.36
Average	1/			60.69	75.54	2/		95.28							67.18	2/						140.02

1/ Not available.  
2/ Estimated. Official statistics are in error.  
Source: Compiled from official statistics of the U.S. Department of Commerce.

Table C.--Benzonoid antidepressants, tranquilizers, and other psychotherapeutic agents, provided for in the chemical appendix to the tariff schedules: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (pounds)				Value (1,000 dollars)	Unit value (per pound)
	1976	1977	1978	1979		
Belgium	1/		176	587		
Italy	1/		3,676	5,405	13,806	11,123
Switzld	1/		3,583	4,266	8,191	4,959
Fr Germ	1/		1,230	8,808	5,733	4,190
France	1/		10,110	7,014	5,946	3,548
Canada	1/		8,132	11,732	3,902	3,426
U King	1/		84	56	2,685	2,397
Ireland	1/		0	6	246	209
All other	1/		4,906	2,877	443	441
Total	1/		31,897	50,751	40,959	30,300
Value (1,000 dollars)						
Belgium	1/		337	862	2,591	1,551
Italy	1/		181	235	462	335
Switzld	1/		450	136	265	207
Fr Germ	1/		47	234	221	106
France	1/		444	293	185	124
Canada	1/		956	1,263	61	51
U King	1/		14	7	43	42
Ireland	1/		-	38	35	35
All other	1/		197	167	17	16
Total	1/		2,625	3,233	3,880	2,468
Unit value (per pound)						
Belgium	1/		\$1,915.36	\$1,468.40	\$187.65	\$139.48
Italy	1/		49.14	43.39	56.36	67.63
Switzld	1/		125.52	31.77	46.29	49.50
Fr Germ	1/		38.17	26.52	37.19	29.96
France	1/		43.91	41.74	47.47	36.27
Canada	1/		117.57	107.64	22.85	21.37
U King	1/		163.07	130.84	175.37	198.86
Ireland	1/		-	6,250.00	4,940.00	4,940.00
All other	1/		40.17	57.94	37.38	36.87
Average	1/		82.30	79.33	94.72	81.46

1/ Not available.  
2/ Less than 500.

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

Table D.--Benzeneid antidepressants, tranquilizers, and other psychotherapeutic agents, provided for in the chemical appendix to the tariff schedules: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (pounds)				January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980		
Gross imports	31,897	40,751	40,959	33,168		100
26 developed ctries, total	27,090	37,913	40,518	31,515		95
GSP countries, total	4,807	2,838	441	1,653		5
Israel	3,390	2,838	441	1,653		5
Brazil	314	0	0	0		0
Portugl	1,103	0	0	0		0
Other	0	0	0	0		0
	Value (1,000 dollars)					
Gross imports	2,625	3,233	3,880	946		100
26 developed ctries, total	2,440	3,071	3,863	897		95
GSP countries, total	186	162	16	50		5
Israel	130	162	16	50		5
Brazil	10	-	-	-		-
Portugl	46	-	-	-		-
Other	-	-	-	-		-

1/ Not available.

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





TITLE: CERTAIN ESSENTIAL OILS

I. TSUS item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS item number	Brief product description	Rates of duty			U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: rate 1/ (1/1/81)	Current : col. 2 (1/1/81)		
452.28	Grapefruit oil-----	6% ad val.		25% ad	45	Yes.
452.34	Lemon oil-----	8.5% ad val.		25% ad	27,652	Yes.
452.44	Orange oil-----	6% ad val.		25% ad	2,306	Yes.

1/ No concessions were granted on these items during the Tokyo round of trade negotiations.

## II. Comments

Description and uses

The products covered in this digest are certain essential oils; grapefruit, lemon, and orange oils.

Grapefruit oil is obtained from the peel of the grapefruit by expression 1/ as a by-product of the production of grapefruit juice, concentrate, and canned sections. Beverages (both carbonated and noncarbonated) consume 75 percent of the domestic production of the essential oil; the remainder is used in syrups, pharmaceuticals, and confections. Grapefruit oil is only available as a natural product; it is not produced in any synthetic form.

Lemon oil is obtained as a by-product of lemon juice and lemon concentrate by extraction from the lemon peel. Chemically, lemon oil is composed of terpenes, aldehydes (primarily citral), esters, alcohols, and sesquiterpenes. One component, d-limonene, composes approximately 85 percent of the natural oil. There are several synthetic substitutes for lemon oil; the most widely used substitute is composed mainly of citral, either derived from lemongrass oil (another essential oil) or other natural products.

Beverages account for about 60 percent of the consumption of lemon oil; baked goods and candies account for 30 percent. The remaining 10 percent is used in soaps, cosmetics, and as a component in pharmaceutical flavorings and other flavor compositions. The lemon oil that is used in cosmetics and soaps

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1/ Most citrus oils are obtained by the process of expression. Expression is a process in which oval-shaped sacs which contain the oil are ruptured mechanically; the oil is collected and separated from the water and cell debris.

must be terpeneless (a high-priced type of lemon oil supplied in most cases by the Swiss). Although a component of the natural oil, terpenes do not contribute as much to the flavor as do the other constituents.

Orange oil is derived from the peel of the sweet orange, and has a yellowish color and a fresh, sweet flavor and aroma. Ninety percent of orange oil is limonene, with the other constituents varying according to the source of the oil and the method of processing. However, no synthetic substitute for orange oil is available.

In its natural form, orange oil is used as a flavoring agent in foods, confectionery, non-alcoholic beverages, and liqueurs. It is also used to mask objectionable odors in certain medicines. The terpeneless variety of orange oil is used as a scent in soaps, cosmetics, and lotions.

#### U.S. consumption, production, and producers

There are no quantitative data on domestic consumption or production of the essential oils discussed in this digest. However, all 3 of the citrus oils discussed in this digest are generally produced close to where the fruit is grown. The bulk of the world's grapefruit oil is produced domestically, mainly because the United States is the world's largest grower of grapefruit (table A). Production of orange oil in the United States also takes place near where the orange fruit is grown, predominantly in the temperate climates of the Far West and Florida. Most lemon oil is produced in the United States, though smaller amounts of oil are produced in Sicily, Greece, Israel, and Argentina. There are between 10 and 15 domestic producers of the natural grapefruit, lemon, and orange oils.

U.S. exports

Between 1976 and 1980, U.S. exports of grapefruit, lemon, and orange oils reached a high of 11.2 million pounds in 1979 and a low of 6.4 million pounds in 1976 (table B). However, in terms of value, there has been a steady increase in U.S. exports, from \$7.9 million in 1976 to almost \$20 million in 1980. This represents an increase of more than 151 percent. The value of U.S. exports has again increased during the period January-June 1981, when compared with the corresponding period in 1980. The amount of increase was more than 21 percent, from \$9.5 million to \$11.5 million.

The largest foreign markets for the essential oils discussed in this digest are the United Kingdom and Japan, which compose more than 46 percent of the U.S. export market. Other major foreign purchasers of these products include Canada, Ireland, West Germany, France, Switzerland, and the Netherlands.

U.S. imports

U.S. imports of grapefruit, lemon, and orange oils increased sharply in terms of value between 1976 and 1980, increasing from \$3.9 million to \$30.0 million, or by 663 percent (table C). However, the majority of this material is originally produced in the United States and later refined overseas into a higher quality oil, which is not competitive with the material produced domestically. It should also be noted that the overwhelming majority of imports of the citrus oils is lemon oil; in 1980 lemon oil imports amounted to \$28 million and composed approximately 92 percent of all imports.

If the GSP were expanded to include grapefruit, lemon, and orange oils, more than 93 percent of the imported material will enter the United States duty free, as opposed to being subject to a duty of 8.5 percent ad valorem for lemon oil and 6.0 percent ad valorem for orange and grapefruit oils (table D). The material from GSP-eligible countries makes up between 55 and 80 percent of all imports of these products in terms of value.

Position of interested parties

The Government of Jamaica petitioned the U.S. Trade Representative to add grapefruit oil (TSUS 452.28) and orange oil (TSUS 452.44) to the list of eligible articles for the GSP; the Andean Group petitioned for the addition of lemon oil (TSUS 452.34) to the list. However, opposition to the proposed GSP changes was indicated by the California-Arizona Citrus League and the State of Florida Department of Citrus. Each of these organizations submitted briefs detailing their positions and the California-Arizona Citrus League appeared at the Commission hearing to present their viewpoint.

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Table A.--Certain essential oils including grapefruit, lemon, and orange:  
U.S. shipments, exports, imports, apparent consumption, and ratio of  
imports to consumption, 1976-80, January-June 1980, and January-June 1981

Period	Shipments	Exports	Imports	Apparent consumption	Ratio (per- cent) of imports to consumption
Quantity (1,000 pounds)					
1976-----	<u>1/</u>	7,061	1,407	<u>1/</u>	<u>1/</u>
1977-----	<u>1/</u>	6,373	4,774	<u>1/</u>	<u>1/</u>
1978-----	<u>1/</u>	9,650	4,081	<u>1/</u>	<u>1/</u>
1979-----	<u>1/</u>	11,159	7,619	<u>1/</u>	<u>1/</u>
1980-----	<u>1/</u>	9,532	6,906	<u>1/</u>	<u>1/</u>
January-June--					
1980-----	<u>1/</u>	5,744	3,955	<u>1/</u>	<u>1/</u>
1981-----	<u>1/</u>	4,415	3,979	<u>1/</u>	<u>1/</u>
Value (1,000 dollars)					
1976-----	<u>1/</u>	7,943	3,931	<u>1/</u>	<u>1/</u>
1977-----	<u>1/</u>	9,150	4,566	<u>1/</u>	<u>1/</u>
1978-----	<u>1/</u>	14,304	7,362	<u>1/</u>	<u>1/</u>
1979-----	<u>1/</u>	15,999	13,043	<u>1/</u>	<u>1/</u>
1980-----	<u>1/</u>	19,979	30,003	<u>1/</u>	<u>1/</u>
January-June--					
1980-----	<u>1/</u>	9,454	15,339	<u>1/</u>	<u>1/</u>
1981-----	<u>1/</u>	11,481	5,652	<u>1/</u>	<u>1/</u>
Unit value					
1976-----	<u>1/</u>	1.12	2.79	<u>1/</u>	<u>1/</u>
1977-----	<u>1/</u>	1.44	.96	<u>1/</u>	<u>1/</u>
1978-----	<u>1/</u>	1.48	1.80	<u>1/</u>	<u>1/</u>
1979-----	<u>1/</u>	1.43	1.71	<u>1/</u>	<u>1/</u>
1980-----	<u>1/</u>	2.10	4.34	<u>1/</u>	<u>1/</u>
January-June--					
1980-----	<u>1/</u>	1.65	3.88	<u>1/</u>	<u>1/</u>
1981-----	<u>1/</u>	2.60	1.42	<u>1/</u>	<u>1/</u>

1/ Data not available.

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

Table B.--Certain essential oils including grapefruit, lemon, and orange: U.S. exports of domestic merchandise, by principal markets, 1976-80. January-June 1980, and January-June 1981

Market	Quantity (pounds)					Value (1,000 dollars)	Unit value (per pound)
	1976	1977	1978	1979	1980		
U King	896,154	1,060,669	1,660,008	988,303	789,589	450,528	249,681
Japan	1,072,980	819,140	2,324,637	4,146,515	3,242,220	2,820,269	835,981
Canada	349,239	221,932	328,594	268,953	235,904	79,778	157,050
Ireland	30,363	73,015	53,610	18,831	86,387	47,637	98,393
France	817,459	562,631	742,126	725,897	544,872	281,548	181,943
Fr Germ	883,154	827,009	1,105,574	945,407	927,526	475,796	323,361
Switzld	722,819	616,243	717,830	850,424	1,040,717	299,072	735,498
Colomb	14,375	7,782	80,301	96,809	295,620	149,685	94,875
Nethlds	1,085,410	990,647	983,658	1,277,000	687,873	394,811	476,920
Phil R	62,488	55,511	46,492	47,039	97,916	53,059	36,652
All other	1,126,216	1,138,200	1,606,880	1,794,084	1,583,434	692,169	1,225,801
Total	7,060,657	6,372,779	9,649,710	11,159,262	9,532,058	5,744,352	4,416,155
U King	2,181	3,266	4,257	3,437	5,996	3,169	1,219
Japan	1,588	954	2,039	3,225	3,264	1,926	1,556
Canada	792	731	930	738	1,243	275	459
Ireland	203	550	376	117	1,231	168	3,119
France	575	448	869	1,084	1,148	707	436
Fr Germ	306	434	537	923	891	371	487
Switzld	286	319	520	703	760	250	587
Colomb	26	34	149	250	652	395	251
Nethlds	429	448	553	955	621	402	493
Phil R	518	391	331	180	598	215	336
All other	1,240	1,576	3,688	4,387	3,572	1,577	2,538
Total	7,943	9,150	14,304	15,999	19,979	9,454	11,481
U King	\$2.43	\$3.08	\$2.56	\$3.48	\$7.59	\$7.03	\$4.88
Japan	1.29	1.16	0.88	0.78	1.01	0.68	1.86
Canada	2.27	3.29	2.58	2.74	5.27	3.45	2.92
Ireland	6.68	7.53	7.02	6.22	14.25	3.52	31.70
France	0.70	0.80	1.17	1.49	2.11	2.51	2.40
Fr Germ	0.35	0.53	0.49	0.98	0.96	0.78	1.51
Switzld	0.40	0.52	0.72	0.83	0.73	0.83	0.80
Colomb	1.83	4.33	1.86	2.58	2.21	2.64	2.64
Nethlds	0.40	0.45	0.57	0.75	0.90	1.02	1.03
Phil R	8.28	7.04	7.12	3.83	6.12	4.04	9.17
All other	1.10	1.38	2.30	2.45	2.26	2.28	2.07
Average	1.12	1.44	1.48	1.43	2.10	1.65	2.60

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



Table C.--Certain essential oils including grapefruit, lemon, and orange: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (pounds)					Value (1,000 dollars)		Unit value (per pound)	
	1976	1977	1978	1979	1980	1980	1981	1980	1981
Argent	153,962	217,502	680,900	670,570	1,240,860	613,040	154,442		
Italy	259,618	139,349	127,708	64,804	173,246	121,983	64,217		
Brazil	702,844	3,975,622	2,859,790	6,219,160	4,866,452	2,859,452	3,368,443		
Austral	5,136	18,662	0	23,385	74,778	27,712	57,842		
Switzld	37,322	29,780	32,334	21,724	30,204	23,797	6,097		
Spain	0	0	0	76,985	39,901	39,861	0		
Tunisia	0	0	0	0	64,286	64,286	0		
France	36,772	43,902	38,676	53,451	52,609	28,864	35,598		
U King	1,339	1,315	607	20,668	25,317	23,554	109		
Dom Rep	31,042	18,248	22,509	22,459	31,926	28,125	22,254		
All other	179,245	329,123	318,243	440,697	306,679	123,955	269,546		
Total	1,407,280	4,773,503	4,080,767	7,618,903	6,906,258	3,954,629	3,978,548		
Argent	701	1,129	3,774	5,106	13,426	7,698	1,350		
Italy	1,686	1,139	992	3,709	3,492	2,567	1,030		
Brazil	437	643	941	3,803	3,130	1,609	1,134		
Austral	3	80	-	146	825	266	669		
Switzld	317	301	453	359	779	693	113		
Spain	-	-	-	798	701	700	-		
Tunisia	-	-	-	-	583	583	-		
France	192	259	281	450	572	310	420		
U King	28	103	63	326	280	205	7		
Dom Rep	155	94	128	159	251	225	163		
All other	411	818	729	1,187	965	483	766		
Total	3,931	4,566	7,362	13,043	30,003	15,339	5,652		
Argent	\$4.55	\$5.19	\$5.54	\$7.61	\$14.85	\$12.56	\$8.74		
Italy	6.50	8.18	7.77	10.95	20.16	21.04	16.03		
Brazil	0.62	0.16	0.33	0.61	0.64	0.56	0.34		
Austral	0.63	4.31	-	5.13	11.03	9.61	11.57		
Switzld	8.49	10.09	14.01	16.50	25.78	29.12	18.53		
Spain	-	-	-	10.36	17.56	17.57	-		
Tunisia	-	-	-	-	9.07	9.07	-		
France	5.22	5.91	7.26	8.41	10.86	10.72	11.80		
U King	21.11	78.04	104.41	15.79	11.04	8.72	64.97		
Dom Rep	5.00	5.17	5.70	7.09	7.87	8.00	7.34		
All other	2.29	2.48	2.29	2.69	3.15	3.89	2.84		
Average	2.79	0.96	1.80	1.71	4.34	3.88	1.42		

Table D.--Certain essential oils including grapefruit, lemon, and orange: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (pounds)				January - June 1981	
	1977	1978	1979	1980	Imports	Percentage distribution
Gross imports	4,773,503	4,080,767	7,618,203	6,906,258	3,978,548	100
26 developed countries, total	373,561	279,119	421,151	414,236	261,932	7
GSP countries, total	4,380,307	3,800,546	7,120,767	6,452,121	3,716,396	93
Argentina	217,502	680,900	670,570	1,240,860	154,442	4
Brazil	3,975,622	2,859,790	6,219,160	4,866,452	3,568,443	85
Tunisia	0	0	0	64,285	0	
Dom Rep	18,243	22,509	22,459	31,926	22,254	1
Ivy Cst	18,301	1,257	33,803	21,252	15,498	1/
Israel	76,884	131,264	102,546	139,007	122,366	3
Haiti	1,600	3,160	5,560	10,431	5,165	1/
Indonesia	0	0	0	17,361	0	
Other GSP	72,150	101,666	66,609	60,546	28,228	1
Other	19,635	1,102	76,935	39,901	220	1/
Value (1,000 dollars)						
Gross imports	4,566	7,362	13,043	30,003	5,652	100
26 developed countries, total	2,150	2,032	2,567	6,186	2,606	46
GSP countries, total	2,267	5,321	9,678	23,117	3,045	54
Argentina	1,129	3,774	5,106	18,426	1,350	24
Brazil	643	941	3,803	5,130	1,134	20
Tunisia	-	-	-	583	-	
Dom Rep	94	128	155	251	163	3
Ivy Cst	71	8	241	225	162	3
Israel	138	139	164	219	138	2
Haiti	10	21	51	104	57	1
Indonesia	-	-	-	104	-	
Other GSP	182	309	154	75	40	1
Other	149	9	798	701	1	1/

1/ Less than 0.5 percent.

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

TITLE: PECTIN

I. TSUS item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS item number	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 : (1/1/81)	Final : concession : rate : (1/1/81)		
455.04	Pectin-----	5% ad	1/ : 25% ad	9,232	Yes.
		val.	val.		

1/ No concession was granted in the Tokyo round of trade negotiations.

## II. Comments

Description and uses

Pectin is a carbohydrate product obtained by processing pectic substances; the latter are a group of complex compounds related to the polysaccharides and found in plant cell walls. Chemically, pectin consists of polygalacturonic acid that has been partially esterified with methanol. Citrus peel from the manufacture of citrus juices and concentrates, and the dried residue (pomace) obtained in the manufacture of cider and apple juice, are the chief sources of the pectic substances from which pectin is manufactured. Citrus pectin is generally sold as a powder, and apple pectin as a liquid concentrate. Dried sugar-beet slices and sunflower heads have been used as raw materials to a limited extent. In the United States, all pectin is currently made from citrus peel, although there was some production from apple pomace until 5-or-so years ago.

Purified pectin is a light-colored, water-soluble, almost odorless powder, but is marketed as a liquid concentrate as well as in powder form. Pectin is used primarily as a gelling agent for the manufacture of jams and jellies in both commercial and home-canning processes; it is also used in confections and in pharmaceutical preparations (chiefly in antidiarrhetics) and for other purposes. For most applications, pectin is "standardized" by including 25-35 percent sugar. An exception is pharmaceutical pectin to which no sugar is added.

U.S. consumption, production, and producers

There are three producers of pectin in the United States with two plants in California and one in Florida. Pectin capacity is currently estimated at about \* \* \* pounds per year 1/ and employment is estimated to be about \* \* \* workers. All three producers are large corporations which produce a variety of products with pectin accounting for a small portion of net sales. However, the pectin plant facilities are allocated exclusively for pectin production and a closure of these facilities would result in little salvage of equipment.

Several producers discontinued production of pectin after the Kennedy round duty reduction from 10.5 percent ad valorem to 5 percent ad valorem. Within the last 2 years, one of the current producers discontinued operations at a second plant in California which had a capacity of \* \* \* pounds of unstandardized pectin.

At least two of the producers are also large importers of pectin. One firm accounts \* \* \* of pectin. \* \* \*. This decision reportedly was partly a result of the exclusion of pectin from the list of products eligible for the GSP in 1975. A second producer, \* \* \*, has found it more profitable to \* \* \* than to \* \* \*.

Domestic production of standardized pectin \* \* \* from an estimated \* \* \* pounds, valued at \* \* \*, in 1976 to an estimated \* \* \* pounds valued at \* \* \*, in 1980 (table A). Production in January-June 1981 \* \* \* to an estimated \* \* \* pounds compared with the \* \* \* pounds produced during January-June 1980. Production of domestic pectin in 1980 was \* \* \*--in part because of the

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1/ Capacity is for the unstandardized pectin and would equate to about \* \* \* million pounds of standardized pectin.

shutdown of the one California plant previously mentioned. However, the Florida plant came on stream in the autumn of 1980, replacing an estimated \* \* \* pounds capacity for unstandardized pectin.

#### U.S. exports

Export data are not available prior to 1978 because there was no separate export classification for pectin until that time. However, during 1978-80, pectin exports decreased by 59 percent on a quantity basis and by 46 percent on the basis of value. U.S. exports of pectin decreased from 1.5 million pounds, valued at \$3.8 million, in 1978 to 0.6 million pounds, valued at \* \* \* million, in 1980 (table B). Data for January-June 1981 indicate that pectin exports in 1981 will likely approximate the 1980 level. Canada, Japan, and Australia have been the chief markets for U.S. exports of pectin in recent years, accounting for 46 percent of such exports on a quantity basis in 1978, 52 percent in 1979 and 1980, and 55 percent during January-June 1981.

#### U.S. imports

U.S. imports of pectin increased irregularly from 1.3 million pounds, valued at \$3.1 million, in 1976 to 2.6 million pounds, valued at \$9.2 million, in 1980 (table C). During January-June 1981, imports of pectin amounted to 1.7 million pounds, valued at \$6.3 million--an increase of 33 percent, on a quantity basis, when compared with the 1.3 million pounds of pectin, valued at \$4.6 million, imported during January-June 1980. Denmark and the United Kingdom are the two chief suppliers of U.S. imports of pectin. These two countries have accounted for a decreasing share of the import market,

declining from 98 percent in 1976 to 73 percent in 1980; during January-June 1981 these countries accounted for 77 percent of pectin imports compared with 78 percent for the corresponding period in 1980.

U.S. imports from Mexico and Israel, both beneficiary developing countries under the Generalized System of Preferences (GSP), increased from zero in 1976 to 0.5 million pounds, valued at \$1.7 million, in 1980, or 18 percent of the total quantity of pectin imports in that year (table D). During January-June 1981, pectin imports from these two countries amounted to 0.3 million pounds, valued at \$0.9 million, or 15 percent of such imports on a quantity basis. Pectin imports from Mexico, which increased from zero in 1977 to 0.4 million pounds valued at \$1.6 million, in 1980, represent the largest import threat from a developing country. However, pectin imports from Israel, which had been fairly stable at about 24,000 pounds during 1978-80, increased by about 200 percent to 72,815 pounds, valued at about \$213,000, during January-June 1981.

The ratio of imports to consumption \* \* \* from \* \* \* percent to \* \* \* percent on a quantity basis, and \* \* \* from \* \* \* percent to \* \* \* percent on a value basis, during 1978-80.

In general, imported pectin is substitutable for, and competitive with, the domestic product. There are several grades of pectin, however, including those made from different raw materials (e.g., lemon peel, apple pomace, etc.). The product mix of imports is probably not the same as that of domestic production.

Imports of pectin from Mexico and a small portion of the imports from the United Kingdom enter the United States as unstandardized, or pure pectin, without the added sugar. All imports from other countries are believed to already contain about 30 percent sugar. Although the Mexican imports had a unit value of \$3.68 per pound in 1980, this is a price for a pure, unstandardized pectin which, with the addition of sugar, costing an estimated 25 cents per pound, would equate to only about \$2.65 per pound for standardized pectin. This price for pectin is considerably under not only the domestic price but also the bulk of the other imports.

#### Position of interested parties

The Government of Mexico is the petitioner requesting the designation of pectin as an article eligible for duty-free treatment under the GSP. All three producers of domestic pectin are opposed to such action. In general, domestic producers cite (1) declining domestic pectin production and capacity; (2) increased overall pectin imports and dramatically increased imports from Mexico and Israel, both beneficiary developing countries under the GSP; and (3) decreased exports of pectin, as indications of an already weakened industry. Domestic producers believe that the removal of the current 5 percent duty on imports from Mexico and Israel, representing duty savings of 20 cents per pound for Mexico and 15 cents per pound for Israel, would result in significant increases in U.S. imports of pectin. These increased imports would, they contend, have a significant adverse impact on the domestic pectin industry resulting in decreased profitability, substantial unemployment, further declines in production, and likely plant closures.



The domestic producers further point out that pectin production is energy intensive (amounting to about \* \* \* percent of the production costs) and Mexican industries enjoy relatively inexpensive fuel prices when compared with U.S. industries. The Mexican requirement of an import license in order to import pectin into Mexico is cited by U.S. producers as a barrier to exports. They point out that the recent dramatic imports of pectin from both Mexico and Israel indicate that the pectin industries in these countries are anything but underdeveloped and are quite competitive in the world market today. Lastly, they point out that the current column 1 duty rate of 5 percent ad valorem is already low compared with 10 percent for Mexico and 24 percent for the European Community and this puts domestic producers at a disadvantage relative to expanding or maintaining their export market.

Digest No.  
4004--Con.

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Digest No.  
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Table A.--Pectin: U.S. shipments, exports, imports, apparent consumption, and ratio of imports to consumption, 1976-80, January-June 1980, and January-June 1981

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

Period	Shipments	Exports	Imports	Apparent consumption	Ratio (per- cent) of imports to consumption
Quantity					
1976-----	1/ ***	2/ ***	3/ 1,312	2/ ***	2/ ***
1977-----	1/ ***	2/ ***	3/ 1,706	2/ ***	2/ ***
1978-----	1/ ***	1,487	3/ 2,364	1/ 3/ ***	1/ 3/ ***
1979-----	1/ ***	1,116	3/ 2,085	1/ 3/ ***	1/ 3/ ***
1980-----	1/ ***	607	3/ 2,618	1/ 3/ ***	1/ 3/ ***
January-June--					
1980-----	1/ ***	322	3/ 2,279	1/ 3/ ***	1/ 3/ ***
1981-----	1/ ***	327	3/ 1,705	1/ 3/ ***	1/ 3/ ***
Value					
1976-----	1/ ***	2/ ***	3,057	2/ ***	2/ ***
1977-----	1/ ***	2/ ***	3,867	2/ ***	2/ ***
1978-----	1/ ***	3,781	5,655	1/ ***	1/ ***
1979-----	1/ ***	3,467	5,816	1/ ***	1/ ***
1980-----	1/ ***	2,036	9,232	1/ ***	1/ ***
January-June--					
1980-----	1/ ***	986	4,642	1/ ***	1/ ***
1981-----	1/ ***	1,256	6,307	1/ ***	1/ ***
Unit Value					
1976-----	1/ ***	-	3/ \$2.33	-	-
1977-----	1/ ***	-	3/ 2.27	-	-
1978-----	1/ ***	\$2.54	3/ 2.39	-	-
1979-----	1/ ***	3.11	3/ 2.79	-	-
1980-----	1/ ***	3.36	3/ 3.53	-	-
January-June--					
1980-----	1/ ***	3.07	3/ 3.63	-	-
1981-----	1/ ***	3.84	3/ 3.70	-	-

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

2/ Not available--prior to 1978, there was no separate export classification for pectin.

3/ All Mexican and some United Kingdom supplies are believed to be non-standardized and contain no sugar--resulting in lower import quantities, higher unit value and lower ratios of imports to consumption than would otherwise apply.

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

Table B.--Pectin: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	1976	1977	1978	1979	1980	January-June--	
						1980	1981
	Quantity (pounds)						
Canada	0	0	228,063	168,310	161,164	118,088	70,370
Japan	0	0	285,366	333,670	118,000	4,600	32,200
Ireland	0	0	46,200	64,841	35,567	35,567	23,540
Colomb	0	0	40,477	28,310	40,208	18,274	4,893
Austral	0	0	113,890	79,884	38,200	16,200	77,200
Fr Germ	0	0	46,596	24,770	30,283	28,016	1,040
India	0	0	47,532	37,840	14,717	1,000	11,206
Switzld	0	0	21,222	0	15,400	6,200	2,200
All other	0	0	657,579	378,054	153,153	93,783	104,762
Total	0	0	1,485,925	1,115,679	606,692	321,728	327,411
	Value (1,000 dollars)						
Canada	-	-	529	540	442	307	331
Japan	-	-	725	926	427	16	126
Ireland	-	-	189	289	191	71	19
Colomb	-	-	91	82	144	65	175
Austral	-	-	259	217	116	45	6
Fr Germ	-	-	111	73	88	78	46
India	-	-	125	120	63	6	17
Switzld	-	-	59	120	62	23	466
All other	-	-	1,693	1,220	503	256	466
Total	-	-	3,781	3,467	2,036	986	1,256
	Unit value (per pound)						
Canada	-	-	\$2.32	\$3.21	\$2.74	\$2.60	\$4.70
Japan	-	-	2.54	2.78	3.62	3.51	3.92
Ireland	-	-	4.10	4.46	5.36	5.36	3.00
Colomb	-	-	2.25	2.89	3.59	3.56	3.79
Austral	-	-	2.27	2.72	3.04	2.78	2.27
Fr Germ	-	-	2.38	2.94	2.90	2.77	5.57
India	-	-	2.62	3.17	4.28	5.67	4.08
Switzld	-	-	2.80	-	4.04	3.76	7.80
All other	-	-	2.57	3.23	3.28	2.73	4.45
Average	-	-	2.54	3.11	3.36	3.07	3.84

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

Table C.--Pectin: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976		1977		1978		1979		1980		January-June-- 1981	
	Quantity (pounds)	Value (1,000 dollars)	Quantity (pounds)	Value (1,000 dollars)	Quantity (pounds)	Value (1,000 dollars)	Quantity (pounds)	Value (1,000 dollars)	Quantity (pounds)	Value (1,000 dollars)	Quantity (pounds)	Value (1,000 dollars)
Denmark	861,860	898,703	1,156,151	984,591	1,199,548	628,882	1,027,863					
U King	432,679	629,294	828,322	663,199	708,769	364,185	287,274					
Mexico	0	0	120,856	214,286	444,448	230,600	186,511					
Italy	10,500	130,027	186,546	192,909	184,003	47,400	118,497					
Fr Germ	0	0	39,991	3,957	43,210	3,307	9,035					
Israel	0	1,322	25,133	22,047	24,251	0	72,815					
France	0	0	0	0	9,147	3,857	110					
Spain	1,102	7,716	6,613	3,306	4,409	1,102	2,205					
All other	5,984	39,431	0	605	0	0	820					
<b>Total</b>	<b>1,312,125</b>	<b>1,706,493</b>	<b>2,363,612</b>	<b>2,084,900</b>	<b>2,617,785</b>	<b>1,279,333</b>	<b>1,705,130</b>					
<b>Value (1,000 dollars)</b>												
Denmark	2,006	1,913	2,609	2,514	4,047	2,219	3,551					
U King	1,008	1,518	2,027	1,958	2,562	1,380	1,332					
Mexico	-	-	329	644	1,636	820	731					
Italy	25	335	529	626	722	186	443					
Fr Germ	-	-	96	17	139	16	31					
Israel	-	3	54	48	70	-	213					
France	-	-	-	-	47	-	1					
Spain	2	15	12	7	8	2	4					
All other	15	83	-	-	-	-	-					
<b>Total</b>	<b>3,057</b>	<b>3,867</b>	<b>5,655</b>	<b>5,816</b>	<b>9,232</b>	<b>4,642</b>	<b>6,307</b>					
<b>Unit value (per pound)</b>												
Denmark	\$2.33	\$2.13	\$2.25	\$2.55	\$3.37	\$3.53	\$3.45					
U King	2.33	2.41	2.45	2.95	3.61	3.79	4.64					
Mexico	-	-	2.73	3.01	3.68	3.56	3.92					
Italy	2.42	2.58	2.83	3.25	3.92	3.92	3.74					
Fr Germ	-	-	2.39	4.28	3.23	4.72	3.46					
Israel	-	2.14	2.13	2.17	2.87	-	2.93					
France	-	-	-	-	5.14	-	5.30					
Spain	1.97	1.96	1.81	1.99	1.91	1.91	1.91					
All other	2.53	2.10	-	3.18	-	-	1.69					
<b>Average</b>	<b>2.33</b>	<b>2.27</b>	<b>2.39</b>	<b>2.79</b>	<b>3.53</b>	<b>3.63</b>	<b>3.70</b>					

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

Table D.--Pectin: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (pounds)						
Gross imports	1,706,493	2,363,612	2,084,900	2,617,785	1,705,130	100
26 developed cttries, total	1,697,455	2,211,010	1,845,261	2,144,677	1,443,599	85
GSP countries, total	1,322	145,089	236,333	468,699	259,326	15
Mexico	0	120,856	214,286	444,443	156,511	11
Israel	1,322	25,133	22,047	24,251	72,815	4
Other	7,716	6,613	3,306	4,409	2,205	1/
Value (1,000 dollars)						
Gross imports	3,867	5,655	5,816	9,232	6,307	100
26 developed cttries, total	3,849	5,260	5,118	7,518	5,359	85
GSP countries, total	3	333	692	1,705	944	15
Mexico	-	329	644	1,636	731	12
Israel	3	54	48	70	213	3
Other	15	12	7	8	4	1/

1/ Less than 0.5 percent.

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





TITLE: BICYCLE TIRES AND TUBES OF RUBBER OR PLASTICS

I. TSUS item number; brief description; tariff rate information; U.S. imports in 1980; competitive status

TSUS item number	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 (1/1/81)	Final : concession: col. 2 : rate 1/ (1/1/81)		
772.48	Bicycle tires of rubber or plastics.	5% ad val.	10% ad val.	35,159	Yes.
772.57	Bicycle tubes of rubber or plastics.	15% ad val.	30% ad val.	25,242	Yes.

1/ No concession was granted on these items during the Tokyo round of trade negotiations.

## II. Comments

Description and uses

There are 2 types of pneumatic bicycle tires presently imported into the United States; tubular tires have a tube enclosed permanently while clincher-type tires use replaceable tubes. Clincher type tires account for more than 99 percent of U.S. imports and all of U.S. production. Therefore, all further discussion will relate to clincher-type pneumatic tires.

Clincher-type tires are designed to be used for normal bicycle use, as opposed to use in competitive racing. Bicycle tires and tubes are available in approximately 20 sizes, although most shipments of domestic and imported bicycle tires are either 20-, 26-, or 27-inches in diameter.

Two other characteristics of tires are sidewall color and tread design. Sidewall color, a cosmetic preference of the consumer, is primarily black- or gum-walled; the majority of those sold in the United States are black-walled. Most tires sold domestically have rib-type treads; other significant tread designs include the stud-type or knobby treads, including those used for moto-cross.

Inner tubes fit the diameter and cross-sectional measurements of the tires in which they will be used. There are two types of tubes sold domestically--regular and heavy-duty--the latter is also known as puncture-resistant. The majority, approximately 85 percent, of those sold are of the regular variety. Heavy-duty tubes are used primarily in the western states, where resistance to blowouts is a necessary characteristic. Industry sources estimate that 1 to 2 tubes are used during the life of every tire.

The manufacturing techniques for producing bicycle tires are basically the same throughout the world. Layers of fabric (usually nylon) are combined with layers of rubber tread and are together wrapped around two rubberized metal wires (beads) to form a tire carcass. The carcass is then vulcanized to finish the tire. Tubes are made by splicing together lengths of rubber hose straight out of an extruder. Most equipment used in the manufacture of bicycle tires and tubes cannot be converted to alternative uses.

U.S. consumption, production, and producers <sup>1/</sup>

Apparent domestic consumption of bicycle tires and tubes increased significantly between 1978 and 1979, rising from \* \* \* million units to \* \* \* million units, or by \* \* \* percent. Consumption \* \* \* percent between 1979 and 1980, to \* \* \* million units. A more \* \* \* percent occurred during January-June 1981, compared to the corresponding period of 1980, when \* \* \* million units.

Following the same pattern as domestic consumption, shipments of bicycle tires and tubes \* \* \* percent between 1978 and 1979, from \* \* \* million units to \* \* \* million units. Since 1979, shipments of these items \* \* \*; between 1979 and 1980 shipments \* \* \* million units. \* \* \* continued during the period January-June 1981 when shipments \* \* \* units, or by \* \* \* percent, when compared to the corresponding period of 1980.

All domestic production of bicycle tires and tubes is accounted for by one company, the Carlisle Tire & Rubber Co. Carlisle also produces motorcycle and industrial tires, auto inner tubes, and rubber sheeting.

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<sup>1/</sup> The statistics on consumption and production are business confidential.

U.S. exports

Because there is only one domestic manufacturer of bicycle tires and tubes, there are no export statistics compiled specifically for bicycle tires and tubes. It is estimated that total exports numbered \* \* \* units in 1980.

U.S. imports

U.S. imports of bicycle tires and tubes have remained fairly constant, increasing only 15 percent, from 49.5 million units in 1976 to 56.8 million units in 1980 (table B). In terms of value, however, imports increased by 75 percent, from \$34.5 million in 1976 to \$60.4 million in 1980. There was a significant drop in imports during the first 6 months of 1981 when compared with the corresponding period of 1980. Imports dropped from a value of \$34.8 million in 1980 to \$27.6 million in 1981, or by almost 21 percent.

During January-June 1981, 79 percent of the U.S. imports entered from GSP-eligible nations, primarily Taiwan--45 percent--and South Korea--32 percent (table C). There is presently no competitive advantage accorded to either the domestic or the import product; there is a countervailing duty in force against one Korean producer of 0.5 percent.

Position of interested parties

The Government of India petitioned the U.S. Trade Representative to add bicycle tires and tubes to the list of eligible articles for the GSP. However, the Carlisle Tire and Rubber Company submitted a brief and appeared at the Commission hearings in opposition to the petition to expand the GSP product list to include bicycle tires and tubes.

\* \* \* \* \*

Table A.--Bicycle tires and tubes of rubber or plastics: U.S. shipments, exports, imports, apparent consumption, and ratio of imports to consumption, 1976-80, January-June 1980, and January-June 1981

Period	Shipments <u>1/</u>	Exports <u>2/</u>	Imports	Apparent consumption <u>1/</u>	Ratio (per- cent) of imports to consumption <u>1/</u>
Quantity (1,000)					
1976-----	<u>3/</u>	-	44,004	<u>3/</u>	<u>3/</u>
1977-----	<u>3/</u>	-	49,457	<u>3/</u>	<u>3/</u>
1978-----	***	-	48,833	***	***
1979-----	***	-	56,452	***	***
1980-----	***	-	56,776	***	***
Jan.-June--					
1980-----	***	-	34,124	***	***
1981-----	***	-	21,730	***	***
Value (1,000 dollars)					
1976-----	<u>3/</u>	-	29,853	<u>3/</u>	<u>3/</u>
1977-----	<u>3/</u>	-	34,532	<u>3/</u>	<u>3/</u>
1978-----	***	-	33,700	***	***
1979-----	***	-	44,630	***	***
1980-----	***	-	60,400	***	***
Jan.-June--					
1980-----	***	-	34,781	***	***
1981-----	***	-	27,604	***	***
Unit value					
1976-----	<u>3/</u>	-	\$0.68	<u>3/</u>	-
1977-----	<u>3/</u>	-	.70	<u>3/</u>	-
1978-----	***	-	.69	***	-
1979-----	***	-	.79	***	-
1980-----	***	-	1.06	***	-
Jan.-June--					
1980-----	***	-	1.02	***	-
1981-----	***	-	1.27	***	-

1/ Business confidential

2/ There are no significant exports of domestically produced bicycle tires and tubes.

3/ Not available.

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

Table B.--Bicycle tires and tubes of rubber or plastics: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 units)					Value (1,000 dollars)		Unit value	
	1976	1977	1978	1979	1980	1980	1981	1980	1981
China t-----	22,786	22,341	22,740	31,934	33,726	19,610	11,312		
Kor Rep-----	15,235	21,604	20,852	21,431	18,579	12,171	7,827		
Japan-----	3,128	3,464	2,007	1,847	2,765	1,491	1,508		
France-----	194	165	151	173	478	347	410		
Italy-----	104	233	101	81	84	46	60		
U King-----	71	99	195	119	233	171	127		
India-----	774	1,311	2,088	694	512	94	400		
Hg Kong-----	10	4	18	42	199	88	1		
All other-----	1,702	236	681	130	200	107	86		
Total-----	44,004	49,457	48,833	56,452	56,776	34,124	21,730		
China t-----	14,164	14,331	14,036	23,350	33,134	18,704	12,417		
Kor Rep-----	9,510	13,388	13,323	16,304	18,674	11,775	8,877		
Japan-----	3,282	3,943	3,112	3,304	5,570	2,712	3,877		
France-----	412	434	407	465	918	569	1,001		
Italy-----	736	1,236	708	336	770	430	491		
U King-----	66	175	276	214	471	309	318		
India-----	381	768	1,156	392	422	69	390		
Hg Kong-----	8	4	15	36	172	71	1		
All other-----	1,294	254	668	231	270	143	231		
Total-----	29,853	34,532	33,700	44,630	60,400	34,781	27,604		
China t-----	\$0.62	\$0.64	\$0.62	\$0.73	\$0.98	\$0.95	\$1.10		
Kor Rep-----	0.62	0.62	0.64	0.76	1.01	0.97	1.13		
Japan-----	1.05	1.14	1.55	1.79	2.01	1.82	2.57		
France-----	2.12	2.63	2.70	2.68	1.92	1.64	2.44		
Italy-----	7.06	5.31	7.04	4.15	9.20	9.40	8.15		
U King-----	0.93	1.76	1.41	1.80	2.02	1.81	2.52		
India-----	0.49	0.59	0.55	0.56	0.82	0.73	0.98		
Hg Kong-----	0.85	0.88	0.82	0.85	0.86	0.81	1.06		
All other-----	0.76	1.07	0.98	1.77	1.35	1.34	2.68		
Average--	0.68	0.70	0.69	0.79	1.06	1.02	1.27		

1/ Less than 500.

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

Table C.--Bicycle tires and tubes of rubber or plastics: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (1,000 units)				January - June 1981	
	1977	1978	1979	1980	Imports	Percentage distribution
Gross imports	49,457	48,833	56,452	56,776	21,730	100
26 developed countries, total:	4,158	3,115	2,345	3,615	2,121	10
GSP countries, total	45,297	45,718	54,105	53,023	19,557	90
China	22,341	22,740	31,934	33,726	11,312	52
Kor Rep	21,604	20,852	21,431	18,579	7,827	36
India	1,311	2,088	694	512	400	2
Hg Kong	4	18	42	199	1	1/
Singapr	0	0	1	7	17	1/
Mexico	0	2	0	0	2/	1/
Panama	0	0	0	0	0	1/
Jamaica	0	0	0	0	0	
Other GSP	37	17	2	0	0	
Other	1	1	2	137	52	1/
Value (1,000 dollars)						
Gross imports	34,532	33,700	44,630	60,400	27,604	100
26 developed countries, total:	5,996	5,145	4,537	7,864	5,766	21
GSP countries, total	28,527	28,549	40,089	52,437	21,782	79
China	14,331	14,036	23,350	33,134	12,417	45
Kor Rep	13,388	13,323	16,304	18,674	8,877	32
India	768	1,156	392	422	390	1
Hg Kong	4	15	36	172	1	1/
Singapr	-	-	6	35	95	1/
Mexico	-	8	-	-	1	1/
Panama	-	-	-	-	-	
Jamaica	-	-	-	-	-	
Other GSP	36	12	2	-	-	
Other	9	6	4	100	56	1/

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

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



TITLE: CRUDE MAGNESITE

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current col. 1 (1/1/81)	Final concession rate 1/ (1/1/81)		
522.61	Crude magnesite	\$1.96/ ton 2/	Free	\$10.50/ ton 2/	20 : Yes.

1/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through eight equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

2/ Imports have been too small to be representative and would not result in a meaningful ad valorem equivalent.

## II. Comments

Description and uses

Magnesite is the mineral magnesium carbonate, very little of which enters trade channels. Virtually all of the ore is calcined (heated) to obtain magnesia products. The nature of the resulting material is determined by the temperature of the calcining process. The product of the higher temperatures is refractory magnesia (TSUS items 531.01 and 531.04) and that of the lower temperature is caustic calcined magnesite (TSUS item 522.64).

U.S. consumption, production and producers

U.S. production of crude magnesite is supplied from a single producer located in Gabbs, Nevada. All of the crude magnesite production is processed to make magnesia products by the same producer.

Since there is only one U.S. producer, production data are not available. Virtually all U.S. consumption is from domestic production.

U.S. exports

There are no known U.S. exports of crude magnesite.

U.S. imports

U.S. imports of crude magnesite have always been negligible. It is believed that the reported imports are largely a result of misclassification. Heat treatment or calcining results in a 15 to 50 percent weight reduction and thus, treatment prior to shipping enables a substantial savings in freight costs. During the first six months of 1981 only 1 short ton was imported from West Germany with a value of \$254 (tables A and B).

U.S. imports of crude magnesite from GSP eligible countries have been negligible.

Position of interested parties

The petitioner for this action was the Government of Turkey.

There were no representations from interested parties during the course of the investigation.

Digest No.  
5001--Con.

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## IV. Statistical Data

Table A.--Crude magnesite: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1976-1980, January-June 1980, and January-June 1981

(Value in thousands of dollars)

Year	Production	Exports	Imports	Apparent consumption	Ratio (per- cent) of imports to consumption
1976-----	<u>1/</u>	<u>2/</u>	2	<u>1/</u>	<u>1/</u>
1977-----	<u>1/</u>	<u>2/</u>	11	<u>1/</u>	<u>1/</u>
1978-----	<u>1/</u>	<u>2/</u>	3	<u>1/</u>	<u>1/</u>
1979-----	<u>1/</u>	<u>2/</u>	5	<u>1/</u>	<u>1/</u>
1980-----	<u>1/</u>	<u>2/</u>	20	<u>1/</u>	<u>1/</u>
January-June--					
1980-----	<u>1/</u>	<u>2/</u>	8	<u>1/</u>	<u>1/</u>
1981-----	<u>1/</u>	<u>2/</u>	3	<u>1/</u>	<u>1/</u>

1/ Not available.2/ According to the domestic industry there are no exports of crude magnesite.

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

Table B.--Crude magnesite: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 long tons)					1980	January-June--	
	1976	1977	1978	1979	1980		1980	1981
U King	1/	0	0	0	1/	1/	1/	0
Greece	0	0	0	0	1/	1/	0	0
Austral	0	0	0	0	1/	1/	0	0
Canada	0	0	0	1/	1/	1/	0	0
Japan	1/	0	0	1/	0	0	0	0
India	1/	1/	1/	1/	0	0	0	0
Mexico	1/	0	1/	0	0	0	0	0
FR Germ	0	0	0	0	0	0	0	1/
All other	0	1/	0	0	0	0	0	0
Total	1/	1/	1/	1/	1/	1/	1/	1/
Value (1,000 dollars)								
U King	1/	-	-	-	17	8	-	-
Greece	-	-	-	-	2	-	-	-
Austral	-	-	-	-	1/	-	-	-
Canada	-	-	-	4	1/	1/	-	-
Japan	1	-	-	1	-	-	-	-
India	1/	1	1/	1	-	-	-	-
Mexico	1	-	2	-	-	-	-	1/
FR Germ	-	-	-	-	-	-	-	-
All other	-	10	-	-	-	-	-	-
Total	2	11	3	5	20	8	-	1/
Unit value (per long ton)								
U King	\$125.33	-	-	-	\$481.58	\$387.05	-	-
Greece	-	-	-	-	561.00	-	-	-
Austral	-	-	-	-	366.00	-	-	-
Canada	-	-	-	43.85	171.50	171.50	-	-
Japan	59.00	-	-	400.50	-	-	-	-
India	91.20	53.00	60.00	80.00	-	-	-	-
Mexico	259.50	-	57.90	-	-	-	-	254.00
FR Germ	-	-	-	-	-	-	-	-
All other	-	50.05	-	-	-	-	-	-
Average	97.05	50.22	58.13	54.82	469.74	368.30	-	254.00

1/ Less than 500.

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

Digest No.  
6001

TITLE: LOW CARBON FERROCHROMIUM

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 : (1/1/81):	Final : concession : rate 1/ : (1/1/81):		
606.22	Ferrochromium not containing over 3% by weight of carbon.	4% ad val.	3.1% ad val.	25,328	Yes.

1/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through eight annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

## II. Comment

Description and uses

The item under consideration for GSP designation is low carbon ferrochromium (TSUS No. 606.22 which for the purposes of the tariff schedules is defined in the TSUS as not containing over 3 percent, by weight, of carbon). In current commercial practice the alloy contains approximately 69 percent of chromium, 0.01 to 0.75 percent carbon, and a maximum of 1.0 to 8.0 percent of silicon, with the remainder largely iron.

Low carbon ferrochromium is mainly used in the production of stainless steel and in nickel-iron base superalloys. The industrial application is, for example, in jet engine component parts where high temperatures and high stresses are encountered or where corrosive liquids and gases must be processed such as in the construction of electrical generation equipment.

Low carbon ferrochromium is added in the final stages of the melting process to obtain an exact chromium content in stainless steel and superalloys. There are no known substitutes for chromium or for low carbon ferrochromium. High carbon ferrochromium is used as an intermediate product to manufacture low carbon ferrochromium.

U.S. consumption, shipments and producers

The reported consumption of this alloy decreased during the past decade, because of technological changes in stainless steel production. (The introduction of the Argon-Oxygen Decarburization (AOD) process permitted the stainless steel producer to use a cheaper substitute i.e., high carbon ferrochromium.) Accordingly reported consumption in 1976 of 78.9 thousand



Digest No.  
6001--Con.

short tons of the alloy has steadily declined to 48.7 thousand short tons in 1980 (table A). Industry sources estimate that the 1980 tonnage represents a leveling-off in reported consumption. The import to consumption ratio decreased from 80.8% in 1976 to 45.1% in 1980.

U.S. producers' shipments of alloy since 1976 fluctuated between 35.9 thousand short tons in 1979 and 20.3 thousand short tons in 1978. For the past two years, shipments averaged approximately 30 thousand short tons of alloy.

The unit value of U.S. producers' shipments of the alloy was \$1,207 per short ton in 1979 which is approximately the estimated value for 1980.

According to industry sources, ten years ago six companies produced low carbon ferrochromium. Due to the previously mentioned technological changes, production declined and today there are only two producers of this alloy. Both are located in Ohio within 30 miles of Marietta. Currently, the two producers employ approximately 148 production workers, and both producers have idle capacity.

#### U.S. exports

U.S. exports of this item varied between 1,247 short tons (in 1977) and 3,170 short tons (in 1980) (table A). Exports represented between 4.1 percent (1976) and 11.5 percent (1980) of U.S. producers' shipments. The major exporting countries in 1978 and 1979 were Canada, Spain and the People's Republic of China.

Digest No.  
6001--Con.

### U.S. imports

Imports of this alloy have declined from 63,750 short tons (\$54.8 million) in 1976 to 16,043 short tons (\$14.2 million) in 1978 and then increased to 20,631 short tons (\$22.2 million) in 1979 and to 21,993 short tons (\$25.3 million) in 1980 (table B).

During January-June 1981 imports were 23,428 short tons (\$20.3 million) or almost double the 12,317 short tons (\$14.3 million) of imports during the comparable period of 1980. The developed countries accounted for the bulk of U.S. imports since 1976, reaching 72 percent in 1977 and 97 percent in 1980 of total imports. Their imports for the first six months of 1981 accounted for 81 percent. However, there were large fluctuations in imports from the developed countries. Between 1976 and 1980, for example, imports from Japan and France declined by approximately 90 percent, making Sweden, South Africa and West Germany the dominant suppliers of this alloy in 1981.

In contrast, the GSP countries accounted for a small portion of U.S. imports, declining from 27 percent in 1977 to approximately 2 percent in 1980. During the first six months of 1981 imports from these countries amounted to 19 percent (table C). <sup>1/</sup> Rhodesia accounted for 27 percent of imports in 1977 and was the only supplying country in that year. In 1978 and

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<sup>1/</sup> The 19 percent of low carbon ferrochromium imports were almost wholly from Yugoslavia. These imports from Yugoslavia may not be accurately reported since their duty declared value seems too low (23 cents per pound). It is suggested that those imports may be high carbon ferrochromium.

Digest No.  
6001--Con.

1979, imports from Rhodesia dropped to zero, and accounted for only approximately 2 percent of imports in 1980 and during the first six months of 1981. Korea, Turkey and Brazil supplied negligible quantities of the alloy between 1977 and 1981. Yugoslavia was the dominant supplier during the first six months of 1981, accounting for 18 percent of imports.

There is no appreciable difference between imported and a large portion of domestically produced low carbon ferrochromium.

Position of interested parties

The petitioners for this action were the Government of Turkey and the Government of Zimbabwe. Representatives of domestic industry and labor unions oppose the granting of GSP treatment for low carbon ferrochromium, contending that a duty-free status would give undue advantage to GSP countries, and would drive U.S. producers out of business.

The importers made representation in favor of GSP treatment for this alloy.

Digest No.  
6001--Con.

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## IV. Statistical Data

Table A.--Low-carbon ferrochromium: U.S. producers' shipments, exports, imports and reported consumption, 1976-80, January-June 1980, and January-June 1981

(Quantity in short tons; value in thousands of dollars;  
unit value per ton)

Period	Shipments <u>1/</u>	Exports <u>2/</u>	Imports <u>3/</u>	Reported consump- tion <u>1/</u>	Ratio (per- cent) of imports to consumption
Quantity					
1976-----	33,091	1,356	63,750	78,894	80.8
1977-----	22,392	1,247	35,768	66,531	53.7
1978-----	20,325	1,900	16,043	<u>4/</u> 59,577	26.9
1979-----	35,991	1,470	20,631	60,257	34.2
1980-----	27,434	3,170	21,992	48,699	45.1
January-June--					
1980-----	<u>5/</u>	<u>5/</u>	11,945	<u>5/</u>	<u>5/</u>
1981-----	<u>5/</u>	<u>5/</u>	24,422	<u>5/</u>	<u>5/</u>
Value					
1976-----	39,059	<u>5/</u>	54,784	<u>5/</u>	-
1977-----	24,703	<u>5/</u>	30,612	<u>5/</u>	-
1978-----	21,401	<u>5/</u>	14,259	<u>5/</u>	-
1979-----	43,457	<u>5/</u>	22,254	<u>5/</u>	-
1980-----	<u>5/</u>	<u>5/</u>	25,328	<u>5/</u>	-
January-June--					
1980-----	<u>5/</u>	<u>5/</u>	14,329	<u>5/</u>	-
1981-----	<u>5/</u>	<u>5/</u>	20,315	<u>5/</u>	-
Unit value					
1976-----	1,263	-	859	-	-
1977-----	1,103	-	855	-	-
1978-----	1,052	-	888	-	-
1979-----	1,207	-	1,078	-	-
1980-----	<u>5/</u>	-	1,151	-	-
January-June					
1980-----	<u>5/</u>	-	1,199	-	-
1981-----	<u>5/</u>	-	831	-	-

1/ Compiled from official statistics of the U.S. Bureau of Mines.

2/ The Ferroalloy Association, Statistical Yearbook 1980.

3/ Compiled from official statistics of the U.S. Department of Commerce.

4/ Includes large shipments from dealers' stocks by industry sources.

5/ Not available.

Table B.--Low carbon ferrochromium: U.S. imports for consumption, by principal sources, 1976-80, January--  
June 1980, and January--June 1981

Source	Quantity (short tons)					Value (1,000 dollars)	
	1976	1977	1973	1979	1980	1981	1981
Sweden	3,008	4,854	5,357	8,695	7,145	4,321	3,970
Fr Germ	3,695	2,215	4,295	3,739	4,843	2,699	1,760
Rep Saf	11,022	6,864	111	2,645	6,381	2,744	12,438
Japan	23,956	7,669	2,620	2,943	2,652	1,523	681
Zimbabwe	8,194	9,464	0	0	510	610	396
France	3,426	824	922	1,131	243	243	794
Kor Rep	0	0	0	0	56	0	0
Yugoslvy	496	0	276	0	55	0	4,237
All other	4,923	3,898	2,662	1,477	19	0	96
Total	63,750	35,768	16,043	28,630	21,992	11,945	24,422
Value (1,000 dollars)							
Sweden	3,470	5,322	4,955	10,104	8,527	5,258	4,530
Fr Germ	3,899	2,365	4,097	4,000	6,056	3,095	2,280
Rep Saf	8,168	4,513	58	1,680	6,023	3,108	9,522
Japan	23,582	6,730	2,133	3,522	3,634	1,926	1,310
Zimbabwe	3,093	7,436	0	0	677	677	430
France	3,335	775	815	1,288	265	265	809
Kor Rep	0	0	0	0	61	0	0
Yugoslvy	85	0	154	0	57	0	1,294
All other	4,146	3,403	2,046	1,660	28	0	140
Total	54,784	30,612	14,259	22,254	25,326	14,329	20,315
Unit value (per short ton)							
Sweden	\$1,153.52	\$1,096.36	\$925.04	\$1,162.00	\$1,193.45	\$1,216.77	\$1,141.13
Fr Germ	1,055.16	1,067.65	953.96	1,069.68	1,249.74	1,232.53	1,295.39
Rep Saf	741.09	659.60	519.41	635.19	943.82	1,132.80	765.54
Japan	813.55	878.60	814.24	1,136.74	1,300.52	1,264.90	1,923.55
Zimbabwe	938.33	792.05	0	0	1,109.04	1,109.04	1,084.93
France	973.55	957.97	884.29	1,139.23	1,053.90	1,068.90	1,019.38
Kor Rep	0	0	0	0	1,037.59	0	0
Yugoslvy	172.08	0	557.71	0	1,044.84	0	301.94
All other	842.18	873.82	830.98	1,123.94	1,484.00	0	1,455.38
Average	859.35	855.86	868.79	1,078.71	1,151.68	1,199.60	831.83

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

Table C.--Low carbon ferrochromium: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (short tons)						
Gross imports	35,768	16,043	20,630	21,992	24,422	100
26 developed cttries, total	26,304	15,767	19,528	21,271	19,739	81
GSP countries, total	9,464	276	1,102	721	4,683	19
Zimbabwe	9,464	0	0	610	396	2
Kor Rep	0	0	0	56	0	
Yugosl	0	276	0	55	4,287	18
Brazil	0	0	0	0	0	
Turkey	0	0	1,102	0	0	
Other	0	0	0	0	0	
Value (1,000 dollars)						
Gross imports	30,612	14,259	22,254	25,328	20,315	100
26 developed cttries, total	23,116	14,105	20,905	24,533	18,591	92
GSP countries, total	7,496	154	1,349	795	1,724	8
Zimbabwe	7,496	-	-	677	430	2
Kor Rep	-	-	-	61	-	
Yugosl	-	154	-	57	1,294	6
Brazil	-	-	-	-	-	
Turkey	-	-	1,349	-	-	
Other	-	-	-	-	-	

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



TITLE: FERROSILICON CHROMIUM

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty			U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 (1/1/81):	Final : concession : rate :	Current : col. 2 (1/1/81) :		
606.42	Ferrosilicon chromium	10% ad val.	1/ val.	25% ad val.	***	Yes.

1/ No concessions were granted in the recent Tokyo round of trade negotiations.

## II. Comments

Description and uses

The item under consideration for GSP designation is ferrosilicon chromium (TSUS no. 606.42 for the purposes of the tariff schedules defined as containing by weight, over 30 percent of chromium and over 10 percent of silicon).

Ferrosilicon chromium is an alloy produced from chrome ore and quartz in a submerged electric furnace using carbon as a reducing agent. In current commercial practice, the alloy contains approximately 36 percent of chromium and 40 percent of silicon; the balance is iron with a very low carbon content.

The bulk of ferrosilicon chromium is used in the production of stainless steel. Its advantage is that it combines a low content of carbon (thereby minimizing its undesired addition to the steel) with a high level of silicon that enables the steel producers to enhance recovery of chromium, thus obtaining the lowest cost chromium available. Ferrosilicon chromium is also an intermediate product in the manufacture of low carbon ferrochromium and is obtained by reacting molten ferrosilicon chromium with a molten mix of chrome ore and lime.

U.S. consumption, shipments and producers

Reported consumption of the alloy has declined from 69,617 short tons 1/ in 1976 \* \* \*.

U.S. producers' shipments declined from 51,867 tons in 1976 to 36,009 tons in 1979 and \* \* \*.

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1/ Hereinafter referred to as tons (2,000 pounds) in this digest.

In 1976 there were three domestic producers of sales grade ferrosilicon chromium. In mid 1980, two producers ceased production of this item, and currently there is one remaining manufacturer located at Niagara Falls, N. Y. employing approximately \* \* \* production workers producing this alloy. According to industry sources, the current U.S. market for this alloy is approximately 30,000 to 35,000 tons.

#### U. S. exports

The quantity of U.S. exports of this item between 1976 and 1981 is considered to be negligible according to industry sources.

#### U.S. imports

Imports of ferrosilicon chromium totaled 15,724 tons (\$7.6 million) in 1976, increasing slightly to 16,229 tons (\$8.3 million) in 1977 (table B). During the Rhodesian embargo of 1978 and 1979, imports of this alloy were negligible. \* \* \*.

The largest supplier of this alloy has been Rhodesia/Zimbabwe; in 1976 and 1977 accounting for 84.2 and 64.8 percent of imports, then dropping to zero in 1978 and 1979 and accounting for 100 percent in 1980 and during the first six months of 1981.

Countries eligible for GSP treatment which have actually imported the alloy between 1976 and 1981 were Chile, importing 42 tons in 1979, and Taiwan, importing 220 tons in 1976. However, among the developed countries, only South Africa imported any appreciable quantity of this item: 2,122 tons in 1976, 5,512 tons in 1977, and 551 tons in 1978 and dropping to 0 in 1979, 1980 and 1981.

Digest No.  
6002--Con.

There is no appreciable difference between domestically produced ferrosilicon chromium and the imported alloy. According to industry sources the alloy from South Africa is exactly the same as the domestic product, whereas the alloy from Zimbabwe may vary slightly in chromium (38 percent) and silicon (42 percent) content. Price of the alloy F.O.B. Niagara Falls, New York in October 1981 was \$790 per gross ton (2240 lb/ton). Cost of transportation, for example, to Pittsburg, Pa. adds approximately \$15 per ton to the cost for the user. The imported product, according to industry sources, is priced at approximately between \* \* \* less per ton at the user's plant. Other GSP countries that have ferrosilicon chromium production capacity but have not yet entered the U.S. market are Brazil and Yugoslavia.

Position of interested parties

The petitioner for this action was the Government of Zimbabwe.

Representatives of domestic industry and labor unions oppose the granting of GSP treatment for ferrosilicon chromium, contending that a duty-free status would give undue advantage to GSP countries and would drive U.S. producers out of business.

The importers made representations in favor of GSP treatment for their alloy.

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Digest No.  
6002--Con.

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## IV. Statistical Data

Digest No.  
6002--Con.

Table A.--Ferrosilicon chromium: U.S. producers' shipments, exports, imports and reported consumption, 1976-80, January-June 1980, and January-June 1981

(Quantity in short tons; value in thousands of dollars;  
unit value per ton)

Period	Shipment <u>3/</u>	Exports <u>4/</u>	Imports <u>1/</u>	Reported consumption <u>3/</u>	Ratio (percent) of imports to consumption
Quantity					
1976-----	51,867	<u>4/</u>	15,724	69,617	22.5
1977-----	44,798	<u>4/</u>	16,229	55,451	29.2
1978-----	31,831	<u>4/</u>	<u>5/</u> 551	40,732	1.3
1979-----	36,009	<u>4/</u>	<u>5/</u> 42	34,574	0.1
1980-----	***	<u>4/</u>	<u>8/</u> ***	***	***
January-June--					
1980-----	<u>7/</u> ***	<u>4/</u>	<u>8/</u> ***	***	***
1981-----	<u>7/</u> ***	<u>4/</u>	<u>8/</u> ***	***	***
Value					
1976-----	32,620		7,593	<u>6/</u>	-
1977-----	20,770		8,281	<u>6/</u>	-
1978-----	17,000		51	<u>6/</u>	-
1979-----	23,166		21	<u>6/</u>	-
1980-----	<u>2/</u>		***	<u>6/</u>	-
January-June--					
1980-----	<u>2/</u>		<u>2/</u>	<u>6/</u>	-
1981-----	<u>2/</u>		<u>8/</u> ***	<u>6/</u>	-
Unit value					
1976-----	643		482	-	-
1977-----	463		510	-	-
1978-----	534		92	-	-
1979-----	643		500	-	-
1980-----	<u>2/</u>		***	-	-
January-June					
1980-----	<u>2/</u>		<u>2/</u>	-	-
1981-----	<u>2/</u>		***	-	-

1/ Compiled from official statistics of the U.S. Department of Commerce.

2/ Not available.

3/ Bureau of Mines, U.S. Department of Interior.

4/ Exports according to industry sources are considered to be negligible.

5/ Imports were negligible due to the Rhodesian embargo.

6/ Data on value is not collected.

7/ \* \* \*.

8/ \* \* \*.

Table B.--Ferrosilicon chromium: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (short tons)					1981 1/	January-June--	
	1976	1977	1978	1979	1980 1/		1980 1/	1981 1/
Rep Saf-----	2,122	5,512	551	0	0	0	0	0
Chile-----	0	0	0	42	0	0	0	0
Canada-----	0	200	0	0	0	0	0	0
Fr Germ-----	123	0	0	0	0	0	0	0
China t-----	220	0	0	0	0	0	0	0
Japan-----	13	0	0	0	0	0	0	0
Zimbabw-----	13,246	10,517	0	0	0	***	***	***
Total-----	15,724	16,229	551	42	0	***	***	***
Value (1,000 dollars)								
Rep Saf-----	1,061	2,982	51	21	0	0	0	0
Chile-----	-	-	-	-	-	-	-	-
Canada-----	-	166	-	-	-	-	-	-
Fr Germ-----	71	-	-	-	-	-	-	-
China t-----	132	-	-	-	-	-	-	-
Japan-----	7	-	-	-	-	-	-	-
Zimbabw-----	6,323	5,132	-	-	-	***	***	***
Total-----	7,593	8,281	51	21	0	***	***	***
Unit value (per short ton)								
Rep Saf-----	\$499.88	\$540.95	\$92.20	\$500.00	-	-	-	-
Chile-----	-	-	-	-	-	-	-	-
Canada-----	-	832.42	-	-	-	-	-	-
Fr Germ-----	581.09	-	-	-	-	-	-	-
China t-----	598.25	-	-	-	-	-	-	-
Japan-----	509.31	-	-	-	-	-	-	-
Zimbabw-----	477.34	488.01	-	-	-	***	***	***
Average-----	482.91	510.23	92.20	500.00	-	-	-	-

1/ \* \* \*

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



Table C.--Ferrosilicon chromium: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980 I/	January - June 1981	
					Imports	Percentage distribution
Quantity (short tons)						
Gross imports	16,229	551	42	***	***	100
26 developed cttries, total	5,712	551	0	0	0	-
GSP countries, total	10,517	0	42	0	0	-
Chile	0	0	42	0	0	-
China t	0	0	0	0	0	-
Zimbabw	10,517	0	0	***	***	100
Other	0	0	0	0	0	-
Value (1,000 dollars)						
Gross imports	8,281	51	21	***	***	100
26 developed cttries, total	3,148	51	-	-	-	-
GSP countries, total	5,132	-	21	-	-	-
Chile	-	-	21	-	-	-
China t	-	-	-	-	-	-
Zimbabw	5,132	-	-	***	***	100
Other	-	-	-	-	-	-

I/ \* \* \*

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



TITLE: BRASS PLATED WIRE STRAND OF IRON OR STEEL

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty			U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 : (1/1/81)	Final : concession : rate 1/ :	Current : col. 2 : (1/1/81)		
:	Strands, ropes, cables, and	:	:	:	:	:
:	cordage, all the fore-	:	:	:	:	:
:	going, of wire, whether	:	:	:	:	:
:	or not cut to length, and	:	:	:	:	:
:	whether or not fitted	:	:	:	:	:
:	with hooks, swivels,	:	:	:	:	:
:	clamps, clips, thimbles,	:	:	:	:	:
:	sockets, or other fittings:	:	:	:	:	:
:	or made up into slings,	:	:	:	:	:
:	cargo nets, or similar	:	:	:	:	:
:	articles:	:	:	:	:	:
:	Not fitted with fittings	:	:	:	:	:
:	and not made up into	:	:	:	:	:
:	articles:	:	:	:	:	:
:	Not covered with textile	:	:	:	:	:
:	or other nonmetallic	:	:	:	:	:
:	material:	:	:	:	:	:
:	Wire strand:	:	:	:	:	:
:	[Of nickel; of	:	:	:	:	:
:	stainless	:	:	:	:	:
:	steel; of	:	:	:	:	:
:	copper]	:	:	:	:	:
:	Other:	:	:	:	:	:
:	Of iron or steel	:	:	:	:	:
:	(except	:	:	:	:	:
:	stainless):	:	:	:	:	:
642.1110 :	Of brass	6.9% ad :	4.9% ad :	35% ad :	31,259 :	Yes.
:	plated	val. :	val. :	val. :	:	:
:	wire.	:	:	:	:	:

1/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through eight annual stages with the first stage on

## II. Comments

Description and uses

This digest covers brass plated wire strand of iron or steel classified under TSUSA item No. 642.1110. Brass plated wire strand, commonly referred to as tire cord of strand construction, is primarily used by the tire industry to reinforce radial passenger tires or as a component of brass plated wire rope to reinforce truck tires.

Brass plated wire strand is produced from wire rod, usually 7/32 inch in diameter. In this process, wire rod is cleaned of mill scale and rust and drawn through a die to reduce the cross-sectional area of the rod and improve its finish and physical properties. The wire rod is then heat treated, further drawn and brass plated. In the brass plating operation, the wire receives an electrochemical application of copper-zinc (usually 65 percent copper, 35 percent zinc), which forms a bond between the steel and rubber in the tire, allowing the products to adhere. The wire is finally drawn to its finished size (usually .0069 to .0011 inch in diameter) and stranded. Wire strand is a collection of small wires that have been twisted or stranded uniformly in concentric rings about a central wire. This provides certain characteristics not found in single strands of wire with similar cross-sectional area. This makes for greater flexibility, longer life, and in most cases, higher tensile strength. The use of brass plated wire strand provides various advantages to tire manufacturers. It gives the tire dimensional stability, does not elongate, and provides abrasion or cut resistance to the tire.

U.S. consumption, shipments, and producers

Annual apparent consumption of brass plated wire strand has steadily declined from an estimated 60 thousand short tons in 1977 to an estimated 48 thousand short tons in 1980 (table A). This steady decline is primarily attributed to the reduction in new cars being produced, the production of smaller tires for the smaller new cars therefore requiring less reinforcement, and the increased use of fiberglass reinforcement in radial tires. Apparent consumption for January-June 1981 was estimated at 24 thousand short tons, down 4 percent from the estimated 25 thousand short tons during the same period in 1980. The ratio of imports to total apparent consumption fluctuated slightly during 1976-80, dropping from 34.1 percent in 1977 to 31.1 percent in 1978, and increasing to 34.8 percent by 1980. The ratio of imports to apparent consumption for January-June 1981 was over 50 percent.

The quantity of domestic shipments has steadily declined from the 1977-78 estimated total of approximately 40 thousand short tons to an estimated 31 thousand short tons in 1980. <sup>1/</sup> Shipments for January-June were estimated at 12 thousand short tons, down 23 percent from the estimated 15 thousand short tons during the same period in 1980.

The domestic industry consists of 5 producers currently employing approximately 2,000 workers. Domestic production is primarily in the South, with the two largest producers located in Georgia. Other domestic producers are in Kentucky, Oklahoma and South Carolina.

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<sup>1/</sup> Estimates for domestic shipments do not include all domestic producers. One domestic producer produces only for internal consumption and shipment data are unavailable.

U.S. exports

Data is not available because brass plated steel wire strand is classified in the basket category of steel wire strand other than for prestressing concrete in the export schedule. However, exports are estimated to have been nil or negligible.

U.S. imports

Imports of brass plated steel wire strand fluctuated during the 1976-80 period (table B). Imports dropped from 23,681 short tons (\$38.5 million) in 1976 to 18,039 short tons (\$31.5 million) in 1978, increased to 19,036 short tons (\$35.1 million) in 1979 before dropping to 16,690 short tons (\$31.3 million) in 1980. Imports for January-June 1981 were 12,323 short tons (\$22.3 million), up 25 percent from the corresponding period in 1980. Belgium and Japan were the principal sources of imports during 1976-80, accounting for 79 percent of total quantity in 1980.

Imports of brass plated steel wire strand from GSP-eligible countries were relatively small during 1977-80, accounting for less than one percent of total imports for any given year (table C). There were no imports in 1977 and 1979. GSP imports in 1978 amounted to 183 tons (\$107,000) from Brazil and Taiwan, and in 1980 were 22 tons (\$22,000) from Israel. Imports from GSP eligible countries for January-June 1981 consisted of 22 tons (\$36,000) from the Republic of Korea.

The imported product is basically of comparable quality and cost to the domestic product. However, imported brass plated wire strand from Korea

Digest No.  
6003--Con.

allegedly enjoys a price advantage of 5 to 10 percent over the domestic product. This is the result of new technologically efficient facilities and lower labor costs.

Position of interested parties

The petitioners for this action were the Republic of Korea and TrefilARBED, Inc.

Representatives of the domestic industry opposed the granting of GSP on brass plated steel wire strand.

Digest No.  
6003--Con.

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## IV. Statistical Data

Digest No.  
6003--Con.

Table A.--Brass plated steel wire strand: U.S. shipments, exports, imports and apparent consumption, 1977-1980, January-June 1980 and January-June 1981

(Quantity in short tons)						
Year	Shipments	Exports	Imports	Apparent consumption	Ratio (per cent) of imports to consumption	
						Quantity
1977-----	<u>1</u> / 39,516	<u>2</u> /	20,484	<u>1</u> / 60,000	<u>1</u> / 34.1	
1978-----	<u>1</u> / 39,961	<u>2</u> /	18,039	<u>1</u> / 58,000	<u>1</u> / 31.1	
1979-----	<u>1</u> / 36,964	<u>2</u> /	19,036	<u>1</u> / 56,000	<u>1</u> / 34.0	
1980-----	<u>1</u> / 31,310	<u>2</u> /	16,690	<u>1</u> / 48,000	<u>1</u> / 34.8	
January-June--						
1980-----	<u>1</u> / 15,177	<u>2</u> /	9,823	<u>1</u> / 25,000	<u>1</u> / 39.3	
1981-----	<u>1</u> / 11,677	<u>2</u> /	12,323	<u>1</u> / 24,000	<u>1</u> / 51.3	

1/ Estimated.

2/ Not available.

Table B.--Brass plated steel wire strand: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (short tons)					Value (1,000 dollars)	
	1976	1977	1978	1979	1980		
Belgium	12,485	12,797	10,288	7,840	6,537	4,329	3,869
Japan	6,566	3,123	4,846	8,300	6,668	3,672	5,492
Spain	397	151	149	137	1,667	956	1,190
France	2,475	1,377	1,208	1,487	1,119	453	1,054
Italy	832	776	746	845	622	359	579
Fr Germ	168	1,377	616	409	54	54	60
Israel	0	0	0	0	22	0	0
U King	9	75	3	1	1	0	0
All other	749	808	183	17	0	0	79
Total	23,681	20,484	18,039	19,036	16,690	9,823	12,323
Value (1,000 dollars)							
Belgium	21,295	22,124	19,047	15,781	13,002	8,978	7,199
Japan	9,727	4,574	7,334	13,704	11,770	6,561	9,400
Spain	633	262	272	255	3,086	1,781	2,189
France	3,973	2,292	2,196	2,798	2,005	811	2,066
Italy	1,386	1,336	1,416	1,689	1,252	724	1,193
Fr Germ	278	2,377	1,101	783	118	118	115
Israel	-	-	-	-	22	-	-
U King	21	118	8	3	3	-	1
All other	1,219	1,237	107	52	-	-	142
Total	38,532	34,320	31,482	35,065	31,259	18,973	22,306
Unit value (per short ton)							
Belgium	\$1,705.64	\$1,728.86	\$1,851.43	\$2,012.87	\$1,989.01	\$2,073.86	\$1,860.78
Japan	1,481.46	1,464.77	1,513.33	1,651.07	1,765.18	1,786.89	1,711.54
Spain	1,593.51	1,737.62	1,826.78	1,862.42	1,851.37	1,863.46	1,839.33
France	1,605.17	1,664.20	1,817.99	1,881.33	1,791.37	1,789.84	1,960.14
Italy	1,665.85	1,721.23	1,898.18	1,998.33	2,013.25	2,015.77	2,060.31
Fr Germ	1,656.98	1,726.35	1,788.04	1,915.61	2,180.80	2,180.80	1,918.70
Israel	-	-	-	-	1,009.09	-	-
U King	2,371.89	1,574.24	2,792.00	3,373.00	3,170.00	-	-
All other	1,626.92	1,530.53	582.13	3,051.94	-	-	1,801.57
Average	1,627.12	1,675.47	1,745.21	1,842.03	1,672.39	1,931.48	1,810.07

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

Table C.--Brass plated steel wire strand: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (short tons)				Value (1,000 dollars)		January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980				
Gross imports	20,484	18,039	19,036	16,690	12,323		100	
26 developed countries, total	20,333	17,707	18,899	15,001	11,111		90	
GSP countries, total	0	183	0	22	22		1/	
Israel	0	0	0	22	0			
Chile	0	0	0	0	0			
Brazil	0	151	0	0	0			
Kor Rep	0	0	0	0	22		1/	
China t	0	32	0	0	0			
Other	151	149	137	1,667	1,190		10	
Gross imports	34,320	31,482	35,065	31,259	22,306		100	
26 developed countries, total	34,058	31,103	34,810	28,150	20,080		90	
GSP countries, total	-	107	-	22	36		1/	
Israel	-	-	-	22	-			
Chile	-	-	-	-	-			
Brazil	-	60	-	-	-			
Kor Rep	-	-	-	-	36		1/	
China t	-	47	-	-	-			
Other	262	272	255	3,036	2,189		10	

1/ Less than 0.5 percent.

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





TITLE: COLUMNS, PILLARS, POSTS, BEAMS, GIRDERS AND SIMILAR STRUCTURES OF IRON OR STEEL--Continued

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 : (1/1/81):	Final : concession : rate 1/ : col. 2 : (1/1/81)		
652.94	Other-----	3.3% ad val.	2.8% ad val.	57,067	Yes.
	In part of alloy iron or steel:				
652.95	In part of stain- less steel.	5.6% ad val.	4.2% ad val.	12	Yes.
652.96	Other-----	5.1% ad val.	3.9% ad val.	10,638	Yes.

1/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through eight equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

## II. Comments

Description and uses

Included here are columns, pillars, posts, beams, girders and similar structural units of iron or steel. Such products are used in the construction industry.

U.S. consumption, production, and producers

Official consumption and production data for these products are not available. The products classified under these provisions represent a small part of the class of articles known as structures and parts of structures which include such items as buildings, bridges, drilling rigs, and towers. It is believed that imports account for a small part of domestic consumption.

There is a large number of U.S. producers making the items under consideration, including steel mills, steel fabricators, and certain service centers.

U.S. exports

The value of U.S. exports increased from \$18 million in 1976 to \$24 million in 1980 (tables A and B). Exports amounted to \$14 million in January-June 1981 compared with \$10 million during the comparable period in 1980. Mexico has become the largest export market for these products increasing its shares of total exports from 2 percent in 1976 to 47 percent in 1980.

U.S. imports

The value of U.S. imports increased from \$32 million in 1976 to \$73 million in 1979 and declined to \$68 million in 1980 (table C). Imports

Digest No.  
6004--Con.

remained at the same level in January-June 1981, compared with those in the same period in 1980. In 1980, Canada and Japan were the chief sources of imports with 60 percent and 30 percent, respectively, of the total value. In the first half of 1981, imports from GSP countries accounted for 3 percent of total U.S. imports. The imported products are basically of comparable quality to the domestic product and generally undersell the U.S. product.

The value of U.S. imports from GSP countries increased from \$585,000 in 1977 to \$1.3 million in 1979 (table D). Imports increased to \$539,000 in 1980, and increased again in 1981, reaching \$1.1 million in the first half of the year (annual rate \$2.2 million). Virtually all of the GSP imports were from Taiwan, accounting for 3 percent of imports in the first half of 1981.

#### Position of interested parties

The petitioner for this action was the Government to Brazil.

Representatives of the domestic industry opposed the granting of GSP on these products. Imports of these products are already competitive with domestic products and granting GSP would gravely peril the U.S. industry.



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## IV. Statistical Data

Table A.--Columns, pillars, posts, beams, girders, and similar structures of iron or steel: U.S. production, imports for consumption, exports of domestic merchandise and apparent consumption, 1976-1980, January-June 1980, and January-June 1981

(Value in millions of dollars)						
Year	Production	Exports	Imports	Apparent consumption	Ratio (per cent) of imports to consumption	
	Value					
1976-----	1/	18	32	1/	1/	
1977-----	1/	18	47	1/	1/	
1978-----	1/	20	41	1/	1/	
1979-----	1/	21	73	1/	1/	
1980-----	1/	24	68	1/	1/	
January-June--						
1980-----	1/	10	35	1/	1/	
1981-----	1/	14	35	1/	1/	

1/ Not available.

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

Table 3.--Columns, pillars, posts, and similar structural units of iron or steel: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	Quantity (1,000 short tons)				1981
	1976	1977	1978	1979	
Mexico	1/	1/	3	6	2
S Arab	1	2	1	2	1
Canada	3	2	1	1	1/
Cameroon	1/	0	0	1/	1/
China t	2	1	1	1/	1/
Israel	1/	1/	1/	1/	1/
Lw MW I	1/	1/	1/	1/	1/
Argent	1/	1/	1/	1/	1/
All other	9	7	3	3	1
Total	15	13	8	13	5
					6
	Value (1,000 dollars)				
Mexico	317	235	323	4,853	4,697
S Arab	1,912	3,383	1,747	1,516	1,225
Canada	1,687	1,723	979	1,308	560
Cameroon	65	1/	1/	751	751
China t	2,208	1,637	937	694	263
Israel	165	101	28	49	259
Lw MW I	10	41	10	21	119
Argent	51	38	27	113	143
All other	11,350	12,079	7,032	5,748	1,609
Total	17,765	19,238	11,084	14,509	9,625
					13,678
	Unit value (per short ton)				
Mexico	\$653.49	\$666.18	\$1,111.15	\$1,656.88	\$2,268.08
S Arab	1,597.31	1,841.80	1,485.79	1,973.97	1,819.55
Canada	651.61	786.63	596.85	1,342.87	1,744.82
Cameroon	32,465.50	-	-	-	2,353.61
China t	1,204.05	2,093.20	1,558.58	1,489.28	1,867.66
Israel	1,666.53	1,828.64	528.43	978.28	1,407.14
Lw MW I	807.17	1,251.00	1,144.89	1,258.71	1,434.22
Argent	394.36	995.79	2,262.33	1,528.62	2,642.96
All other	1,318.99	1,633.90	1,898.50	1,866.19	1,674.04
Average	1,188.11	1,517.05	1,480.50	1,707.59	2,002.37
					2,185.03
					\$1,652.54
					2,401.54
					1,743.65
					-
					2,663.95
					2,362.36
					3,248.44
					5,844.60
					1,857.73

1/ Less than 500.

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

Table C.--Columns, pillars, posts, and similar structural units of iron or steel: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 short tons)					January-June-- 1981
	1976	1977	1978	1979	1980	
Canada	11	17	30	69	51	27
Japan	47	77	45	41	42	21
U King	1	2	3	3	2	1
Austria	0	0	0	3	4	2
Fr Germ	1	1/2	1	1/2	1	1/2
Kor Rep	1	2	3	4	1	1
Italy	1/2	1/2	1/2	1/2	1/2	1/2
China t	0	0	0	0	1/2	0
All other	1/2	1	1	1/2	1/2	1/2
<b>Total</b>	<b>62</b>	<b>99</b>	<b>83</b>	<b>121</b>	<b>102</b>	<b>53</b>
	Value (1,000 dollars)					
Canada	6,845	8,185	18,730	48,470	40,758	21,606
Japan	23,289	35,477	17,963	17,792	20,853	9,217
U King	457	1,604	3,218	2,971	2,252	989
Austria	-	-	-	1,945	1,979	1,828
Fr Germ	321	300	331	269	948	578
Kor Rep	269	436	658	1,108	390	390
Italy	53	25	76	300	185	135
China t	1	-	-	3	111	2
All other	399	664	454	403	241	157
<b>Total</b>	<b>31,633</b>	<b>46,692</b>	<b>41,431</b>	<b>73,260</b>	<b>67,716</b>	<b>34,901</b>
	Unit value (per short ton)					
Canada	\$603.47	\$471.76	\$615.22	\$704.97	\$794.00	\$811.69
Japan	493.27	462.29	398.36	431.42	492.77	429.79
U King	809.75	823.97	937.10	1,166.44	1,409.96	1,217.69
Austria	-	-	-	720.00	533.34	851.21
Fr Germ	431.36	723.34	658.97	838.11	1,314.74	1,320.53
Kor Rep	203.72	228.91	233.63	253.59	283.92	283.92
Italy	727.73	648.42	758.66	641.82	859.32	857.16
China t	-	-	-	-	436.51	-
All other	1,394.87	1,104.51	670.14	869.70	832.46	1,215.86
<b>Average</b>	<b>513.99</b>	<b>471.63</b>	<b>498.76</b>	<b>606.13</b>	<b>665.12</b>	<b>657.29</b>
Canada						\$832.89
Japan						506.86
U King						973.95
Austria						97.66
Fr Germ						1,320.53
Kor Rep						148.77
Italy						2,848.00
China t						379.71
All other						2,847.06
<b>Average</b>						<b>665.02</b>

1/ Less than 500.

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

Table D.--Columns, pillars, posts, and similar structural units of iron or steel: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	1981		Percentage distribution
					January - June	Imports	
Quantity (1,000 short tons)							
Gross imports	99	83	121	102	53		100
26 developed cttries, total	97	80	116	100	50		94
GSP countries, total	2	3	5	2	3		6
Kor Rep	2	3	4	1	1		1
China t	0	0	0	2/	3		5
Mexico	2/	2/	2/	2/	2/		1/
India	2/	2/	2/	2/	0		
Dom Rep	0	0	0	0	0		
Portugl	0	0	0	0	0		
Macao	0	0	0	0	0		
Other	2/	2/	2/	2/	0		
Value (1,000 dollars)							
Gross imports	46,692	41,431	73,260	67,716	35,352		100
26 developed cttries, total	46,094	40,662	71,960	67,145	34,217		97
GSP countries, total	585	753	1,286	539	1,134		3
Kor Rep	436	658	1,108	390	76		1/
China t	-	-	3	111	1,050		3
Mexico	123	90	110	23	9		1/
India	25	4	14	13	-		
Dom Rep	-	-	50	2	-		
Portugl	-	-	1	-	-		
Macao	-	-	-	-	-		
Other	12	16	14	32	-		

1/ Less than 0.5 percent.

2/ Less than 500.

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



Digest No.  
6005

TITLE: CITIZENS BAND (CB) RADIO TRANSCEIVERS (EXCEPT HAND-HELD)

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty <u>1/</u>			U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 : (1/1/81):	Final : concession : rate :	Current : col. 2 : (1/1/81)		
685.27	Citizens Band (CB) radio transceivers (except hand- held).	6%	<u>2/</u>	35%	36,177	Yes.

1/ The symbol "%" indicates percent ad valorem.  
2/ No concession was granted on this item during the recent Tokyo round of trade negotiations.

## II. Comment

Description and uses

Citizens Band transceivers (CB's) are radiotelephonic devices which provide users with two-way communications. A CB transceiver is a combination of a transmitter and a receiver which share common electronic components and circuits. CB's can transmit and receive, but can not do both simultaneously.

CB's currently operate on a frequency range of 26.96 to 27.41 megahertz. <sup>1/</sup> This frequency range is divided in 40 separate operating segments called channels. Prior to 1977, there were only 23 channels, but the large increase in CB's in use in the mid-1970's caused severe channel congestion prompting the Federal Communications Commission (FCC) to authorize an increase in the frequency range and number of channels.

CB's covered by this digest are classified under TSUS item 685.27. These are CB's that are used principally as either mobile or base station units. Mobile CB's are used generally in either motor vehicles or boats; these units have external microphones and antennas and are powered by direct current from the motor vehicle or boat battery. Base station CB's also have external microphones and antennas but are designed to be powered by regular household current (120 volts a.c.); this means that they are principally operated from fixed locations such as the home or office.

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<sup>1/</sup> This is the frequency band allocated to the Citizens Radio Service by the FCC, hence the term "Citizens Band."



Digest No.  
6005--Con.

CB's are principally used to obtain information, render assistance, and entertain the operator. For example, Channel 9 is monitored by many highway patrol agencies and is used for reporting highway or road hazards and for obtaining assistance for distressed motorists.

#### U.S. customs treatment

In 1977 the U.S. International Trade Commission conducted an investigation under section 201 of the Trade Act of 1974 on CB's. The Commission determined that CB's were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. Based on the Commission's determination, the President issued Presidential Proclamation No. 4561 on April 7, 1978, providing relief to the domestic industry by temporarily increasing the rate of duty on CB's from 6 percent ad valorem to 21 percent ad valorem; the increased rate of duty was then lowered by virtue of the proclamation to 18 percent ad valorem in 1978, 15 percent ad valorem in 1980, and returned to 6 percent ad valorem in 1981. In addition to the increased rate of duty, CB's were removed, effective April 11, 1978, from the list of articles eligible for preferential duty treatment under the Generalized System of Preferences (GSP) in accordance with section 503(c)(2) of the Trade Act of 1974.

Digest No.  
6005--Con.

U.S. consumption, shipments, and producers

U.S. apparent consumption of CB's decreased substantially during the period under review, falling from a high of \$840.7 million in 1976 to \$44.7 million in 1980, a 95-percent decline (table A). Thereafter, consumption increased by 45 percent when it rose to \$27.4 million in January-June 1981 (from \$18.9 million in January-June 1980).

The value of U.S. shipments of CB's fell from \$102.2 million in 1976 to \$13.5 million in 1980, or by 87 percent. This declining trend continued into January-June 1981 when shipments were \$6.3 million or 7 percent below the \$6.7 million value of shipments in January-June 1980.

During 1980, there were four domestic producers of CB's, two of which accounted for approximately 75 percent of total domestic shipments. \* \* \*. The other large producer supplied CB's to both the OEM vehicle market and the consumer market, while the two smaller producers supplied CB's to the consumer market. One of the smaller producers discontinued regular production during the second quarter of 1980 but continued to make CB's part time thereby exhausting a parts inventory. All four producers expressed the opinion to the Commission staff that the market was stabilizing after several years of rapidly declining demand, and the two smaller producers expressed the desire to return to full-time as opposed to their current part-time production as the market stabilizes.

U.S. exports

Exports of U.S.-produced CB's have been negligible throughout the period even though official statistics indicate that exports have fluctuated between \$4.3 million and \$10.3 million (table B). U.S. exports of CB's are limited by technical or operating restrictions imposed by other countries. Industry sources indicate that the bulk of U.S. exports are transshipments of imported CB's.

U.S. imports

U.S. imports of CB's declined substantially since 1976. In that year imports were valued at \$742.8 million, however, in 1980 imports amounted to only \$36.2 million (table C). In January-June 1981, imports totalled \$24.6 million, compared to \$14.6 million in January-June 1980.

Until 1980 Japan was the major source of imports. In 1976, imports from Japan were \$665.6 million, but such imports declined to only \$10.4 million in 1980. In January-June 1981, imports from Japan increased to \$6.0 million from \$4.4 million in January-June 1980.

Imports from countries with GSP status, principally Taiwan, Korea, and Hong Kong, have declined from \$63.5 million in 1977 to \$25.7 million in 1980, a decrease of 60 percent (table D). However, over the same period the share of total imports accounted for by countries with GSP status has increased from 14 to 71 percent, and in 1980, Taiwan passed Japan as the leading source of imports.

Digest No.  
6005--Con.

Import penetration has fluctuated during the period under review. It declined from 88.4 percent in 1976 to a low of 66.1 percent in 1978 and then increased 80.9 percent in 1980. Import penetration was highest in January-June 1981 when it was 89.6 percent as compared with 76.8 percent for January-June 1980. Penetration by imports from Japan, the major source during 1976-79, declined consistently from a high of 79.2 percent in 1976 to 23.2 percent in 1980 and 22.0 percent in January-June 1981 as compared to 23.0 percent in January-June 1980. Conversely, penetration by imports from GSP-eligible countries has increased throughout the period from a low of 8.2 percent in 1976 to 57.5 percent in 1980 and 67.5 percent in January-June 1981 compared to 53.6 in January-June 1980.

Imported CB's are similar to domestically-produced CB's. The competition between the domestic and imported product is principally on the basis of price in the aftermarket. In the OEM vehicle market purchasers look for CB's which can be integrated into the audio system of the vehicle; this requires design engineering on the part of the CB manufacturers. No foreign firms have entered this market segment; therefore, the imported and domestic products compete on the basis of whether the purchaser of a vehicle wants a factory-installed CB or desires to purchase a CB in the aftermarket.

Position of interested parties

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Digest No.  
6005--Con.

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Radio Shack and A & A International, Inc., divisions of Tandy Corporation, a petitioner, submitted a written brief and appeared at the GSP hearings in favor of granting GSP status to CB's. Counsel for Radio Shack testified that U.S. production was not significant and was insufficient to supply the U.S. market which was estimated by Radio Shack to be 1.5 million units in 1982; therefore, U.S. market demand had to be principally supplied by imports. Counsel further stated that Radio Shack expected to pass along about \$1.0 million in duty savings to the U.S. consumer in 1982-83 if GSP eligibility were granted.

General Electric Company, a petitioner, submitted a written brief and appeared at the GSP hearings in favor of granting GSP status to CB's. Counsel for General Electric cited a 1980 study by the Federal Trade Commission which concluded that the tariff remedy implemented as a result of the section 201 investigation on CB's was too late to help the U.S. industry and that the increased tariff injured the U.S. consumer. Counsel further stated that GSP for CB's would not only help the U.S. consumer but also the beneficiary developing countries and that this was the objective of the GSP. Counsel

Digest No.  
6005--Con.

noted that Motorola was the only remaining U.S. firm supplying significant quantities of CB's to the U.S. market.

Motorola, Inc., submitted a written brief and appeared at the GSP hearings in opposition to granting GSP status to CB's. The spokesman for Motorola stated that the company employed 50 people in the production of CB's in its plant in Seguin, Texas. It had 25 private label customers and an after market brand name business that would consume 50,000 units annually by 1982. The spokesman also said that Motorola had established a new distribution system for marketing its CB's. Granting GSP status to CB's would benefit Japanese multinationals and again injure the U.S. industry the spokesman said.

Sears, Roebuck and Co., submitted a letter in favor of granting GSP status to CB's. Sears preferred to import CB's because it felt that (1) product availability offshore was better and there was only one U.S. manufacturer; (2) they could get better, on-time delivery from foreign sources; (3) the imported product had a better price/value relationship compared to the domestic product; and (4) foreign sources had better technological production capabilities. For these reasons Sears believes that GSP status for CB's will benefit both the importer and consumer.

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Digest No.  
6005--Con.

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Table A.--Citizens Band (CB) radio transceivers (except hand-held): U.S. shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

Period	Shipments	Exports	Imports	Apparent consumption	Ratio of imports to consumption
-----1,000 dollars-----					
					Percent
1976-----	102,246	1/ 4,347	742,820	840,719	88.4
1977-----	1/ 76,396	1/ 5,307	454,606	525,695	86.5
1978-----	1/ 61,326	10,336	99,400	150,390	66.1
1979-----	1/ 33,337	6,743	56,824	83,418	68.1
1980-----	1/ 13,454	4,897	36,177	44,734	80.9
January-June--					
1980-----	1/ 6,727	2,333	14,554	18,948	76.8
1981-----	1/ 6,280	3,427	24,588	27,441	89.6

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

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

Table B.--Citizens Band (CB) radio transceivers (except hand-held): U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	(In thousands of dollars)					
	1976 1/	1977 1/	1978	1979	January-June-- 1980	1981
S Arab-----	224	383	484	212	597	534
Ireland-----	5	2	-	58	568	139
Fr Germ-----	92	147	476	226	329	247
Mexico-----	248	353	1,144	177	296	115
France-----	36	58	50	71	82	254
Brazil-----	11	15	284	155	257	441
Argentina-----	29	16	354	320	195	29
Canada-----	556	455	911	188	185	20
All other-----	3,145	3,879	6,632	5,336	2,212	148
Total-----	4,347	5,307	10,336	6,743	4,897	1,705
						3,427

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

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

Table C.--Citizens Band (CB) radio transceivers (except hand-held): U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	(In thousands of dollars)					
	1976	1977	1978	1979	January-June-- 1980	1981
Taiwan-----	53,718	41,764	23,656	18,719	12,154	5,683
Japan-----	665,573	390,629	52,853	21,802	10,361	4,351
Kor Rep-----	12,653	16,947	19,756	14,388	8,519	2,655
Hg Kong-----	2,748	3,412	461	472	5,050	1,822
Canada-----	5,432	137	510	100	58	27
Sweden-----	4	-	-	-	18	1/
FR Germ-----	372	285	99	121	11	20
Austria-----	-	-	-	-	5	-
All other-----	2,319	1,431	2,065	1,221	2	1
Total-----	742,820	454,606	99,400	56,824	36,177	14,554
						24,588

1/ Less than 500.

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

Table D.--Citizens Band (CB) radio transceivers (except hand-held): U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan. - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Value (1,000 dollars)						
Gross imports	454,606	99,400	56,824	36,177	24,588	100
26 developed cttries, total	391,057	53,472	22,036	10,454	6,075	25
GSP countries, total	63,549	45,928	34,787	25,723	18,513	75
Taiwan	41,764	23,656	18,719	12,154	7,219	29
Kor Rep	16,947	19,756	14,388	8,519	6,015	24
Hg Kong	3,412	461	472	5,050	5,279	21
Salvadr	-	-	-	1	-	-
Mexico	1,425	1,135	-	-	2	1
Barbado	1	-	-	-	-	-
Israel	-	-	-	-	-	-
Singapr	-	921	1,207	-	-	-
Other GSP	-	-	-	-	-	-
Other	-	-	2	-	-	-

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

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



Digest No.  
6006

TITLE: RECORD PLAYERS, PHONOGRAPHS, RECORD CHANGERS, TURNTABLES, AND PARTS OF THE FOREGOING

I. TSUS(A) item number; brief description; tariff rate information;  
U.S. imports in 1980; competitive status

TSUS(A) item No.	Brief product description	Rates of duty <u>1/</u>		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current : col. 1 : (1/1/81)	Final : concession : rate 2/ : (1/1/81)		
685.36	Record players, phonographs, record changers, turntables, and parts of the foregoing.	5.1%	3.9%	200,291	Yes.

1/ The symbol "%" indicates percent ad valorem.

2/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through eight equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

## II. Comment

Description and uses

The articles covered in this digest are classifiable under TSUS item 685.36 when imported. Record players, phonographs, record changers, turntables, and parts of the foregoing are electromechanical devices used to play phonograph records. Tone arms and parts thereof and loudspeakers are outside the scope of this digest. The former is classifiable under TSUS item 685.34 and the latter under item 684.70 when imported separately. Both products are designated as eligible articles under the GSP.

Although some of the devices covered by this digest are manual and some are automatic (or semiautomatic), the basic article consists of a motor and gearing (or pulleys) which cause the plate upon which the phonograph record sets to spin. A tone arm in which a cartridge and stylus are included is caused to lower such that the stylus rides in the grooves of the phonograph record converting the surface features of the groove into an electrical analogue of sound waves. In a phonograph, the electrical analogue is amplified and forwarded to speakers which convert the electrical analogue to sound waves. Record players and turntables, unlike record changers and automatic turntables, play only single records. When these devices contain a tone arm and stylus, amplification, and speaker(s), they are phonographs. All of these devices vary in complexity depending on the required fidelity of the conversion of the record sound track to sound waves. The precise speed of spin, true alignment of the stylus in the record groove, the faithful amplification of the electrical analogue, and accurate conversion of the electrical analogue into sound waves determine the fidelity of the output.

U.S. consumption, shipments, and producers

The estimated value of U.S. apparent consumption of the articles included herein increased from \$387.9 million in 1976 to \$682.7 million in 1978 before declining to \$625.8 million in 1980 (table A). Consumption during January-June 1981 was \$328.5 million, about 4 percent higher than the corresponding period in 1980. The ratio of imports to consumption generally decreased from 45 percent in 1976 to 32 percent in 1980. The ratio was 21 percent for January-June 1981 compared to 31 percent for January-June 1980. The consumption pattern reflects, in part, the substitution effect of increased consumption of video tape recorders and video discs and radio-phonographs. These devices compete with phonographs for the consumer dollar and are not within the scope of this digest.

U.S. shipments, unlike U.S. apparent consumption, registered an increase from \$254.7 million in 1976 to \$460.0 million in 1980. U.S. shipments during January-June 1981 are estimated at \$240.0 million, 4 percent higher than the corresponding period in 1980. U.S. shipments contain a large percentage of foreign value added since few record playing mechanisms are domestically made. U.S. shipments consist principally of packaged imported parts such as the record playing mechanism and speakers. (Speakers, when imported separately, are not included in this digest.)

U.S. producers are mostly assemblers of imported phonograph subassemblies and parts. About 24 U.S. producers account for virtually all of the value of U.S. shipments and are located principally on the Atlantic and Pacific Coasts, although a few are in the Midwest. Total employment is probably less than 1,000 persons owing to the very low value added in the U.S. establishments.

U.S. exports

The value of U.S. exports of the articles included herein fluctuated downward from \$39.9 million in 1976 to \$34.5 million in 1980 (table B). Exports of \$13.3 million during the first half of 1981 were slightly lower than in the first half of 1980. The principal products exported were parts. Mexico, the leading export market, assembles parts in subsidiaries of U.S. firms and returns them as subassemblies to the U.S. parent firm, often under the provisions of TSUS item 807.00. Other leading export markets are Canada and European countries.

U.S. imports

The value of U.S. imports of the articles covered in this digest increased from \$173.1 million in 1976 to \$317.3 million in 1978 before declining to \$200.3 million in 1980 (table C). Imports increased about 4 percent to \$101.8 million during January-June 1981, compared with January-June 1980. Imports consist principally of record changers, record players, and phonographs priced in the low- to mid-range. Japan accounted for over half the value of U.S. imports in 1980, while the United Kingdom, a major source of record changers, accounted for about one-fourth of the value of U.S. imports; West Germany, a producer of specialty record players, and Mexico, an assembler of components exported from the United States, were other major sources.

Imported articles are mostly low- to mid-range phonographs and record players, although some high-priced products are also imported. Other important articles are imported record player and record changer mechanisms used in end products manufactured by U.S. firms. The imported devices are, for the most part, different from the U.S.-made products in that U.S. firms



Digest No.  
6006--Con.

manufacture mostly high-end items, many in furniture quality cabinets. The U.S. product is usually higher priced than the imported article. The imported article competes directly with the U.S.- made product only in the high-priced market segment where an estimated one-fourth of the value of imports are directed.

U.S. imports from developing countries account for about 6 percent of the total value of U.S. imports of the articles included herein (table D). Mexico was the only significant source in 1980, although Hong Kong, Taiwan, and the Republic of Korea have demonstrated their capability to produce in past years.

#### Position of interested parties

The petitioner, the Government of the Republic of Korea, states that U.S. imports of these articles were mainly from developed countries. Eligibility under the GSP, it stated, would be beneficial to industries in developing countries and would not injure the U.S. industry. These views were presented to the USTR, who provided them to the Commission.

BSR (USA) Limited and its U.S. subsidiary Audio Dynamics Corp. are against the granting of GSP eligibility to these articles. They state that duty-free treatment to imports from the Republic of Korea would cause significant harm to an already depressed U.S. industry. They state that the Republic of Korea is competing effectively with low-priced products and do not need eligibility under the GSP. Further, they state that the World Bank has classified the Republic of Korea as a semi-industrial middle-income nation and that the Republic of Korea is no longer a developing country. These views were presented to the USTR, who provided them to the Commission.

Digest No.  
6006--Con.

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Digest No.  
6006--Con.

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Table A.--Record players, phonographs, record changers, turntables, and parts of the foregoing: U.S. shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

Period	Shipments <sup>1/</sup>	Exports	Imports	Apparent consumption	Ratio of imports to consumption
	1,000 dollars				Percent
1976-----	254,722	39,932	173,105	387,895	44.6
1977-----	327,002	34,201	220,319	513,120	42.9
1978-----	403,945	38,573	317,299	682,671	46.5
1979-----	446,759	33,988	234,232	647,003	36.2
1980-----	460,000	34,484	200,291	625,807	32.0
January-June--					
1980-----	230,000	13,500	98,067	314,567	31.2
1981-----	240,000	13,311	101,787	328,476	21.0

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

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

Table B.--Record players, phonographs, record changers, turntables, and parts of the foregoing: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June-- 1981
Mexico	2,418	2,991	6,462	7,473	8,184	3,187
U King	7,737	2,231	6,408	3,915	4,794	1,875
Canada	7,430	7,797	5,160	4,428	3,935	1,721
Belgium	2,499	3,084	1,899	1,990	2,763	1,297
France	1,536	3,140	2,050	1,674	1,978	685
FR Germ	6,568	4,692	4,368	2,242	1,875	918
Argent	10	21	162	301	1,747	306
Japan	4,744	2,974	1,961	2,101	1,103	554
All other	6,988	7,270	10,105	9,864	8,104	2,957
Total	39,932	34,201	38,573	33,988	34,484	13,311

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

Table C.--Record players, phonographs, record changers, turntables, and parts of the foregoing: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June-- 1981
Japan	52,469	89,524	141,176	106,855	107,463	47,340
U King	94,888	105,223	133,653	78,286	51,660	29,333
FR Germ	11,446	11,121	16,859	14,169	13,882	7,073
Mexico	50	19	4,108	13,934	13,299	7,011
Denmark	3,672	3,698	5,143	4,792	3,553	2,018
Switzld	2,178	2,547	5,065	1,857	1,940	719
Belgium	111	33	160	1,559	1,913	685
Canada	8,291	7,961	881	1,421	1,655	829
All other	173,105	220,319	317,299	11,360	4,927	3,059
Total				234,232	200,291	98,067

Table D.--Record players, phonographs, record changers, turntables, and parts of the foregoing: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Value (1,000 dollars)						
Gross imports	220,319	317,299	234,232	200,291	101,787	100
26 developed ctries, total:	216,698	309,004	215,406	183,986	95,945	94
GSP countries, total:	3,408	8,119	18,525	16,194	5,840	6
Mexico	19	4,108	13,934	13,299	5,114	5
Hg Kong	2,655	1,451	1,462	919	18	1/
Taiwan	276	272	739	860	195	1/
Kor Rep	371	1,195	2,156	717	482	1/
Brazil	6	1	-	251	-	-
Hondura	-	-	-	112	-	-
Bhutan	-	-	-	26	-	-
India	-	1	-	5	2/	1/
Other GSP	81	1,092	234	3	31	1/
Other	213	176	300	111	2	1/

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

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

TITLE: CERTAIN LUGGAGE, HANDBAGS, AND FLAT GOODS

TSUS(A) item number	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current col. 1 (1/1/81)	Final concession rate 1/ (1/1/81)		
706.13	Luggage, handbags, and flat goods: Of leather: Luggage and handbags: Reptile Other than handbags	9.5% ad val.	8% ad val.:35% ad val.	24,038	Yes.
20	Fitted				
40	Not fitted				
706.1700 2/	Of unspun fibrous vegetable materials: Of rattan or of palm leaf	23.3% ad val.	18% ad val.:50% ad val.	1,395	Yes.
706.2045	Of textile materials (except yarns of paper). . .: Wholly or in part of braid: Of cotton Other	17.8% ad val.	8.4% ad val.	3,217	Yes.
706.6235	Of other materials: Other: Luggage 3/	20% ad val.	4/ :45% ad val.	151,929	Yes.

1/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through eight equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

2/ The GSP concession is being sought on flat goods only.

3/ Virtually all articles are of soft, flexible plastics.

4/ No concession was made on this item in the recent Tokyo round by trade negotiators.

## II. Comment

Description and uses

This digest covers three different types of articles--handbags, luggage, and flat goods. For tariff purposes, handbags include pocketbooks, purses, shoulder bags, clutch bags, and all similar articles, by whatever name known, but excluding luggage, flat goods, or shopping bags. The term luggage includes certain travel goods such as conventional-type suit cases, overnight and pullman bags; business cases; various sports bags; and like containers designed to contain clothing or personal effects during travel or to be carried with the person, except handbags. Flat goods are small flatwares designed to be carried on the person, such as wallets, keycases, and coin purses. Each article is represented herein by a multiple number of TSUS(A) items. The following tabulations show the TSUS(A) items and type of material for each article.

Handbags

<u>TSUS(A) item</u>	<u>Brief description</u>
<u>1/</u> 706.1700-----	Of rattan or of palm leaf
<u>2/</u> 706.2045-----	Of textile materials other than cotton, wholly or in part of braid

- 1/ Estimated to consist of about 80 percent handbags.  
2/ Estimated to consist of nearly 60 percent handbags.



Luggage

<u>TSUS(A) item</u>	<u>Brief description</u>
706.1320-----	Of leather other than reptile, fitted
706.1340-----	Of leather other than reptile, not fitted
<u>1/</u> 706.1700-----	Of rattan or of palm leaf
<u>2/</u> 706.2045-----	Of textile materials other than cotton, wholly or in part of braid
706.6235-----	Of certain other materials (principally plastics)

1/ Estimated to consist of nearly 20 percent luggage.

2/ Estimated to include slightly over 40 percent luggage.

Flat goods

<u>TSUS(A) item</u>	<u>Brief description</u>
<u>1/</u> 706.1700-----	Of rattan or of palm leaf
<u>2/</u> 706.2045-----	Of textile materials other than cotton, wholly or in part of braid

1/ Estimated to consist of less than 1 percent flat goods.

2/ Estimated to include less than 1 percent flat goods.

U.S. customs treatment

Although not currently listed in the TSUS as subject to textile quota restraints, the Commerce Department has assigned a category restraint number to TSUS(A) item 706.2045 which will become effective when the TSUS is updated in January 1982.

A recent U.S. Court of International Trade decision, decided January 13, 1981, reversed previous classification precedent by ruling that backpacks were no longer classified as luggage. Instead, it classified these articles as

sports equipment under TSUS item 735.20. The U.S. Government is appealing the decision.

U.S. consumption, production, and producers

Separate data on U.S. consumption, production, and producers are not available on each of the articles covered in this digest. Import data are available only in part and are shown in tables A-1 and A-2 for certain luggage and for certain handbags, luggage, and flat goods combined.

It is estimated that the bulk of U.S. consumption and production of handbags, luggage, and flat goods is of either leather or plastic materials (for example, about three quarters of U.S. shipments of flat goods in 1977 consisted of leather articles), whereas the imports of flat goods and handbags under consideration here are of certain unspun fibrous vegetable materials and of certain textiles. In addition, a negligible part of the luggage under consideration is of these materials. Virtually all of the U.S. imports of luggage considered here are either of leather or plastic materials.

The following tabulation shows the total number of establishments in each industry producing the article in 1977:

<u>Article</u>	<u>Establishments</u>
Handbags-----	414
Luggage-----	293
Flat goods-----	256

The total number of establishments in each industry is believed to have decreased by 1980. The number producing only the items covered by this digest is not known, but is believed to be much smaller than the total for the industry. However, each of the industries producing handbags, luggage, and flat goods has numerous establishments producing articles of a variety of materials.

Because separate data are not available for only the articles covered, the following tabulation shows the estimated ratio of the value of total U.S. imports to consumption for all handbags, luggage, and flat goods for 1980:

<u>Article</u>	<u>Percent</u>
Handbags-----	40
Luggage-----	29
Flat goods-----	13

Although some quantity data must be estimated, the ratio of imports to consumption for handbags is at least two-thirds and approaches three-fourths. It should be noted that over half the producers of handbags are also believed to be importers of handbags. Production of all three of these articles is labor intensive and produced, for the most part, by unskilled labor, making them subject to considerable import competition.

#### U.S. exports

Data are not separately reported for exports of the subject handbags, luggage, and flat goods. However, such exports are believed to be small. U.S. exports of all handbags and flat goods are small, amounting to only 1 percent to 2 percent of total U.S. producers' shipments of handbags or flat goods during 1976-80. For the same time period, U.S. exports of all luggage were somewhat more important, registering between 7 percent and 9 percent of total shipments, and they increased without interruption from \$33.9 million in 1976 to \$57.0 million in 1980.

U.S. imports

Luggage.--Table A-1 shows aggregate imports of certain luggage of leather and plastics for which separate data are available. Table B-1 shows imports of luggage of leather, other than of reptile leather; during 1976-79, such imports increased at an average annual rate of 48.5 percent from \$9.0 million to \$29.5 million, then decreased to \$24.0 million in 1980. Imports in January-June 1981 amounted to \$12.3 million compared to \$10.9 million in January-June 1980. Italy accounted for nearly one-third of such imports in 1980. Most of this luggage is higher-priced hand luggage and various types of business cases, primarily attaches and portfolios, both of which compete directly with U.S. production.

By far the most important single item number for imports of luggage is 706.6235, which accounted for over three-fifths of total U.S. imports of luggage in recent years. These imports consist principally of soft flexible plastic materials. Imports of such luggage increased without interruption from \$74.9 million in 1976 to \$151.9 million in 1980 and further increased from \$70.9 million in January-June 1980 to \$75.4 million in January-June 1981 (table B-2). Together Taiwan, the Republic of Korea, Mexico, and Hong Kong accounted for 91 percent of such imports in 1980. Imports of these articles of luggage are quite competitive with U.S. produced luggage on the basis of both price and quality. In general, imports of all luggage provide strong competition for the U.S. industry, supplying about 29 percent of the value of apparent consumption in 1980.

Table B-3 shows imports of luggage, along with that of flat goods and handbags, of rattan or of palm leaf. The luggage included consisted principally of picnic baskets and some hand luggage and provide little competition for most U.S. production. Such imports probably ranged between

\$200,000 and \$300,000 in recent years. Mainland China, Hong Kong, and the Philippines are the principal sources.

Table B-4 shows imports of luggage, along with that of handbags and flat goods, of certain textile materials. The luggage included was mainly back pack type articles recently reclassified from luggage to sporting goods (see Customs Treatment section). If the classification is upheld on appeal, little luggage will enter under this item to compete with U.S. production. Such imports probably ranged between \$700,000 and \$1.6 million in recent years. Taiwan and Korea were the principal sources, with Taiwan accounting for nearly three-fourths of the total.

Tables C-1 through C-4 include U.S. imports of luggage from designated GSP countries. However, tables C-1 and C-2 cover only U.S. imports of luggage; the two other tables also include handbags and flat goods. During January-June 1981, 49 percent of the value of luggage of leather, other than of reptile leather, originated from GSP sources (table C-1). For the same period, 89 percent of the value of luggage of certain other materials (principally plastics) came from GSP sources with virtually all of such GSP imports coming from Taiwan, the Republic of Korea, Mexico, and Hong Kong (table C-2). The USTR excluded these four countries from receiving GSP treatment if TSUS(A) item 706.6235 is granted GSP treatment as a result of this investigation. Because handbags are the principal articles covered in tables C-3 and C-4, those tables will be covered in the next section.

Handbags.--Separate data are not available on U.S. imports of handbags. On the basis of analysis of certain import documents covering 1972-81, it is estimated that both TSUS(A) items 706.1700 and 706.2045 accounted for 1 percent or less of total handbag imports.

Handbags of bamboo or of palm leaf have limited demand because their fashion appeal coordinates with only a few apparel styles, primarily summer styles. Thus, they provide little competition with U.S. production. U.S. imports of such handbags probably ranged in recent years between \$900,000 and \$1.4 million with China Mainland, Hong Kong, and the Philippines being the principal sources (table B-3).

Imports of handbags of textile materials other than cotton, wholly or in part of braid, have been limited because few styles incorporated braid and because the rate of duty of 21 percent ad valorem applied to imports entered under TSUS(A) item 706.2045 prior to the Tokyo Round duty reductions was the highest duty applicable to any textile type of handbag. Thus, importers were discouraged from using braid on their handbags. As a result, U.S. production had limited competition from these imported handbags. In recent years, such imported handbags probably ranged between \$1.0 million and \$2.1 million. Taiwan and Korea were the principal sources (table B-4). U.S. imports of all handbags supplied an estimated 40 percent of the total value of apparent consumption in 1980 and between two-thirds and three-fourths of the quantity.

Because separate data are not available, tables C-3 and C-4 give data on U.S. imports of luggage, handbags, and flat goods together of bamboo or of palm leaf and of textile materials other than cotton, wholly or in part of braid, respectively. As noted above, a large part of the data in each table consists of handbags. During January-June 1981, 61 percent of U.S. imports of handbags, luggage, and flat goods of rattan or of palm leaf originated from designated GSP countries (table C-3). During the same period, 91 percent of U.S. imports of these articles of textile materials other than cotton, wholly or in part of braid, were supplied by GSP countries, with Taiwan supplying

over one-half. Taiwan would have been ineligible for GSP treatment in 1981 because it supplied more than 50 percent of such imports in 1980.

Flat goods.--U.S. imports of the flat goods under consideration in this investigation--those imported under TSUS(A) items 706.1700 and 706.2045--are believed to be negligible or nil, and thus they accounted for a negligible or nil proportion of total imports. Although in 1980 total U.S. imports of flat goods supplied an estimated 13 percent of apparent U.S. consumption of flat goods, imports of these flat goods did not provide significant competition for U.S. production.

Tables C-3 and C-4 give data on U.S. imports of all articles of the specified materials covered herein from designated GSP countries as separate data are not available. As noted above, flat goods accounted for a negligible or nil part of such imports.

#### Position of interested parties

The governments of Argentina, Brazil and Romania petitioned to have TSUS item 706.13, luggage of leather, granted GSP eligibility. A representative of the embassy of Brazil appeared at the Commission's hearings supporting the petition. The Andean Group and the governments of Jamaica and the Philippines petitioned to add TSUS item 706.17(pt.), flat goods of rattan or of palm leaf, to the GSP list. The government of the Philippines also requested GSP treatment for TSUS item 706.2045, luggage, handbags, and flat goods, of certain textile materials, wholly or in part of braid. Finally, the Cyprus Embassy-Trade Centre, New York, NY, petitioned for the addition of TSUS item 706.6235, luggage of certain other materials, principally soft-side plastics.

Mr. Bernard D. Sadow, President, United States Luggage Corp., who imports pigskin leather portfolios and attache cases from Romania, supported the addition of TSUS item 706.13 to the GSP eligibility list.

Representatives of the U.S. industries producing handbags, luggage, and flat goods opposed the addition of any TSUS(A) items to the GSP list both in a written brief and in an appearance at the Commission's hearings.



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Table A-1.--Certain luggage: U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

Period	Production	Exports	Imports <sup>2/</sup>	Apparent consumption	Ratio of imports to consumption
	-----1,000 dollars-----				Percent
1976-----	<u>1/</u>	<u>1/</u>	92,873	<u>1/</u>	<u>1/</u>
1977-----	<u>1/</u>	<u>1/</u>	120,148	<u>1/</u>	<u>1/</u>
1978-----	<u>1/</u>	<u>1/</u>	179,036	<u>1/</u>	<u>1/</u>
1979-----	<u>1/</u>	<u>1/</u>	197,900	<u>1/</u>	<u>1/</u>
1980-----	<u>1/</u>	<u>1/</u>	200,005	<u>1/</u>	<u>1/</u>
January-June--					
1980-----	<u>1/</u>	<u>1/</u>	92,750	<u>1/</u>	<u>1/</u>
1981-----	<u>1/</u>	<u>1/</u>	100,017	<u>1/</u>	<u>1/</u>

<sup>1/</sup> Not available.<sup>2/</sup> Includes only U.S. imports entered under TSUS(A) items 706.1320, 706.1340, and 706.6235, but does not include U.S. imports entered under TSUS(A) items 706.1700 and 706.2045, which together probably accounted for about 1 percent or less of the total value of U.S. imports of luggage.

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

Table A-2.--Certain handbags, luggage, and flat goods: U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

Period	Production	Exports	Imports <sup>2/</sup>	Apparent consumption	Ratio of imports to consumption
	-----1,000 dollars-----				Percent
1976-----	<u>1/</u>	<u>1/</u>	5,236	<u>1/</u>	<u>1/</u>
1977-----	<u>1/</u>	<u>1/</u>	3,252	<u>1/</u>	<u>1/</u>
1978-----	<u>1/</u>	<u>1/</u>	2,943	<u>1/</u>	<u>1/</u>
1979-----	<u>1/</u>	<u>1/</u>	4,076	<u>1/</u>	<u>1/</u>
1980-----	<u>1/</u>	<u>1/</u>	4,612	<u>1/</u>	<u>1/</u>
January-June--					
1980-----	<u>1/</u>	<u>1/</u>	2,505	<u>1/</u>	<u>1/</u>
1981-----	<u>1/</u>	<u>1/</u>	2,589	<u>1/</u>	<u>1/</u>

<sup>1/</sup> Not available.

<sup>2/</sup> Includes TSUS(A) items 706.1700 and 706.2045 for which separate data on each article are not available. However, in recent years it is believed that handbags accounted for a major part of such data, luggage a substantial part, and flat goods a negligible part.

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

Table B-L--Luggage of leather, other than of reptile leather: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June-- 1981
Italy	2,385	4,366	6,116	6,830	7,564	3,603
Colomb	1,268	1,442	2,260	3,946	2,836	1,341
Hk Kong	331	543	898	1,912	2,381	1,137
Spain	125	382	603	1,147	1,591	628
Kur Rep	243	1,077	1,747	2,730	1,483	637
France	705	951	1,429	1,547	1,442	680
China t	213	164	418	715	1,395	666
Fr Germ	494	722	922	1,092	1,078	228
All other	3,235	5,933	9,883	9,592	4,267	1,989
Total	8,999	15,581	24,276	29,511	24,038	10,908

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

Table B-2.--Luggage of certain other materials (principally plastics): U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June 1981
China t-----	25,286	29,753	50,769	61,149	71,971	36,767
Kor Rep-----	19,320	23,369	41,677	39,928	34,144	15,690
Mexico-----	17,328	18,232	22,499	23,045	27,318	9,823
Japan-----	8,696	12,309	8,702	7,372	10,034	4,819
HS Kong-----	1,965	2,124	2,822	3,530	4,320	2,137
Canada-----	273	339	588	1,080	1,688	617
France-----	269	628	780	764	705	272
Fr Germ-----	448	995	816	672	495	258
All other-----	1,291	1,237	1,833	1,338	1,253	551
Total-----	74,876	88,987	130,485	138,878	151,929	70,933
						75,397

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

Table B-3.--Flat goods, handbags, and luggage of rattan or of palm leaf: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	Quantity (1,000 units)					Value (1,000 dollars)	Unit value
	1976	1977	1978	1979	1980		
China M-----	33	43	44	60	137	41	109
Hg Kong-----	390	216	192	259	105	69	60
Phil R-----	295	158	207	482	132	80	73
Italy-----	34	12	19	31	21	20	3
China t-----	43	26	36	35	72	53	63
Haiti-----	3	11	4	12	20	13	2
Mexico-----	83	153	10	7	8	5	7
U King-----	1/	1/	1/	1/	1/	1/	0
All other-----	19	21	26	12	1	1/	8
Total-----	900	641	537	897	496	281	324
Value (1,000 dollars)							
China M-----	46	46	100	175	475	124	330
Hg Kong-----	795	672	614	883	421	261	217
Phil R-----	426	184	271	416	239	149	131
Italy-----	112	43	73	125	100	78	17
China t-----	58	66	60	70	95	54	216
Haiti-----	3	3	8	20	39	27	3
Mexico-----	58	87	19	12	15	12	6
U King-----	2	1	1/	1	7	3	-
All other-----	32	27	17	30	3	1	18
Total-----	1,530	1,128	1,163	1,731	1,395	708	939
Unit value							
China M-----	\$1.41	\$1.07	\$2.27	\$2.92	\$3.48	\$3.05	\$3.03
Hg Kong-----	2.04	3.11	3.20	3.40	4.01	3.81	3.65
Phil R-----	1.45	1.16	1.31	0.86	1.81	1.85	1.79
Italy-----	3.27	3.46	3.97	4.04	4.68	3.98	6.63
China t-----	1.34	2.48	1.67	2.02	1.32	1.03	3.43
Haiti-----	0.83	0.25	2.26	1.72	1.99	2.04	1.87
Mexico-----	0.69	0.57	1.90	1.67	1.88	2.31	0.88
U King-----	12.29	17.38	129.00	2.38	26.49	27.86	-
All other-----	1.69	1.28	0.68	2.56	4.62	1.62	2.39
Average-----	1.70	1.76	2.17	1.93	2.81	2.52	2.90

1/ Less than 500.

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



Table B-4--Luggage, handbags, and flat goods of textile materials other than cotton, wholly or in part of  
 braid: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-  
 June 1981

Source	(In thousands of dollars)						
	1976	1977	1978	1979	1980	January-June-- 1981	
China t-----	990	613	922	1,323	2,376	1,300	942
Kor Rep-----	218	338	378	606	539	352	449
Hg Kong-----	171	144	125	254	117	50	80
China M-----	92	27	28	2	103	62	59
Macao-----	-	-	9	-	25	5	8
France-----	28	19	1	6	12	6	5
Ital-----	106	142	83	101	12	8	5
Phil-----	1,517	550	160	14	11	9	17
All other-----	584	291	74	40	22	5	86
Total-----	3,706	2,124	1,780	2,345	3,217	1,797	1,650

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

Table C-1.--Luggage of leather, other than of reptile leather: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977		1978		1979		1980		January - June 1981	
	Quantity (number)	Value (1,000 dollars)	Quantity (number)	Value (1,000 dollars)	Quantity (number)	Value (1,000 dollars)	Quantity (number)	Value (1,000 dollars)	Imports	Percentage distribution
Gross imports-----	0	0	0	0	0	0	0	0	0	0
26 developed cttries, total:	0	0	0	0	0	0	0	0	0	0
GSP countries, total-----	0	0	0	0	0	0	0	0	0	0
Colomb-----	0	0	0	0	0	0	0	0	0	0
Hg Kong-----	0	0	0	0	0	0	0	0	0	0
Kor. Rep-----	0	0	0	0	0	0	0	0	0	0
China t-----	0	0	0	0	0	0	0	0	0	0
Uruguay-----	0	0	0	0	0	0	0	0	0	0
Brazil-----	0	0	0	0	0	0	0	0	0	0
Romania-----	0	0	0	0	0	0	0	0	0	0
Argent-----	0	0	0	0	0	0	0	0	0	0
Other GSP-----	0	0	0	0	0	0	0	0	0	0
Other-----	0	0	0	0	0	0	0	0	0	0
		Value (1,000 dollars)								
Gross imports-----	15,581	24,276	29,511	24,038	12,310	100				
26 developed cttries, total:	9,282	13,964	16,002	12,367	5,852	48				
GSP countries, total-----	5,913	9,682	12,309	9,856	6,085	49				
Colomb-----	1,442	2,260	3,946	2,836	1,739	14				
Hg Kong-----	543	898	1,912	2,381	1,301	11				
Kor Rep-----	1,077	1,747	2,730	1,483	907	7				
China t-----	164	418	715	1,395	971	8				
Uruguay-----	265	635	575	458	288	2				
Brazil-----	592	1,528	924	369	206	2				
Romania-----	1	129	202	207	379	3				
Argent-----	1,569	1,776	753	196	12	1/				
Other GSP-----	260	291	552	530	283	2				
Other-----	385	630	1,201	1,815	373	3				

1/ Less than 0.5 percent.

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

Table C-2.—Luggage of certain other materials (principally plastics): U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (number)						
Gross imports-----	0	0	0	0	0	0
26 developed cttries, total:	0	0	0	0	0	0
GSP countries, total-----	0	0	0	0	0	0
China t-----	0	0	0	0	0	0
Kor Rep-----	0	0	0	0	0	0
Mexico-----	0	0	0	0	0	0
Hg Kong-----	0	0	0	0	0	0
Yugosl v-----	0	0	0	0	0	0
Phil R-----	0	0	0	0	0	0
Singapr-----	0	0	0	0	0	0
Macao-----	0	0	0	0	0	0
Other GSP-----	0	0	0	0	0	0
Other-----	0	0	0	0	0	0
Value (1,000 dollars)						
Gross imports-----	88,987	130,485	138,878	151,929	75,397	100
26 developed cttries, total:	14,844	11,743	10,506	13,659	8,430	11
GSP countries, total-----	73,991	118,701	128,295	138,215	66,861	89
China t-----	29,753	50,769	61,149	71,971	34,166	45
Kor Rep-----	23,369	41,677	39,928	34,144	15,635	21
Mexico-----	18,232	22,499	23,045	27,318	14,941	20
Hg Kong-----	2,124	2,822	3,530	4,320	1,629	2
Yugosl v-----	443	687	259	218	3	1/
Phil R-----	1	1	7	121	312	1/
Singapr-----	2	25	8	44	37	1/
Macao-----	-	-	8	20	-	-
Other GSP-----	65	221	361	58	139	1/
Other-----	152	41	77	55	106	1/

1/ Less than 0.5 percent.

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

Table C-3--Flat goods, handbags, and luggage of rattan or of palm leaf: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (1,000 units)				January - June 1981 Imports	Percentage distribution
	1977	1978	1979	1980		
Gross imports-----	641	537	897	496	324	100
26 developed cttries, total:	13	19	34	22	3	1
GSP countries, total-----	585	474	804	338	204	63
Hg Kong-----	216	192	259	105	60	18
Phil R-----	158	207	482	132	73	23
China t-----	26	36	35	72	63	19
Haiti-----	11	4	12	20	2	1
Mexico-----	153	10	7	.8	7	2
Indonesia-----	17	1	2	2/	0	
Thailand-----	1	1	4	1	2/	1/
Salvadr-----	0	0	0	0	0	
Other GSP-----	3	23	4	0	2/	1/
Other-----	43	44	60	137	117	36
	Value (1,000 dollars)					
Gross imports-----	1,128	1,163	1,731	1,395	939	100
26 developed cttries, total:	48	76	136	108	17	2
GSP countries, total-----	1,034	986	1,420	812	575	61
Hg Kong-----	672	614	883	421	217	23
Phil R-----	184	271	416	239	131	14
China t-----	66	60	70	95	216	23
Haiti-----	3	8	20	39	3	1/
Mexico-----	87	19	12	15	6	1
Indonesia-----	16	2/	1	2	-	
Thailand-----	1	1	3	1	2	1/
Salvadr-----	-	-	-	-	-	
Other GSP-----	6	12	16	-	2/	1/
Other-----	46	101	175	475	347	37

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

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

Table C-4.—Luggage, handbags, and flat goods of textile materials other than cotton, wholly or in part of braid: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Gross imports	0	0	0	0	0	0
26 developed cttries, total	0	0	0	0	0	0
GSP countries, total	0	0	0	0	0	0
China t	0	0	0	0	0	0
Kor Rep	0	0	0	0	0	0
Hg Kong	0	0	0	0	0	0
Macao	0	0	0	0	0	0
Phil R	0	0	0	0	0	0
India	0	0	0	0	0	0
Mexico	0	0	0	0	0	0
Salvadr	0	0	0	0	0	0
Other GSP	0	0	0	0	0	0
Other	0	0	0	0	0	0
	Quantity (number)					
Gross imports	0	0	0	0	0	0
26 developed cttries, total	0	0	0	0	0	0
GSP countries, total	0	0	0	0	0	0
China t	0	0	0	0	0	0
Kor Rep	0	0	0	0	0	0
Hg Kong	0	0	0	0	0	0
Macao	0	0	0	0	0	0
Phil R	0	0	0	0	0	0
India	0	0	0	0	0	0
Mexico	0	0	0	0	0	0
Salvadr	0	0	0	0	0	0
Other GSP	0	0	0	0	0	0
Other	0	0	0	0	0	0
	Value (1,000 dollars)					
Gross imports	2,124	1,780	2,345	3,217	1,650	100
26 developed cttries, total	411	140	145	38	85	5
GSP countries, total	1,665	1,605	2,198	3,069	1,498	91
China t	613	922	1,323	2,376	942	57
Kor Rep	338	378	606	539	449	27
Hg Kong	144	125	254	117	80	5
Macao	-	9	-	25	8	1/
Phil R	550	160	14	11	17	1
India	2/	-	-	1	1	1/
Mexico	1	1	-	-	-	-
Salvadr	-	-	-	-	-	-
Other GSP	18	10	1	-	3	1/
Other	48	35	3	110	66	4

1/ Less than 0.5 percent.

2/ Less than 500.

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



TITLE: STUFFED DOLLS AND PARTS OF DOLLS

TSUS(A) item number	Brief product description	Rates of duty		U.S. imports in 1980 (\$1,000)	Product produced in U.S. on 1/3/75
		Current col. 1 (1/1/81)	Final concession rate 1/ (1/1/81)		
737.2205	Stuffed dolls (with or without clothing)	16.1%	12%	13,137	Yes.
737.2240	Parts of dolls	16.1%	12%	10,526	Yes.

1/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through eight equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

## II. Comment

Description and uses

This digest covers products entered under TSUSA item 737.2205, stuffed dolls, and item 737.2240, parts of all dolls, with particular emphasis on parts of stuffed dolls. Stuffed dolls are representations of humans having a textile exterior that is filled with a stuffing material, such as shredded textiles. These dolls, generally known as rag dolls in the toy trade, are usually either one-piece dolls, with the entire doll being stuffed, or a stuffed body with a hard head, usually of plastic, attached to the body. The clothing is either an integral part of the doll, permanently attached to or forming part of the exterior, or may be removable as is the case for nonstuffed dolls.

Doll parts consist of parts of any doll, stuffed or not, that are sufficiently advanced in manufacture as to be identifiable for use in a doll. Most commonly, doll parts consist of heads, limbs, and torsos, and, in the case of stuffed dolls, unstuffed, sewn doll exteriors (doll skins), and stuffed torsos. Doll eyes, wigs, and accessories are excluded from the parts provision.

Stuffed doll production is highly labor intensive; pieces must be hand-cut and sewn to produce the doll skin. The skin is sewn inside out, leaving a small opening which allows the skin to be reversed and the filler material inserted. Prior to stuffing, eyes and other features may be added if not already a part of the skin, so that once stuffed and closed the doll is essentially complete. For stuffed dolls having hard extremities, once the torso is stuffed, the extremities are added, again essentially finishing the doll. The variety of patterns and styles necessary to produce a full line of stuffed dolls prevents the economic automation of most of the production process.



Parts of other dolls may be constructed from a wide variety of materials, including wood, glass, paper, straw, metal, and ceramics, but most parts are made of plastic. Plastic parts are manufactured by molding; torsos and limbs are usually blow-molded, while doll heads are often made by rotational molding.

Although dolls as a product group consist of both play or toy dolls for children's use and dolls for collection and decoration, most stuffed dolls are intended for use as children's toys. Stuffed dolls are generally sold for preschool-age children, particularly infants, as opposed to other toy dolls that are usually intended for older children. For this reason, stuffed dolls are closer as a category to stuffed toy animals than to other dolls--the production process is nearly identical and the dolls are marketed with stuffed toys as often as with other dolls. They do, however, remain at least partially distinct from both categories, maintaining the softness and stuffed characteristics of a stuffed animal while retaining the identity as a doll.

#### U.S. customs treatment

The customs classification of dolls and doll parts as a whole is relatively uncomplicated. However, the distinction and classification of stuffed dolls and parts of stuffed dolls present some difficulty, particularly with the current definitions of "stuffed" and "part". The customs definition of "stuffed", requiring an article to be crammed full or fully distended with the stuffing material, was evolved in reference to stuffed toy figures of animate objects, but applies equally to stuffed dolls. Prior to September, 1981, a doll having a stuffed body and hard extremities was classified as a stuffed doll because the extremities were not considered to impart the essential characteristic of the doll. Since then, this practice has

been reversed so that the head is now considered to affect the essential character of the doll and if the head is not stuffed, the doll is not considered stuffed. The GSP petition is based on the old classification and the petitioners intended to include dolls having stuffed bodies and hard extremities under GSP treatment. The change in classification practice is currently under appeal, but if it stands and the petition is accepted, any change in the tariff language will require careful wording to include the proper dolls.

The classification of parts of stuffed dolls presents another problem. While a doll skin consisting of the complete doll features, including extremities, is easily classified as a part of a doll, skins without a head and stuffed torsos are normally classified along with skins of stuffed toy animals in TSUSA item 737.9560 as parts of toys, n.s.p.f., because the classification between a doll and a toy figure of an animate object depends upon whether a human or animal head is ultimately attached. As in the case for dolls, any tariff language required if the petition is accepted would need to be specific as to these parts.

#### U.S. consumption, production, and producers

Apparent U.S. consumption of stuffed dolls declined from an estimated \$35.3 million in 1978 to approximately \$17.9 million in 1980 (table A-1). Overall cost increases have raised prices of these products to the point that demand has shifted to alternate toys and dolls. The share of consumption accounted for by imports rose from approximately 43 percent in 1978 to 73 percent in 1980; however, these percentages are understated in that estimated production data include stuffed dolls made or finished from imported

parts. Domestic production of stuffed dolls, including dolls having imported components, declined from an estimated \$20.1 million in 1978 to \$4.8 million in 1980.

Little information is available on domestic producers of stuffed dolls and, in fact, the term "domestic producer" is somewhat of a misnomer. The extremely high labor content required in stuffed doll production makes it virtually impossible to economically manufacture a stuffed doll totally in the United States that can compete in the toy markets. There is no known commercial production of stuffed dolls in the United States that does not rely at least partially on imported parts. There are upwards of 70 manufacturers and importers of stuffed dolls in the United States with operations ranging from the individual packaging of dolls imported in bulk to the stuffing and finishing of imported skins and the attaching of heads to imported stuffed bodies. All these firms import or manufacture other dolls or stuffed toys and most of the largest also manufacture other toys. The industry is concentrated in the Middle Atlantic and New England States and California. Employment data for stuffed doll production are not available, but employment by producers of all dolls and stuffed toys declined from 9,500 employees including 8,300 production workers in 1976 to an estimated total of 7,200 with 6,000 production workers in 1980.

Consumption of parts of all dolls cannot be calculated because production data are not available (table A-2). Production of parts of stuffed dolls is concentrated in those hard extremities that are generally interchangeable with other dolls. There were approximately 200 establishments producing dolls and stuffed toys in 1980; most doll producers manufacture parts for their own use,

although the larger producers also import parts. Production is concentrated in the Middle Atlantic States, particularly New York, and New England and California.

#### U.S. exports

U.S. exports of stuffed dolls are not reported separately in official statistics. Exports of all dolls declined in quantity from 421,000 units in 1978 to 322,000 units in 1980, while the value increased from \$1.8 million to \$2.3 million. Trade sources indicate that very few stuffed dolls are exported and that those that are usually represent closeouts of a line at the end of a selling season.

Exports of parts of all dolls averaged about \$4 million annually during 1976-80. Exports of \$1.1 million in January-June 1981 were down 38 percent from the comparable period of 1980. Haiti was the chief export market in 1978 and 1979, but was surpassed by Mexico in 1980, when exports to that country accounted for 44 percent of the total (table B). Japan, Hong Kong, and Canada were other large export markets. Most of the exports to developing countries are parts used in the assembly of dolls and doll parts intended for reexport to the United States under TSUS item 807.00. Parts of stuffed dolls account for a significant amount of these exports.

It should be noted that many of the U.S. doll producers that are importing stuffed dolls and parts export the raw materials and production equipment (such as sewing machines) to their foreign facilities.

#### U.S. imports

Imports of stuffed dolls declined from 13.3 million units valued at \$15.2 million in 1978 to 10.9 million units valued at \$13.1 million in 1980.

Imports of 4.4 million units valued at \$6.4 million for January-June 1981 were down 17 percent in quantity and up 18 percent in value compared to the corresponding period in 1980. Taiwan was the largest source of imports over the period, accounting for 66 percent of the quantity and 61 percent of the value imported in 1980. The Republic of Korea, Hong Kong, and Mexico were other consistently large import sources (table C-1).

Imports of doll parts rose annually from \$6.2 million in 1976 to \$10.5 million in 1980, but imports of \$2.9 million for January-June 1981 were down 27 percent compared to the same period in 1980. Taiwan was the largest source of imports in 1976 and 1980, but ran second to Hong Kong in the intervening years. These two countries accounted for 57 percent of the total in 1980. Korea and Haiti were two other consistent sources of imports over the period and Mexico, a relatively minor supplier in 1976-79, jumped to third place in 1980 with \$2.2 million (table C-2).

Imports of stuffed dolls from GSP-eligible countries accounted for 97 to 99 percent of total imports annually during 1978-80 (table D-1). However, imports from Taiwan accounted for more than 50 percent of the value imported in each year and would therefore be eliminated from GSP consideration under the competitive need limitations.

Imports of parts of dolls from GSP-eligible countries accounted for 95 to 97 percent of imports annually during 1978-80 (table D-2). No country exceeded competitive need limitations during any year of the period.

As was indicated earlier, competition in stuffed dolls is more a matter of competition among imports than competition between imported and domestic products. Although stuffed dolls compete in a general manner with all toys for the consumer's toy dollar, they represent a partially discrete class by

themselves, borrowing characteristics from both the stuffed toy animal and doll categories. This separateness is further enhanced through the creation and use of licensed characters. Duty costs assume far less significance than labor and transportation costs in determining the location of stuffed doll production. The labor cost differential between the United States and developing countries makes it economically infeasible to produce a stuffed doll totally in the United States. Conversely, transportation costs favor the importation of doll skins for stuffing in the domestic market over importation of the complete doll. Further substantial increases in ocean freight rates are encouraging U.S. producers to finish assembly in the United States rather than import the finished doll. Overall cost increases have served to raise prices of stuffed dolls as a category to the point that competition from alternate toys and dolls has reduced demand for stuffed dolls (apparent consumption declined by 49 percent between 1978 and 1980).

The situation for parts of dolls other than stuffed dolls differs in that there is domestic production of nonstuffed dolls and parts. Although somewhat labor intensive, the production of these parts is not as biased toward low wage rate countries as is that of stuffed doll parts. Domestic production is concentrated in the larger nonstuffed dolls because transportation costs make these dolls less susceptible to competition from imports. Most imports of nonstuffed dolls are of smaller finished dolls. Imports of parts of larger nonstuffed dolls are generally directly competitive with the domestic product. Most domestic producers have access to foreign production facilities and the duty rate gains greater significance in the decision whether to import or domestically produce parts of dolls.

Positions of interested parties

The petition was submitted by an ad hoc group of eight domestic manufacturers and importers of stuffed dolls. Representatives of two of these firms, Kenner Toys, Inc., and Knickerbocker Toy Co., Inc., testified before the Commission in support of the petition. The witnesses emphasized the limited nature of the petition, requesting GSP treatment only for stuffed dolls and parts of stuffed dolls, indicating that there was no domestic production of these products that did not rely on imports in some manner. The duty costs serve only to inflate prices and GSP treatment would result in increased imports and greater domestic employment through expanded assembly and packaging operations. Both witnesses agreed that although duty savings would permit them to stabilize prices or retard price increases, other cost increases would prevent any price reductions.

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Table A-1.--Stuffed dolls: U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

(Quantity in thousands of units; value in thousands of dollars)

Period	Production <u>1/</u>	Exports <u>2/</u>	Imports <u>3/</u>	Apparent consumption	Ratio (per cent) of imports to consumption <u>3/</u>
Quantity					
1976-----	4/		4/	4/	4/
1977-----	4/		4/	4/	4/
1978-----	4/		13,294	4/	4/
1979-----	4/		11,564	4/	4/
1980-----	4/		10,877	4/	4/
January-June--					
1980-----	4/		5,277	4/	4/
1981-----	4/		4,393	4/	4/
Value					
1976-----	4/		4/	4/	4/
1977-----	4/		4/	4/	4/
1978-----	20,100		15,156	35,300	43
1979-----	7,600		12,792	20,400	63
1980-----	4,800		13,137	17,900	73
January-June--					
1980-----	4/		5,377	4/	4/
1981-----	4/		6,378	4/	4/
Unit value					
1976-----	4/		4/	-	-
1977-----	4/		4/	-	-
1978-----	4/		\$1.14	-	-
1979-----	4/		1.11	-	-
1980-----	4/		1.21	-	-
January-June--					
1980-----	4/		1.02	-	-
1981-----	4/		1.45	-	-

1/ Estimated based on statistics supplied by the Toy Manufacturers of America, Inc., and official statistics of the U.S. Department of Commerce. Estimates include production of stuffed dolls having hard extremities and dolls assembled and finished from imported parts. Stuffed dolls manufactured wholly in the United States are not produced in commercial quantities.

2/ Not available, trade sources report that stuffed doll exports are small.

3/ Imports and the import to consumption ratio are understated in that imports of partially finished dolls are included in domestic production, not as imports.

4/ Not available.

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

Table A-2.--Parts of dolls: U.S. production, exports, imports, and apparent consumption, 1976-80, January-June 1980, and January-June 1981

Period	Production <u>1/</u>	Exports	Imports	Apparent consumption <u>1/</u>	Ratio of imports to consumption <u>1/</u>
	-----1,000 dollars-----				Percent
1976-----	<u>1/</u>		6,165		
1977-----	<u>1/</u>		6,347		
1978-----	4,086		6,613		
1979-----	4,167		9,374		
1980-----	3,993		10,526		
January-June--					
1980-----	1,798		4,000		
1981-----	1,117		2,919		

1/ Not available.

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

Table B.--Parts of dolls: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	(In thousands of dollars)						
	1976 1/	1977 1/	1978	1979	1980	January-June-- 1980	1981
Mexico-----			89	440	1,745	540	292
Haiti-----			1,257	1,480	556	553	20
Japan-----			34	73	325	57	30
Hg Kong-----			405	652	297	119	107
Canada-----			620	423	169	104	174
Peru-----			87	116	155	67	48
Salvadr-----			27	349	129	102	18
France-----			65	165	100	9	17
All other-----			1,502	470	517	247	412
Total----			4,086	4,167	3,993	1,798	1,117

1/ Not available.

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

Table C-1--Stuffed dolls: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976 I/		1977 I/		1978		1979		1980		January-June 1981	
	Quantity (1,000 units)											
China t-----												
Kor Rep-----												
Hg Kong-----												
Mexico-----												
Phil R-----												
Fr Germ-----												
China M-----												
U King-----												
All other-----												
Total-----												
	Value (1,000 dollars)											
China t-----												
Kor Rep-----												
Hg Kong-----												
Mexico-----												
Phil R-----												
Fr Germ-----												
China M-----												
U King-----												
All other-----												
Total-----												
	Unit value											
China t-----												
Kor Rep-----												
Hg Kong-----												
Mexico-----												
Phil R-----												
Fr Germ-----												
China M-----												
U King-----												
All other-----												
Average-----												

1/ Not available.

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

Table C-2.--Parts of dolls: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June-- 1981
China t-----						
Hg Kong-----	2,636	2,591	2,512	2,083	3,075	1,499
Mexico-----	2,059	2,914	2,883	4,318	2,919	1,266
Kor Rep-----	-	1	19	1	2,203	71
Haiti-----	407	439	433	940	712	385
Salvadr-----	752	162	52	544	677	350
Japan-----	-	37	369	858	376	212
Spain-----	235	160	153	159	244	139
All other-----	77	41	83	196	232	61
Total-----	6,165	6,347	6,613	9,374	10,526	4,000
						2,919

1/ Less than 500.

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

Table D-1.--Stuffed dolls: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	Quantity (1,000 units)				Percentage distribution
	1977 1/	1978	1979	1980	
Gross imports-----	13,294	11,564	10,877	4,393	100
26 developed cttries, total:	332	85	63	12	2/
GSP countries, total-----	12,930	11,437	10,726	4,236	96
China t-----	7,278	7,414	7,193	2,661	61
Kor Rep-----	496	813	1,213	475	11
Hg Kong-----	2,857	1,283	1,455	770	18
Mexico-----	2,136	1,430	340	173	4
Phil R-----	135	465	506	99	2
Thailand-----	5	11	11	5	2/
Singapr-----	0	0	5	0	
Guatmal-----	3/	3/	1	1	2/
Other GSP-----	22	22	3	52	1
Other-----	32	42	87	145	3
	Value (1,000 dollars)				
Gross imports-----	15,156	12,792	13,137	6,378	100
26 developed cttries, total:	454	269	373	92	1
GSP countries, total-----	14,658	12,405	12,704	6,086	95
China t-----	4,909	5,660	7,954	3,814	60
Kor Rep-----	633	1,109	1,404	559	9
Hg Kong-----	2,775	1,136	1,372	973	15
Mexico-----	6,223	4,090	1,219	473	7
Phil R-----	32	360	679	206	3
Thailand-----	9	20	49	28	2/
Singapr-----	-	-	8	-	
Guatmal-----	3/	1	5	1	2/
Other GSP-----	75	27	15	32	1
Other-----	44	117	60	200	3

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

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



Table D-2.--Parts of dolls: U.S. imports by certain world areas including designated GSP countries, 1977-80 and Jan - June 1981

Item	1977	1978	1979	1980	January - June 1981	
					Imports	Percentage distribution
Quantity (number) 1/						
Gross imports-----						
26 developed cttries, total:						
GSP countries, total-----						
China t-----						
Hg Kong-----						
Mexico-----						
Kor Rep-----						
Haiti-----						
Salvadr-----						
Hondura-----						
Brazil-----						
Other GSP-----						
Other-----						
Value (1,000 dollars)						
Gross imports-----	6,347	6,613	9,374	10,526	2,919	100
26 developed cttries, total:	170	206	305	263	96	3
GSP countries, total-----	6,161	6,290	8,869	10,031	2,787	95
China t-----	2,591	2,512	2,083	3,075	1,088	37
Hg Kong-----	2,914	2,883	4,318	2,919	826	28
Mexico-----	1	19	1	2,203	19	1
Kor Rep-----	439	433	940	712	322	11
Haiti-----	162	52	544	677	109	4
Salvadr-----	37	369	858	376	-	-
Hondura-----	-	-	-	21	-	-
Brazil-----	-	-	-	21	-	-
Other GSP-----	17	23	126	27	423	14
Other-----	15	117	200	233	35	1

1/ Not available.

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



TITLE: BALL-POINT PENS AND BALL-POINT PENCILS

I. TSUS(A) item number; brief description; tariff rate information; U.S. imports in 1980; competitive status		Rates of duty <u>1/</u>		U.S. imports	Product
TSUS(A) item number	Brief product description	Current	Final	in 1980	produced in
		col. 1	concession	col. 2	U.S. on 1/3/75
		(1/1/81)	rate 2/	(1/1/81)	
760.0520-----	Ball-point pens and ball-point pencils	1.7¢ each	0.8¢ each	6¢ each	Yes. <u>3/</u>
		+ 11.5%	+ 5.4%	+ 40%	
		:(AVE 17.5%)	:(AVE 8.2%)	:(AVE 61.1%)	

1/ For specific and compound rates, the ad valorem equivalent, based on the value of total imports in 1980 from most-favored-nation countries, is shown in parenthesis, e.g., (AVE 17.5%).

2/ This rate of duty represents the full concession rate for the products included in the item. The full concession rate will become effective through eight equal annual stages with the first stage on Jan. 1, 1980, and the last stage on Jan. 1, 1987.

3/ Ball-point pencils have been commercially obsolete for several decades.

## II. Comment

Description and uses

The products covered by this digest are conventional ball-point pens (TSUSA item 760.0520); ball-point pencils, which were introduced following World War II, did not prove successful in the marketplace and have been commercially obsolete for many years. Therefore, this digest will discuss only ball-point pens.

Most ball-point pens are inexpensive, plastic-bodied articles which are thrown away when the ink cartridge runs dry (nonrefillable); in other types, the spent cartridge may be replaced (refillable).

U.S. consumption, production, and producers

Consumption.--During the period 1976-79, the value of domestic consumption of ball-point pens rose from an estimated \$196.5 million to \$342 million--an average annual rate of increase of 20.3 percent; consumption increased by only 3.7 percent to \$354.7 million in 1980, an economically flat year. In the first half of 1981, consumption was an estimated \$189.3 million, up from \$176.5 million in the corresponding period of 1980 (table A).

Throughout the period 1976-80, the ratio of imports to consumption remained below 5 percent annually; in the first half of 1981, however, this ratio was an estimated 5.2 percent.

In terms of value, imports of ball-point pens from designated beneficiary developing countries for purposes of the Generalized System of Preferences (GSP), though increasing, remained at less than 1 percent of total annual U.S. consumption during 1978-80.

Production.--During 1976-79, the quantity of domestic producers' shipments of ball-point pens increased from 1,483 million units to 2,024 million--an

average annual rate of increase of 10.8 percent; in 1980, however, such shipments declined slightly to 2,014 million units. Shipments, at an estimated 1,030 million units in the first half of 1981, were up only slightly from the estimated 1,007 million units in the corresponding period of 1980. The value of producers' shipments rose at an average annual rate of 20 percent during 1976-79, from \$219.4 million to \$380.4 million, but increased by only 2.5 percent in 1980 to \$389.9 million. In the first 6 months of 1981, the value of shipments was an estimated \$205 million, or about 5 percent greater than in the corresponding period of 1980 (table A). That the value of producers' shipments increased at a greater rate than units during the period under review is largely attributable to inflation.

The average unit value of domestic producers' shipments rose from \$0.15 each in 1976 to an estimated \$0.20 each in the first half of 1981. According to industry sources, approximately 55 percent of the volume of producers' shipments in 1980 consisted of nonretractable, nonrefillable stick pens and advertising specialties for which the unit value was about \$0.10 to \$0.12 each; the unit value of the balance of shipments (45 percent), which consisted of refillable push button, retractable pens was about \$0.31 each.

Producers.--There are approximately 150 domestic firms that produce ball-point pens. These firms are situated throughout the United States, with more than half located in the Northeastern region. Except for a few small producers that make only ball-point pens, all other producers manufacture other writing instruments, principally various types of marking or porous point pens; some of the larger firms also produce mechanical pencils and fountain pens, as well as other related products, such as ink and pencil leads. However, for the industry as a whole, shipments of ball-point pens account for more than half of total annual sales of all writing instruments,

in terms of value. About a dozen firms account for about half of the annual value of producers' shipments of ball-point pens; of these, a number operate foreign subsidiaries, including plants in Canada, and Australia, as well as in countries in Europe, Africa, and South America. These subsidiary firms manufacture various types of writing instruments, usually concentrating on the needs of the local markets.

Although employment data relating solely to the production of ball-point pens are not available, industry sources indicate that total employment in the plants where ball-point pens are produced totaled about 30,000 persons in 1980.

The manufacture of ball-point pens is essentially automated and capital intensive, requiring relatively little labor. Although some producers have designed special machinery to produce certain parts suitable for their own unique products, the production of ball-points is not generally highly technological; most of the manufacturing operations require only standard metal-working and/or plastics-forming operations. According to industry sources, the start-up cost for manufacturing ball-point pens is currently in the neighborhood of \$200,000.

#### U.S. exports

Based on value, the domestic industry has exported a significant, but, since 1978, declining portion of its total shipments, as indicated in the tabulation below, which shows exports as a percent of total producers' shipments.

<u>Period</u>	<u>Ratio (percent) of exports to total shipments</u>
1976-----	13.8
1977-----	14.3
1978-----	15.3
1979-----	14.4
1980-----	13.2
1981 (6 months)-----	<u>1/</u> 12.5

1/ Estimated.

U.S. exports of ball-point pens increased annually from \$30.2 million in 1976 to \$55 million in 1979, or by 82 percent. In 1980, however, exports dropped by 7 percent to \$51.4 million; 80 percent of the decline that occurred between 1979-80 resulted from decreased shipments to Japan, which, during 1978-79, had been the principal market. In the first half of 1981, export shipments, at \$25.6 million, were 2 percent greater than in the same period of 1980 (table B). 1/ During the period under review, exports were shipped to numerous countries, with Hong Kong, Japan, Saudi Arabia and Canada predominating. Aggregated, these markets accounted for 38 percent of the value of total exports.

#### U.S. imports

In 1978, imports of ball-point pens totaled 39.8 million units. Such imports increased to 55.8 million and 56.8 million in 1978 and 1979, respectively--a 43 percent increase over the 3-year period. Imports, at 31.6 million in the first half of 1981, were 19 percent greater than in the corresponding period of 1980 (table C). 2/ In terms of value, imports amounted to \$10.9 million in 1978, increased to \$16.6 million in 1979 and dropped slightly to \$16.1 million in 1980--a 47 percent overall increase. In the first half of 1981, imports, at \$9.9 million, were 48 percent greater than in January-June of 1980. Throughout the period, the average unit value of imports ranged between \$0.28 and \$0.31 each.

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1/ Although quantity data are reported for exports of ball-point pens under Schedule B No. 760.0520, these data are substantially understated and are thus inaccurate. An analysis of this classification by the Bureau of the Census revealed that many exporters were reporting shipments as "dozens" or "cases" rather than units, the appropriate unit of measure.

2/ Data for 1976-77 are not used in this report since they include imports of fountain pens, stylographic pens and combination pens and pencils.

During the period beginning in 1978, Japan was by far the principal source of imports, accounting for 58 percent of the total quantity and 53 percent of the value. Other important sources during the period included France and Italy, both developed countries, and Hong Kong, a developing country.

In terms of value, imports from GSP developing countries amounted to \$1.1 million in 1978, 10 percent of total imports; \$2.9 million in 1979, 18 percent of the total; \$2.4 million in 1980, 15 percent of the total; and \$1.7 million in the first 6 months of 1981, or 17 percent of total imports (table D). Hong Kong was the principal supplier of such imports, with entries from that country, Taiwan and especially Korea increasing sharply during the period. In this connection, during 1978-80, the value of imports from Hong Kong rose by 91 percent from \$685,000 to \$1.3 million, that from Taiwan increased by 89 percent, from \$339,000 to \$640,000, and that from Korea by 240 percent, from \$15,000 to \$381,000. In 1980, aggregate imports from these three countries accounted for 98 percent of the total quantity of imports and 90 percent of the value.

In 1980, the average unit value of imports from all developing countries was \$0.28 each; for Hong Kong it was \$0.22 each; for Taiwan, \$0.14 each; and for Korea, \$0.36 each. According to U.S. Customs officials, the bulk of imports from developing countries consist of push button, refillable and retractable pens.

The average ad valorem equivalent (a.v.e.) of the current rate of duty (1.7 cents each + 11.5% ad val.) based on imports in 1980 from developing countries was 19.2 percent; for Hong Kong it was 19.2 percent, for Taiwan, 23.5 percent and for Korea, 16.5 percent.



As some U.S. producers operate foreign subsidiaries, so also have certain foreign manufacturers in developed countries established operations in developing countries. According to industry sources, Japanese firms currently operate two plants that produce ball-point pens as well as other writing instruments in Taiwan and one in Brazil.

Most imports from developing countries consist of push button, refillable and retractable ball-point pens, types which are like and directly competitive with U.S. products that account for about 45 percent of producers' shipments (\$175 million in 1980). Most domestic pens, however, currently undersell the bulk of these imported products by a few cents after duty (about 5 cents each) and other costs (e.g. transportation and insurance) incident to importation are added.

#### Position of interested parties

The petition in this investigation to grant GSP treatment on imports of ball-point pens was submitted on behalf of Drafton Ltd., an Israeli manufacturer of ball-point pens. 1/

Representatives of the Writing Instrument Manufacturers Association, Inc., which represents U.S. producers of ball-point pens as well as producers of other writing instruments, testified in opposition to the petition.

On behalf of Drafton Ltd., Mr. Jerry Millman, President of International Marketing Consultants, Inc., whose firm markets writing instruments in the United States from Israel, testified in support of the petition.

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1/ There have been no imports of ball-point pens from Israel in recent years.

Digest No.  
7005--Con.

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Table A. Ball-point pens: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption; 1976-80, and January-June 1980, and January-June 1981

Period	Producers' shipments	Exports	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity (1,000 units)					
1976-----	1,482,922	73,297	<u>1/</u>	<u>2/</u>	<u>2/</u>
1977-----	1,605,555	102,065	<u>1/</u>	<u>2/</u>	<u>2/</u>
1978-----	1,883,544	<u>3/</u>	39,753	<u>2/</u>	<u>2/</u>
1979-----	2,024,136	<u>3/</u>	55,829	<u>2/</u>	<u>2/</u>
1980-----	2,014,283	<u>3/</u>	56,773	<u>2/</u>	<u>2/</u>
January-June--					
1980-----	<u>4/</u> 1,007,000	<u>3/</u>	26,471	<u>2/</u>	<u>2/</u>
1981-----	<u>4/</u> 1,030,000	<u>3/</u>	31,625	<u>2/</u>	<u>2/</u>
Value (1,000 dollars)					
1976-----	219,427	30,211	<u>5/</u> 7,240	196,456	3.7
1977-----	269,787	38,525	<u>5/</u> 10,195	241,457	4.2
1978-----	293,716	44,997	10,922	259,641	4.2
1979-----	380,436	54,982	16,551	342,005	4.8
1980-----	389,906	51,361	16,107	354,652	4.5
January-June--					
1980-----	<u>4/</u> 195,000	25,144	6,692	<u>4/</u> 176,548	<u>4/</u> 3.8
1981-----	<u>4/</u> 205,000	25,606	9,886	<u>4/</u> 189,280	<u>4/</u> 5.2
Unit Value (each)					
1976-----	\$0.15	0.41	<u>1/</u>	-	-
1977-----	.17	.38	<u>1/</u>	-	-
1978-----	.16	<u>3/</u>	.28	-	-
1979-----	.19	<u>3/</u>	.30	-	-
1980-----	.19	<u>3/</u>	.28	-	-
January-June--					
1980-----	<u>4/</u> .19	<u>3/</u>	.25	-	-
1981-----	<u>4/</u> .20	<u>3/</u>	.31	-	-

1/ Not available; data for imports of ball-point pens also include fountain pens, stylographic pens and combination pens and pencils.

2/ Not available.

3/ The data reported for schedule B No. 760.0520 (ball point pens) are understated and thus inaccurate. An analysis of this classification by the Bureau of the Census revealed that many exporters were incorrectly reporting the unit of quantity, i.e., instead of units, the appropriate unit of quantity, exporters were reporting "dozens" or "cases."

4/ Estimated by the staff of the USITC on the basis of trade information.

5/ Estimated.

Source: Producers' shipments compiled from data supplied by the Writing Instrument Manufacturers Association; import and exports compiled from official statistics of the U.S. Department of Commerce.

Table B.--Ball point pens: U.S. exports of domestic merchandise, by principal markets, 1976-80, January-June 1980, and January-June 1981

Market	(In thousands of dollars)					
	1976	1977	1978	1979	1980	January-June-- 1981
Hg Kong	4,649	5,546	6,247	6,845	6,271	3,371
Japan	4,597	4,284	7,552	8,956	6,046	3,379
S Arab	1,314	2,436	3,300	2,739	4,058	1,979
Canada	1,144	1,758	2,451	3,294	3,194	1,245
U King	3,612	2,247	1,180	1,534	2,599	963
Singapr	1,011	2,024	2,243	2,454	2,423	1,206
Venez	1,286	2,181	2,878	3,109	1,960	989
Italy	823	1,415	1,556	1,573	1,746	847
All other	11,775	16,634	17,591	24,477	23,064	11,168
Total	30,211	38,525	44,997	54,982	51,361	25,144

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

Table C.--Ball-point pens: U.S. imports for consumption, by principal sources, 1978-80, January-June 1980, and January-June 1981

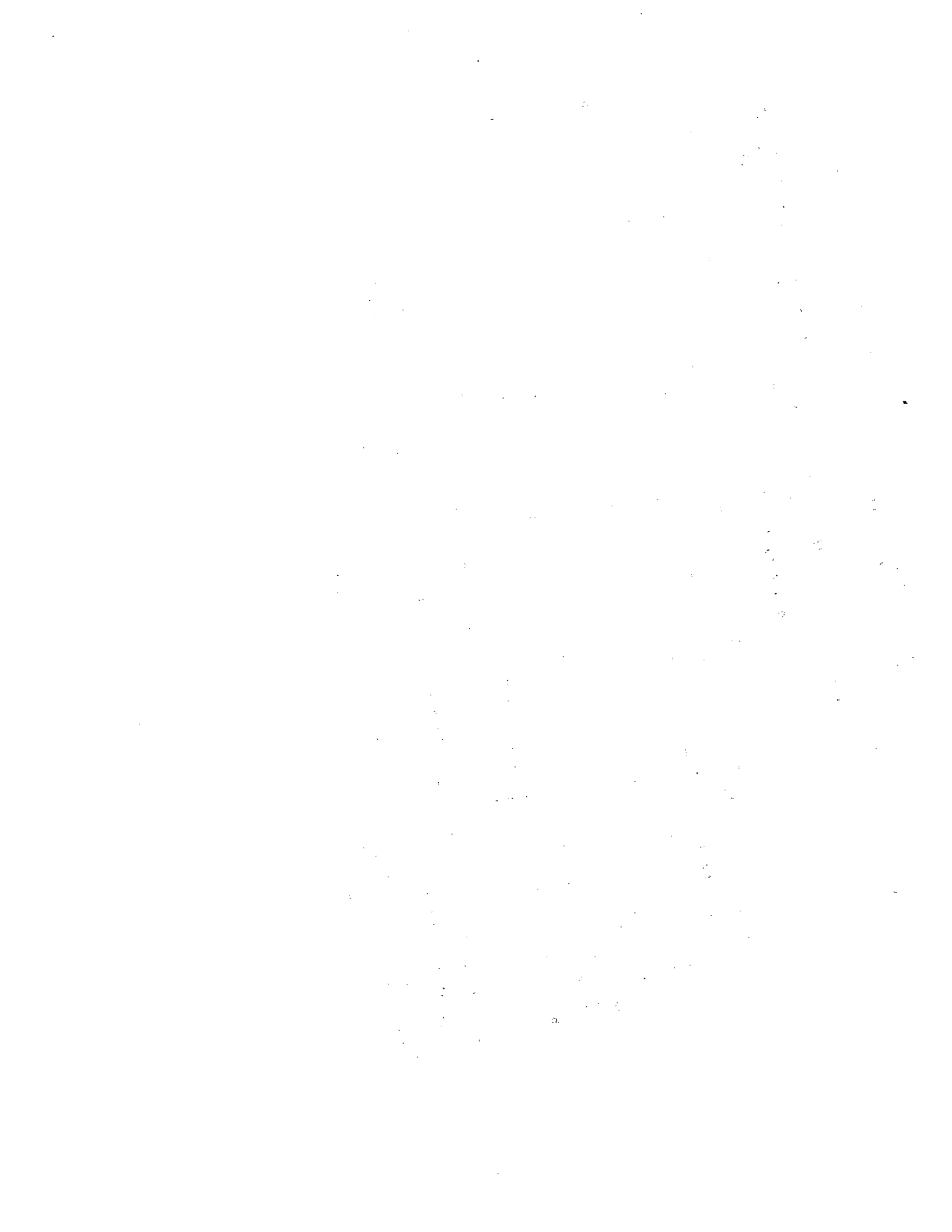
Source	1978	1979	1980	January-June	
				1980	1981
Quantity (1,000 units)					
Japan-----	24,557	29,182	31,678	13,576	20,219
France-----	1,546	5,505	1,760	1,645	1,531
Italy-----	4,717	3,832	5,826	2,061	2,655
Hong Kong-----	5,039	6,717	5,930	2,737	3,146
FR Germany-----	441	741	984	629	454
Taiwan-----	1,246	2,356	4,499	1,955	1,457
Denmark-----	1,655	1,760	1,814	1,077	1,154
Republic of Korea-----	84	1,675	1,073	226	321
All other-----	468	4,061	3,209	2,565	688
Total-----	39,753	55,829	56,773	26,471	31,625
Value (1,000 dollars)					
Japan-----	6,664	7,743	8,357	3,051	5,581
France-----	785	2,645	1,617	1,076	900
Italy-----	1,109	1,156	1,595	522	542
Hong Kong-----	685	1,761	1,311	636	856
FR Germany-----	492	694	946	370	357
Taiwan-----	339	373	640	231	676
Denmark-----	508	562	620	346	384
Republic of Korea-----	15	539	381	99	102
All other-----	325	1,078	640	361	488
Total-----	10,922	16,551	16,107	6,692	9,886
Unit value (each)					
Japan-----	\$0.28	\$0.27	\$0.27	\$0.23	\$0.28
France-----	.51	.49	.92	.66	.59
Italy-----	.24	.31	.28	.26	.21
Hong Kong-----	.14	.27	.23	.24	.28
FR Germany-----	1.12	.94	.97	.59	.79
Taiwan-----	.28	.16	.15	.12	.47
Denmark-----	.31	.32	.35	.33	.34
Republic of Korea-----	.18	.33	.36	.44	.32
All other-----	.70	.27	.20	.15	.71
Average-----	.28	.30	.28	.25	.31

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

Table D.--Ball point pens: U.S. imports by certain world areas including designated GSP countries, 1977-80 and January-June 1981

Item	1978		1979		1980		January - June 1981	
	Quantity (number)	Value (1,000 dollars)	Quantity (number)	Value (1,000 dollars)	Quantity (number)	Value (1,000 dollars)	Imports	Percentage distribution
Gross imports	0	0	0	0	0	0	0	0
26 developed cttries, total	0	0	0	0	0	0	0	0
GSP countries, total	0	0	0	0	0	0	0	0
Hg Kong	0	0	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0	0	0
Kor Rep	0	0	0	0	0	0	0	0
Phil R	0	0	0	0	0	0	0	0
Brazil	0	0	0	0	0	0	0	0
India	0	0	0	0	0	0	0	0
Mexico	0	0	0	0	0	0	0	0
Indnsia	0	0	0	0	0	0	0	0
Other GSP	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Value (1,000 dollars)								
Gross imports	10,922	16,551	16,551	16,107	16,107	9,886	100	
26 developed cttries, total	9,815	13,580	13,580	13,633	13,633	8,117	82	
GSP countries, total	1,078	2,928	2,928	2,399	2,399	1,724	17	
Hg Kong	685	1,761	1,761	1,311	1,311	856	9	
Taiwan	339	373	373	640	640	676	7	
Kor Rep	15	539	539	381	381	102	1	
Phil R	2	11	11	25	25	12	1/	
Brazil	3	6	6	21	21	47	1/	
India	33	19	19	8	8	12	1/	
Mexico	2/	214	214	8	8	1	1/	
Indnsia	-	-	-	4	4	18	1/	
Other GSP	1	5	5	2	2	2/	1/	
Other	12	20	20	48	48	40	1/	

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





Appendix A

U.S. Trade Representative Request of July 30, 1931,  
for Probable Economic Effect Advice



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THE UNITED STATES TRADE REPRESENTATIVE

WASHINGTON 81 JUL 31 P 5: 09  
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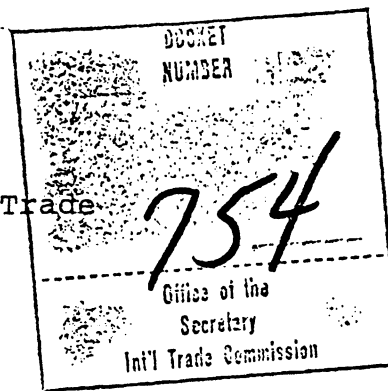
OFFICE OF  
COMMISSIONER ALBERGER  
USITC

81 JUL 31 P 5: 06

RECEIVED

July 30, 1981

The Honorable Bill Alberger  
Chairman  
United States International Trade  
Commission  
701 E Street, N.W.  
Washington, D.C. 20436



Dear Chairman Alberger:

In accordance with sections 503(a) and 131(a) of the Trade Act of 1974 and pursuant to the authority of the President delegated to the United States Trade Representative by Sections 4(c) and 8(c) and (d) of Executive Order 11846 of March 31, 1975, as amended, I hereby notify the International Trade Commission that the articles identified in the attached list are being considered for designation as eligible articles for purposes of the United States Generalized System of Preferences (GSP), set forth in Title V of the Trade Act of 1974.

Pursuant to sections 503(a) and 131(a) of the Trade Act, I request that the Commission provide its advice, with respect to each article listed in the attached list, as to the probable economic effect on United States industries producing like or directly competitive articles and on consumers of the elimination of United States import duties under the GSP. With respect to the several instances in the list where a 5-digit item of the tariff schedules is followed by a 7-digit statistical annotation or other indication that only part of the item may also be considered for designation as an eligible article, advice is requested both as to the effect of designating the whole item as an eligible article, and as to the effect of designating as an eligible article only that part of the item specified. The Commission, in Investigation No. TA-503(a)-7, recently submitted advice on several items in the attached list. In these cases, it will be necessary to submit new advice only for those items for which the Commission would now modify the advice reported in that investigation.

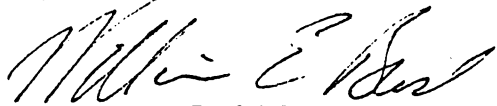
- 2 -

In providing its advice, I request the Commission to assume that benefits of the GSP would not apply to imports that would be excluded from receiving such benefits by virtue of the "competitive-need" limits specified in section 504(c) of the Trade Act.

Section 504(d) of the Trade Act exempts from one of the competitive-need limits in section 504(c) articles for which no like or directly competitive article was being produced in the United States on the date of enactment of the Trade Act of 1974. Accordingly, pursuant to the authority of section 332(g) of the Tariff Act of 1930, as amended (19 U.S.C. 1332(g)), delegated by section 8(d) of Executive Order 11846, I request that the Commission also provide advice with respect to whether products like or directly competitive with those described in the attached list and also TSUS item 791.28 were being produced in the United States on January 3, 1975.

Under provisions of the Trade Act of 1974, the Commission has six months to provide the advice requested herein. However, it would be greatly appreciated if the advice could be provided by December 1, 1981, in order to permit any actions to be taken on these items to be included in the Executive Order which should be issued in early March.

Very truly yours,



WILLIAM E. BROCK

WEB:stmbw

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences

TSUS or TSUSA item	Article
	<p>[The bracketed language in this list has been included only to clarify the scope of the numbered items which are being considered, and such language is not itself intended to describe articles which are under consideration.]</p> <p>Shellfish, fresh, chilled, frozen, prepared or preserved (including pastes and sauces):            [Clams]            Crabs:                Crabmeat:                    Prepared or preserved (including pastes and sauces):                        In airtight containers</p>
114.20	
121.40	<p>Leather, in the rough, partly finished, or finished:            [Chamois; patent; upholstery leather]            Other:                Calf and kip:                    [Upper; lining]                    Other:                        Not fancy</p>
121.61	<p>[Pig and hog]            Other:                Not fancy:                    [Vegetable-tanned goat and sheep, in the rough; buffalo; reptilian]                    Other:                        Bovine</p>
121.63	<p>[Goat and kid]            Other</p>
135.12	<p>Vegetables, fresh, chilled, or frozen (but not reduced in size nor otherwise prepared or preserved):            Beans:                Lima beans:                    [If entered during the period from June 1 to October 31, inclusive, in any year]                    If entered during November in any year</p>

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

A-6

TSUS or TSUSA item	Article
	Vegetables, fresh, chilled, or frozen, etc. (con.):
	Beans (con.):
135.14	Lima beans (con.): If entered during the period from December 1 in any year to the following May 31, inclusive
135.16	Other than lima beans
	Cucumbers:
135.92pt.	If entered during the period from March 1 to April 30, inclusive, in any year
	Eggplant:
136.20	If entered during the period from April 1 to November 30, inclusive, in any year
136.22	Other
	Lettuce:
136.60	If entered during the period from June 1 to October 31, inclusive, in any year
136.61	Other
137.10	Peppers
137.50	Squash
	Tomatoes:
137.63	If entered during the period from November 15, in any year, to the last day of the following February, inclusive
	Yams, and sweet potatoes:
137.89	[Yams, fresh or chilled] Other

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
138.4250pt.	Vegetables, fresh, chilled, or frozen, and cut, sliced, or otherwise reduced in size (but not otherwise prepared or preserved): [Broccoli, cauliflower, and okra; kidney beans, frozen; rutabagas; yucca] Other: [Bamboo shoots or water chestnuts, frozen] Other: Frozen: [Asparagus] Mixtures of pea pods and sliced water chestnuts
140.40	Vegetables, dried, desiccated, or dehydrated, whether or not reduced in size or reduced to flour (but not otherwise prepared or preserved): Dried, desiccated, or dehydrated: Onions
140.65	Reduced to flour: [Garlic] Onions
140.75pt.	[Potatoes] Other, except tomato flour
141.82	Vegetables (whether or not reduced in size), packed in salt, in brine, pickled, or otherwise prepared or preserved (except vegetables in subpart B of part 8 of Schedule 1 of the Tariff Schedules of the United States): [Beans; cabbage; chickpeas or garbanzos; black- eye cowpeas; onions; peas; pimientos; tomatoes; water chestnuts] Other: [Packed in salt, in brine, or pickled] Other: Carrots in airtight containers
141.87	Sweet ginger
144.12	Mushrooms, fresh, or dried, or otherwise prepared or preserved: Dried

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
146.76	Berries, fresh, or prepared or preserved: Frozen: Strawberries
148.00	Mangoes, fresh, or prepared or preserved: Fresh: [If entered during the period from November 1 in any year, to the following April 30, inclusive] If entered at any other time
148.17	Melons, fresh, or prepared or preserved: Fresh: Cantaloupes: [If entered during the period from August 1 to September 15, inclusive, in any year] [If entered during the period from December 1, in any year, to the following March 31, inclusive] If entered at any other time
148.60	Papayas, fresh, or prepared or preserved: Fresh
148.93	Pineapples, fresh, or prepared or preserved: Fresh: In crates
148.98 or 148.9820	Prepared or preserved or In airtight containers
150.02	Mixtures of two or more fruits, prepared or preserved: In airtight containers and not containing apricots, citrus fruits, peaches or pears



Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

A-9

TSUS or TSUSA item	Article
152.30	Fruit peel, crude, dried; or otherwise prepared or preserved: [Crude, dried, or in brine]  Otherwise prepared or preserved: Orange
152.7640	Fruit pastes and fruit pulps: [Apricot; cashew apple, mamey colorado, sapodilla, soursop and sweetsop; fig, guava, mango, tamarind, orange, papaya, banana and plantain] Other: [Strawberry] Other
153.0420	All jellies, jams, marmalades, and fruit butters: Currant and other berry: Strawberry
154.90	Mixtures of two or more kinds of candied, crystallized, or glaze nuts, fruit, or vegetable substances
161.57	Mint leaves: [Crude or not manufactured] Other
161.84	Pepper: Capsicum or cayenne or red: Ground
161.88	Pimento (allspice): Ground
168.78	Brandy: [Pisco and singani; slivovitz] Other: In containers each holding not over 1 gallon: Valued over \$13 per gallon
169.04	Ethyl alcohol for beverage purposes

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
	Edible preparations not specially provided for (including prepared meals individually packaged): [Of gelatin] Other: [Containing over 5.5 percent by weight of butterfat and not packaged for retail sale] Other: [Wheat gluten] Other:
183.01	Pancake flour and other flour mixes; refrigerated (including frozen) doughs
190.85	Sponges, marine: Grass, velvet, or yellow
222.50	Blinds, shutters, curtains, screens and shades, all the foregoing, of unspun fibrous vegetable materials, with or without their hardware
355.65 or 355.6510	Woven or knit fabrics (except pile or tufted fabrics), of textile materials, coated or filled with rubber or plastics material, or laminated with sheet rubber or plastics: Of vegetable fibers or Of cotton

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
360.4640 360.4645	<p>Floor coverings of pile or tufted construction, of textile materials:  In which the pile was inserted or knotted during weaving or knitting:  With pile not hand-inserted and not hand-knotted:  [Of cotton; of coir; of jute]  Other:  [Chenille]  Wilton (including brussels) and velvet (including tapestry) floor coverings, and floor coverings of like character or description:  [Of wool, of man-made fibers]  Other:  Imitation oriental</p> <p>Other</p>
363.90	<p>[Lace or net bedding, whether or not ornamented, and other bedding, ornamented]  Other bedding, not ornamented:  [Of vegetable fibers; of wool, of silk, of man-made fibers]  Other</p>
364.07pt.	<p>Tapestries, including hand-worked petit-point and other needle-point tapestries, all the foregoing of textile materials:  [Gobelin and other hand-woven tapestries fit only for use as wall hangings, and valued over \$20 per square foot]  Other:  Of vegetable fibers:  Jacquard-figured:  Not pile construction:  Of cotton:  Certified and hand-loomed folklore products</p>

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

A-12

TSUS or TSUSA item	Article
387.35pt.	<p>Articles not specially provided for, of textile materials:</p> <p>[Lace or net articles, whether or not ornamented, and other articles ornamented]</p> <p>Other articles, not ornamented:</p> <p>    Of vegetable fibers, except cotton:</p> <p>        [Knit; pile or tufted construction]</p> <p>        Other:</p> <p>            [Of coir; of jute]</p> <p>            Other:</p> <p>                Baskets, of sisal</p>
402.56	<p>Cyclic organic chemical products in any physical form having a benzenoid, quinoid, or modified benzenoid structure, not provided for in subpart A or C of Schedule 4 of the Tariff Schedules of the United States:</p> <p>[Anthracene having a purity of 30% or more by weight]</p> <p>[Carbazole having a purity of 65% or more by weight]</p> <p>[Naphthalene which after the removal of all water present has a solidifying point of 79° C. or above]</p> <p>[Phthalic anhydride]</p> <p>[Styrene]</p> <p>[All distillates of coal tar, blast-furnace tar, oil-gas tar, and water-gas tar, which on being subjected to distillation yield in the portion distilling below 190° C. a quantity of tar acids equal to or more than 5% by weight of the original distillate or which on being subjected to distillation yield in the portion distilling below 215° C. a quantity of tar acids equal to or more than 75% by weight of the original distillate]</p> <p>Other:</p> <p>    Halogenated hydrocarbons:</p> <p>        Benzyl chloride (α,-Chlorotoluene)</p>

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
<p>402.80  or 402.80pt.</p>	<p>Cyclic organic chemicals; etc. (con.): Other (con.): Halogenated hydrocarbons (con): [Benzotrichloride (<math>\alpha,\alpha,\alpha</math>-Tri- chlorotoluene); chlorobenzenes, mono- di-, and tri-; chlorinated biphenyl]</p> <p>Other: Products provided for in the Chemical Appendix to the Tariff Schedules or Benzyl dichloride (<math>\alpha,\alpha</math>- dichlorotoluene)</p> <p>Alcohols, phenols, ethers (including epoxides and acetals), aldehydes, ketones, alcohol peroxides, ether peroxides, ketone peroxides, and their derivatives: [Alkyl cresols; alkyl phenols; 6- Chloro-<i>m</i>-cresol [OH=1]; naphthols; 2-naphthol-3, 6-disulfonic acid and its salts; nitrophenols; resorcinol]</p>
<p>403.45 or 403.45pt.</p>	<p>Other: Alcohols or Benzyl alcohol</p> <p>Halogenated, sulfonated, nit- rated, or nitrosated deriv- atives of phenols or phenol- alcohols: [Products provided for in item number 403.52]</p>
<p>403.56pt.</p>	<p>Other: Tetrabromobisphenol A</p> <p>[Amines and their derivatives]</p>

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
	<p>Cyclic organic chemicals, etc. (con.): Other (con.): Amines having one or more oxygen functions, and their derivatives: [Products provided for in item numbers 404.92 through 405.03]</p>
405.08pt.	<p>Other: D(-)-para-hydroxy-phenylglycine</p> <p>Other nitrogen-function compounds (except those in which the only nitrogen function is a nitro (-NO<sub>2</sub>) or a nitroso (-NO) group, or an ammonium salt of an organic acid) and their derivatives: [Benzonitrile; diazoaminobenzene (1,3-Diphenyl-triazene); toluene-diisocyanates (unmixed)]</p>
405.60pt.	<p>Other: Nitrile function compounds: [Products provided for in item number 405.56] Other: Benzene acetonitrile</p>
406.28	<p>Heterocyclic compounds and their derivatives (including lactones and lactams but excluding epoxides with three membered rings, anhydrides and imides of polybasic acids, and cyclic esters of polyhydric alcohols with polybasic acids): 2-Mercaptobenzothiazole, sodium salt (2-Benzothiazolethiol, sodium salt)</p> <p>[2-Pyridinecarboxaldehyde; and vinylcarbazole, mono]</p>

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
406.36	Cyclic organic chemical products, etc. (con.): Other (con.): Heterocyclic compounds and their derivatives, etc. (con.): Other: 4-Aminoantipyrine; 2-Amino-6-methoxybenzothiazole; 2-Amino-6-methylbenzothiazole; Aminomethylphenylpyrazole (Phenylmethylaminopyrazole); 3-(5-Amino-3-methyl-1-H-pyrazol- 1-yl)benzenesulfonic acid; 5-Amino-3-phenyl-1,2,4- thiadiazole (3-phenyl-5- amino-1,2,4-thiadiazole); Amino-J-pyrazolone; 3-Amino-1-(2,4,6-trichloro- phenyl)-5-prazolone; 4-[[4,6-Bis(octylthio)-1,3,5- triazine-2-yl]amino]-2,6-di- tert-butyl-phenol; Benzointetrahydropyranyl ether; 2-sec-Butyl-4-tert-butyl- 6-(benzotriazol-2-yl)phenol; 2-tert-Butyl-4-methyl-6- (5-chlorobenzotriazol-2-yl)- phenol; p-Chloro-2-benzylpyridine; 4-Chloro-3-(3-methyl-5-oxo- 2-pyrazolin-1-yl)benzene- sulfonic acid; 1-(m-Chlorophenyl)-3-methyl- 2-pyrazolin-5-one; p-Chloropyrazolone; 2,4-Di-tert-butyl-6-(benzo- triazol-2-yl)phenol; 2,4-Di-tert-butyl-6-(5- chlorobenzotriazol-2-yl)phenol;

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
406.36 (con.)	Cyclic organic chemical products, etc. (con.): Other (con.): Heterocyclic compounds and their derivatives, etc. (con.): Other (con.): 1-(2',5'-Dichlorophenyl)-3- methyl-2-pyrazolin-5-one; 2,3,-Dichloro-6-quinoxaline- carbonyl chloride; 1,4-Dimethyl-6-hydroxy-3- cyanpyridone-2; 6-Ethoxy-2-benzothiazolethiol; 1-(o-Ethylphenyl)-3-methyl-2- pyrazolin-5-one; 2-Hydroxybenzoxazole (Benzoxazolone); 2-Hydroxy-3-carbazolecarboxylic acid; 2-Hydroxy-3-carbazolecarboxylic acid, sodium salt; Iminodibenzyl(10,11-dihydro- 5H-dibenz[b,f]azepine); 5-Imino-3-methyl-1-(m- sulfophenyl)pyrazole; 5-Imino-3-methyl-1-phenyl- pyrazole; Indoline; Isoquinoline; 3-Methylbenzo[f]quinoline; 3-Methylbenzothiazole-2- hydrazone; 2,4-Methylcarboxypyrazolic acid; 2-Methyl-5-ethylpyridine;



Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
406.36 (con.)	Cyclic organic chemical products, etc. (con.): Other (con.): Heterocyclic compounds and their derivatives, etc. (con.): Other (con.): 2-Methylindoline; 2-Methylmercaptobenzimidazole; 1-Methyl-2-phenylindole; Methyl phenylpyrazolone; Methylpyrazine; 2,4-Methylpyrazolic acid; 8-Methylquinoline; 3-Methyl-1-(p-tolyl)-2- pyrazolin-5-one (p-Tolyl methyl pyrazolone); 2-Phenylbenzimidazole; p-Phenylimidazole; 2-Phenylimidazole; 2-Phenylindole; 4-Phenylmorpholine; 4-Phenylpropylpyridine; p-Phenylpyridylacetic acid, methyl ester; Picolinic acid; Primuline base; Pyrazole (3-carboxy-1-4- sulphophenylpyrazol-5-one); 2,5-Pyridinedicarboxylic acid; Tetramethylpyrazine; 1,9-Thianthrenedicarboxylic acid; Thioxanthen-9-one (Thioxanthone); 1-(2,4,6-Trichlorophenyl)-3- aminopyrazolone; 2-(Trifluoromethyl)phenothiazine; 2,3,5-Triphenyltetrazolium chloride; dl-Tryptophan; and Xanthen-9-one

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
406.64	<p>All other products, by whatever name known, not provided for in subpart A or C of part 1, schedule 4 of the Tariff Schedules of the United States, including acyclic organic chemical products, which are obtained, derived, or manufactured in whole or in part from any of the cyclic products having a benzenoid, quinoid, or modified benzenoid structure provided for in the foregoing provisions of this subpart or in subpart A of part 1 of schedule 4 of the Tariff Schedules of the United States:</p> <p>Acetone</p>
406.84	<p>Fumaric acid</p>
411.64	<p>Products suitable for medicinal use, and drugs: Obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of part 1 of schedule 4 of the Tariff Schedules of the United States:</p> <p>Drugs: [Products provided for in item numbers 410.68 through 411.28]</p> <p>Other:</p> <p>Anti-infective agents: Antibiotics: Penicillin G salts</p> <p>Drugs primarily affecting the central nervous system, except alkaloids and their derivatives: Antidepressants, tranquilizers, and other psychotherapeutic agents: [Products provided for in item number 412.30]</p>

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
412.34	<p>Products suitable for medicinal use, etc. (con.): Obtained, derived, or manufactured, etc. (con.): Drugs (con.): Other (con.): Drugs primarily affecting the central nervous system, etc. (con.): Antidepressants, etc. (con.): Other: Products provided for in the Chemical Appendix to the Tariff Schedules or Amitriptyline- hydrochloride</p>
or 412.34pt.	<p>Mixtures not specially provided for: [Mixtures that are in whole or in part of hydro- carbons derived in whole or in part from petroleum, shale oil, or natural gas] Other: [Pesticides]</p>
432.25	Other
436.00	<p>Any of the products provided for in subpart A of part 3 of schedule 4 of the Tariff Schedules of the United States, when imported in ampoules, capsules, tubes, lozenges, pills, tablets, troches, or similar forms, including powders put in medicinal doses</p>
437.47	<p>Enzymes and ferments: Yeast (except dried brewers' yeast)</p>

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

A-20

TSUS or TSUSA item	Article
	Oils, distilled or essential, including terpeneless oils:
452.28	Grapefruit
452.34	Lemon
452.44	Orange
455.04	Pectin
	Magnesite:
522.61	Crude
	Ferralloys:
	Ferrochromium:
606.22	Not containing over 3 percent by weight of carbon
606.42	Ferrosilicon chromium
	Strands, ropes, cables, and cordage, all the foregoing, of wire, whether or not cut to length, and whether or not fitted with hooks, swivels, clamps, clips, thimbles, sockets, or other fittings or made up into slings, cargo nets, or similar articles:
	Not fitted with fittings and not made up into articles:
	Not covered with textile or other nonmetallic material:
	Wire strand:
	[Of nickel; of stainless steel; of copper]
	Other:
	Of iron or steel (except stainless):
642.1110	Of brass plated wire

Articles being considered for designation as eligible articles for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
<p>652.94</p> <p>652.95</p> <p>652.96</p>	<p>Hangars and other buildings, bridges, bridge sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, door and window frames, shutters, balustrades, columns, pillars, and posts, and other structures and parts of structures, all the foregoing of base metal:            Of iron or steel:                Columns, pillars, posts, beams, girders, and similar structural units:                    Not in part of alloy iron or steel:                        [Cast-iron (except malleable cast-iron) articles, rough or advanced]</p> <p>Other                In part of alloy iron or steel:                In part of stainless steel                Other</p>
	<p>Radiotelegraphic and radiotelephonic transmission and reception apparatus; radio broadcasting and television transmission and reception apparatus, and television cameras; record players, phonographs, tape recorders, dictation recording and transcribing machines, record changers, and tone arms; all of the foregoing, and any combination thereof, whether or not incorporating clocks or other timing apparatus, and parts thereof:            Radiotelegraphic and radiotelephonic transmission and reception apparatus; radiobroadcasting and television transmission and reception apparatus, and parts thereof:                [Television apparatus and parts thereof]                Other:                    [Solid-state (tubeless) radio receivers]</p> <p>[Low-power radiotelephonic transceivers operating on frequencies from 49.82 to 49.90 megahertz]</p>

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
685.27	Radiotelegraphic and radiotelephonic, etc. (con.): Radiotelegraphic and radiotelephonic, etc. (con): Other (con.): Other: Citizens Band (CB) radio tranceivers (except hand-held)
685.36	Record players, phonographs, record changers, turntables, and tone arms, and parts of the foregoing: [Tone arms and parts thereof] Other
706.13	Luggage and handbags, whether or not fitted with bottle, dining, drinking, manicure, sewing, traveling, or similar sets; and flat goods: Of leather: Luggage and handbags: [Of reptile leather] Other: [Handbags] Other
706.17pt.	Of unspun fibrous vegetable materials: Flat goods, of rattan or of palm leaf
706.2045	Of textile materials (except yarns, of paper), whether or not ornamented: Wholly or in part of braid: [Of cotton] Of other textile materials
706.6235	[Of reinforced or laminated plastics] Of other materials: [Handbags; flat goods, of metal] Other: [Flat goods] Other: Luggage

Articles being considered for designation as eligible articles  
for purposes of the Generalized System of Preferences--Con.

TSUS or TSUSA item	Article
737.2205	Dolls, and parts of dolls including doll clothing: [Doll clothing imported separately] Other: Dolls (with or without clothing): Stuffed
737.2240	Parts of dolls
760.0520	Fountain pens, including stylographic pens and ball- point pens and ball-point pencils, and combination pens and pencils: Ball-point pens and ball-point pencils
772.48	Tires, and tubes for tires, of rubber or plastics: Pneumatic tires: Bicycle
772.57	Tubes: Bicycle





Appendix B

U.S. International Trade Commission Notice  
of Investigation and Hearing



UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

(TA-503(a)-9 and 332-130)

PRESIDENT'S LIST OF ARTICLES WHICH MAY BE DESIGNATED AS ELIGIBLE  
ARTICLES FOR PURPOSES OF THE GENERALIZED SYSTEM OF PREFERENCES

AGENCY: United States International Trade Commission

ACTION: In accordance with the provisions of sections 503(a) and 131(b) of the Trade Act of 1974 (19 U.S.C. 2463(a) and 2151(b)) (hereinafter referred to as "the Act") and section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)), the Commission has instituted investigation Nos. TA-503(a)-9 and 332-130 for the purpose of obtaining, to the extent practicable, information of the kind described in section 131(d) of the Act. This information is for use in connection with the preparation of advice requested by the U.S. Trade Representative (USTR) with respect to certain listed articles as to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the elimination of U.S. import duties under the United States Generalized System of Preferences (GSP), set forth in Title V of the Act.

EFFECTIVE DATE: August 14, 1981

FOR FURTHER INFORMATION CONTACT:

- (1) Agricultural products, Mr. Edward Furlow (202-724-0068).
- (2) Textile products, Mr. Reuben Schwartz, (202-523-0114).
- (3) Chemical products, Dr. Aimison Jonnard (202-523-0423).
- (4) Minerals and metals, Mr. Larry Brookhart (202-523-0275).
- (5) Machinery and equipment, Mr. Aaron Chesser (202-523-0353).
- (6) Miscellaneous manufactures, Mr. Walter Trezevant (202-724-1719).

All of the above are in the Commission's Office of Industries. For information on legal aspects of the investigation contact Mr. William Gearhart of the Commission's Office of the General Counsel at 202-523-0487.

SUPPLEMENTARY INFORMATION: On July 30, 1981, in accordance with sections 503(a) and 131(a) of the Act and pursuant to the authority of the President delegated to the USTR by Executive Order 11846, as amended by Executive Order 11947, the USTR furnished the United States International Trade Commission a list of items which may be designated as eligible articles for purposes of the GSP (see Annex I).

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

Section 504(d) of the Act exempts from one of the competitive-need limits in section 504(c) articles for which no like or directly competitive article was being produced in the United States on the date of enactment of

the Act. Accordingly, pursuant to the authority of section 332(g) of the Tariff Act of 1930, and in conformity with the delegation of authority from the President to him of Executive Order 11846 as amended by Executive Order 11947, the USTR requested that the Commission also provide advice with respect to whether products like or directly competitive with any articles contained in the TSUS(A) items in Annex I and also TSUS item 791.28 were being produced in the United States on January 3, 1975. A list giving detailed descriptions of the articles contained in the TSUS(A) items identified in Annex I is available upon request from the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436 (202-523-5178).

The USTR announced the items which have been sent to the Commission for probable effects advice in the July 17, 1981 Federal Register (46 F.R. 37115).

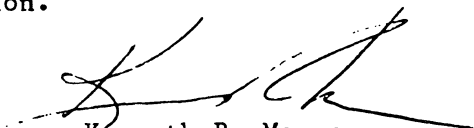
#### Public hearing

A public hearing in connection with the investigation will be held in the Commission Hearing Room, 701 E Street NW., Washington, D.C. 20436, beginning at 10:00 a.m., e.s.t., on November 3, 1981, to be continued on November 4, 1981, if required. All persons shall have the right to appear by counsel or in person, to present information, and to be heard. Requests to appear at the public hearing should be filed with the Secretary, United States International Trade Commission, 701 E Street NW., Washington, D.C. 20436, not later than noon, October 28, 1981.

#### 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. 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. To be ensured of consideration by the Commission, written statements should be submitted at the earliest practicable date, but no later than November 11, 1981. All submissions should be addressed to the Secretary at the Commission's office in Washington, D.C.

By order of the Commission.



Kenneth R. Mason  
Secretary

Attachment

Issued: August 17, 1981

## Annex I

## Articles being considered for designation as eligible for purposes of the GSP

<u>TSUS or TSUSA Item</u>	<u>TSUS or TSUSA Item</u>	<u>TSUS or TSUSA Item</u>	<u>TSUS or TSUSA Item</u>
114.20	146.76	360.4645	452.34
121.40	148.00	363.90	452.44
121.61	148.17	364.07(pt.) <u>4/</u>	455.04
121.63	148.60	387.35(pt.) <u>5/</u>	522.61
135.12	148.93	402.56	606.22
135.14	148.98	402.80	606.42
135.16	148.9820	402.80(pt.)	642.1110
135.92(pt.) <u>1/</u>	150.02	403.45	652.94
136.20	152.30	403.45(pt.)	652.95
136.22	152.7640	403.56(pt.) <u>6/</u>	652.96
136.60	153.0420	405.08(pt.) <u>7/</u>	685.27
136.61	154.90	405.60(pt.) <u>8/</u>	685.36
137.10	161.57	406.28	706.13
137.50	161.84	406.36	706.17(pt.)
137.63	161.88	406.64	706.2045
137.89	168.78	406.84	706.6235
138.4250(pt.) <u>2/</u>	169.04	411.64	737.2205
140.40	183.01	412.34	737.2240
140.65	190.85	412.34(pt.) <u>9/</u>	760.0520
140.75(pt.) <u>3/</u>	222.50	432.25	772.48
141.82	355.65	436.00	772.57
141.87	355.6510	437.47	
144.12	360.4640	452.28	

1/ Only cucumbers entered during the period from March 1 to April 30, inclusive, in any year.

2/ Only mixtures of pea pods and sliced water chestnuts.

3/ Only other vegetables, reduced to flour, except tomato flour.

4/ Only certified and hand-loomed jacquard-figured cotton tapestries.

5/ Only sisal baskets.

6/ Only tetrabromobisphenol A.

7/ Only D(-)-para-hydroxyphenylglycine.

8/ Only benzene acetonitrile.

9/ Only flat goods of rattan or of palm leaf.



Appendix C

List of Witnesses Appearing at the  
Commission Hearing

## TENTATIVE CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's public hearing on the President's list of articles which may be designated as eligible articles for purposes of the Generalized System of Preferences, Investigation Nos. TA-503(a)-9 and 332-130. Sessions were held in connection with the investigation in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington, beginning at 10:00 a.m., e.s.t., on November 3, 1981.

Witness and organization:Subject:

<p>Florida Fruit &amp; Vegetable Association, Orlando Florida</p> <p>Wayne Crain, Manager, Production &amp; Marketing Division</p>	<p>Cucumbers, Eggplant, Lettuce, Peppers, Squash, Tomatoes, Mangoes, Fruit Mangoes, Fruit Pastes &amp; Fruit Pulps</p>
<p>Heron, Haggart, Ford, Burchette &amp; Ruckert--OF COUNSEL Washington, D.C. <u>on behalf of</u></p>	<p>Fruit Products, Certain Essential Oils, Pectin</p>
<p>California-Arizona Citrus League</p> <p>Mrs. Christina Burkholder--OF COUNSEL</p>	
<p>Barnett, Alagia &amp; Carey--Counsel Washington, D.C. <u>on behalf of</u></p>	<p>Tomatoes</p>
<p>The Florida Tomato Exchange</p> <p>John M. Himmelberg--OF COUNSEL</p>	
<p>Pineapple Growers Association of Hawaii, Honolulu, Hawaii</p> <p>John J. Tolan, Executive Vice President</p>	<p>Pineapples, fruit pastes and fruit pulp</p>
<p>Processing Strawberry Advisory Board of California, Watsonville, California</p> <p>Tak Higuchi, Manager</p>	<p>Strawberries</p>



- 2 -

Witness and organization:Subject:

Braham, Sonnenberg & Anderson--Counsel  
Chicago, Illinois  
on behalf of

Lincoln Diversified Systems, Inc.

Steven P. Sonnenberg--OF COUNSEL

Fresh mangos from  
Haiti

Chemical Fabrics & Film Association, Cleveland, Ohio

James S. Marlen, Group Vice President

Woven on Knit Fabrics

Writing Instrument Manufacturers Association, Inc.,  
Washington, D.C.

Frank L. King, Executive Vice President

Ball Point Pens

Kaplan, Russin & Vecchi--Counsel  
Washington, D.C.  
on behalf of

Drafton, Ltd. of Israel

Ball Point Pens

Jerry Millman, President of International  
Management Consultants, Inc.

Dennis James, Jr.)  
Jacob H. Zamansky)--OF COUNSEL

Caesarea-Glenoit Industries, Ltd. of Israel

Silk Carpets

Joseph Kanev of CGI

Dennis James, Jr.)  
Jacob H. Zamansky)--OF COUNSEL

"GADOT" Aromatics Development (GADIV) Ltd. of  
Israel

Leon J. Breton of Breton Associates, Inc.

Fumaric Acid

Dennis James, Jr.)  
Jacob H. Zamansky)--OF COUNSEL

American Dehydrated Onion & Garlic Association

Dehydrated Onions,  
and Onion Flour

Jerry Hume, President, Basic Vegetables, Inc.

Witness and Organization:

Subject:

Hogan and Hartson--Counsel  
Washington, D.C.  
on behalf of

Rohm & Haas, Philadelphia, Pennsylvania

Peter Burke, Manager, Critical Materials

Samuel R. Berger )  
Mark S. McConnell)--OF COUNSEL

Acetone

Braham, Sonnenberg & Anderson--Counsel  
Chicago, Illinois  
on behalf of

Florsheim Shoe Company

Steven P. Sonnenberg--OF COUNSEL

Leather Footwear  
Uppers from India

Economic Consulting Services Inc., Washington, D. C.

Leroy Weiner, President, Luggage and Leather Goods,  
Manufacturers of America, Inc., and President,  
Airway Industries, Inc., Ellwood City, Pa.

Luggage, Flat Goods,  
Handbags

Thomas J. Rolfs, Past President, LLGMA, President,  
Rolfs Division and Chairman, Amity Leather Products  
Co., West Bend, Wisconsin

Robert K. Ermatinger, Executive Vice President, LLGMA

Domenic Di Paola, Executive Vice President & Manager,  
Local 1, International Leather Goods, Plastics and  
Novelty Workers' Union, AFL-CIO

Stanley Nehmer, President

Julie Solomon, Economist

Witness and Organization:

Subject:

Siegel, Mandell & Davidson--Counsel  
New York, N.Y.  
on behalf of

Ameribrom, Inc.

Noah Ehrlich, Vice President, Administration

Allen Tillman, Vice President, Marketing

Tetrabromobisphenol A

Edward B. Ackerman--OF COUNSEL

Emery Industries, Inc., Cincinnati, Ohio

David R. Eagleson, Vice President, Domestic Chemicals

Pravin L. Bhutta, Manager, Plastics Group

L. H. Lanman, Assistant Secretary & Division Counsel

Tetrabromobisphenol A

Laurence Shiff--Counsel  
New York, N.Y.  
on behalf of

Plantex, Ltd.

Murray Moskowitz )  
Laurence Shiff )--OF COUNSEL

Amitriptyline  
Hydrochloride

Sharretts, Paley, Carter & Blauvelt--Counsel  
New York, N.Y.  
on behalf of

Kaneka America Corporation

Shuji Takada, Manager, Pharmaceutical Div.

Tng Sing Tuan, Assistant to the Managing Director,  
Kaneka Singapore Co. (PTE), Ltd.

Hydroxyphenylglycine

Peter O. Suchman )  
Ms. Gail T. Cumins )--OF COUNSEL  
Ned H. Marshak )

- 5 -

Witness and Organization:Subject:

Freeman, Mead, Wasserman & Schneider--Counsel  
 New York, N.Y.  
on behalf of

Pfizer, Inc., and Alberta Gas Chemicals, Inc.

Fumaric Acid

David Chin, AGC      Louis Schneider )  
                                  Philip Yale Simons) --OF COUNSEL

Freeman, Mead, Wasserman & Schneider--Counsel  
 New York, N.Y.  
on behalf of

General Electric Company

James Abbott, Import Administration, Audio  
 Products Department

Michael Pearlman--Department Counsel

CB Radios

Jack Gumpert Wasserman--OF COUNSEL

Motorola, Inc., Washington, D.C.

John B. Copeland, Director of International Projects      CB Radios

Lewis B. Hastings, Associate Counsel, Government  
 Relations

Sharretts, Paley, Carter & Blauvelt--Counsel  
 New York, N.Y.  
on behalf of

Radio Shack and A & A International, Inc.,  
 Divisions of the Tandy Corporation,  
 Fort Worth, Texas

CB Radios and  
 Radio Transceivers

Peter O. Suchman)  
 Peter Jay Baskin)--OF COUNSEL  
 Ms. Carole Dunn )

- more -

Witness and Organization:

Subject:

The Ferroalloys Association

Ferroalloys

George A. Watson, President

United States Luggage Corporation, New York, N. Y.

George Nicolaescu

Luggage

Arnold & Porter--Counsel  
Washington, D.C.  
on behalf of

Universal Foods Corporation

Neil Reay, Director of Marketing, Fermentation  
Division of Universal Foods Corp.

Yeast (except  
Dried Brewers  
Yeast

Thomas B. Wilner--OF COUNSEL

Eugene L. Stewart--Counsel  
Washington, D.C.  
on behalf of

Carlisle Tire and Rubber Company of Carlisle, Pa.

Bicycle Tires  
and Tubes

Eugene L. Stewart--OF COUNSEL

Barnes, Richardson & Colburn--Counsel  
Washington, D.C.  
on behalf of

Theodore Lithgow, President

Yeast (except  
Dried Brewers  
Yeast

Matthew T. McGrath--OF COUNSEL

- 7 -

Witness and Organization:Subject:

Barnes, Richardson & Colburn--Counsel  
Washington, D.C.  
on behalf of

Parke-Davis Specialty Chemicals Division of the  
Warner-Lambert Company

David Klein, Senior Attorney

David O. Elliott  
Matthew T. McGrath

Amitriptyline  
Hydrochloride

Covington & Burling--Counsel  
Washington, D.C.  
on behalf of

Stauffer Chemical Company

Frederick L. Burgess, Jr., Director of Marketing,  
AG/Drug Intermediates Division

Ms. Lyn M. Schlitt--OF COUNSEL

Benzyl Chloride  
Benzyl Dichloride  
Benzyl Alcohol  
Benzyl Cyanide  
Other mixtures not  
specifically  
provided for

Ethyl Corporation, Richmond, Virginia

A. P. Anderson, Business Manager, Bromine Chemicals

Max Turnipseed, Manager

Tetrabromobisphenol A

Great Lakes Chemical Corporation, West Lafayette, Indiana

Herman W. Andre, Vice President

Ms. Hedi Kinnard, Manager, International Trade Affairs

Tetrabromobisphenol A

Sharretts, Paley, Carter & Blauvelt--Counsel  
New York, N.Y.  
on behalf of

Ad Hoc Group of Domestic Producers & Importers  
of Stuffed Dolls and Stuffed Doll Parts

Joel Avren, General Transportation Manager,  
Knickerbocker Toy Co., Inc., Middlesex, N.J.

Robert Fay, Kenner Toys, Inc., Cincinnati, Ohio

Ned H. Marshak--OF COUNSEL

Stuffed Dolls and  
Doll Parts

81510  
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