

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

**Report to the President on
Investigation Nos. TA-503(a)-15
and 332-249**

**TSUS-BASED DIGESTS
VOLUME II**

USITC PUBLICATION 2041

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United States International Trade Commission / Washington, DC 20436



UNITED STATES INTERNATIONAL TRADE COMMISSION

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Washington, DC 20436

Canned Anchovies, Packed In Water, Brine, Or Other Nonoil Medium, In Containers Weighing With Their Contents Not Over 15 Pounds Each.

I. Introduction

Col. 1 rate of duty: 5 percent ad valorem

Type of action proposed (check one):

Addition of GSP: _____

Removal from GSP: _____

Country graduation: _____

Competitive-need-limit waiver: _____

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes _____ No _____.

Description and uses: Anchovies are an edible fish product, nearly always marketed in a canned form. They are used in food preparations; one of the best-known is as a pizza topping; other uses include additions to salads and sandwiches, etc. This product has no significant substitutes within a wide range of its price.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	*3	*3	*3	*3	*0
Total U.S. employment (employees).....	*100	*100	*100	*100	*0
U.S. shipments (thousand dollars).....	*7,000	*9,000	*4,000	*4,000	*-43
U.S. exports (thousand dollars) 2/.....	*3,680	*1,244	*748	*1,142	*-69
U.S. imports (thousand dollars).....	463	229	244	565	22
U.S. consumption (thousand dollars).....	*3,783	*7,985	*3,496	*3,423	*-10
Import to consumption ratio (percent).....	*12	*3	*7	*17	-
Capacity utilization (nearest 10 percent).....	3/	3/	3/	3/	-

Comment: The level of U.S. production of canned anchovies depends entirely on the level of the U.S. anchovy catch, which in turn is subject to resource availability, weather conditions, etc. Variations in such catch explain the variation in production during 1981-86. Quality is an important factor in marketing, and imported supplies tend to be of slightly lower quality than domestic supplies. New suppliers may find market resistance until their reputation is developed.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is partially contained in the Digest for HS item No. 1604.16.40 (includes approximately 50 percent of the import product value contained in this digest).

2/ Estimated from export data for HS item 1604.16.40.

3/ Not available.

TSUS item No.
112.01—Con.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (1,000 pounds)</u>				
Total.....	314	100	-	5
Imports from GSP countries:				
Total.....	108	34	100	2
Philippines.....	66	21	61	1
Malaysia.....	20	6	19	1/
Korea.....	10	3	9	1/
Thailand.....	11	4	10	1/
<u>Value (thousands)</u>				
Total.....	\$565	100	-	17
Imports from GSP countries:				
Total.....	114	20	100	4
Philippines.....	51	9	45	2
Malaysia.....	34	6	30	1
Korea.....	17	3	15	1
Thailand.....	8	2	7	1/

Note.—The countries shown in the table include the top four GSP suppliers.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of the Philippines for all digest products

Ranking as a U.S. import supplier, 1986..... 4

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High ___ Moderate X Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent ___ Below X

Quality compared with:

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

Other foreign products..... Above ___ Equivalent ___ Below X

1/ Less than 0.5 percent.

Competitiveness of Malaysia for all digest products

Ranking as a U.S. import supplier, 1986..... 7

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above ___ Equivalent ___ Below X
- Other foreign products..... Above X Equivalent ___ Below ___

Quality compared with:

- U.S. products..... Above ___ Equivalent ___ Below X
- Other foreign products..... Above X Equivalent ___ Below ___

Competitiveness of Korea for all digest products

Ranking as a U.S. import supplier, 1986..... 9

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above ___ Equivalent ___ Below X
- Other foreign products..... Above X Equivalent ___ Below ___

Quality compared with:

- U.S. products..... Above ___ Equivalent ___ Below X
- Other foreign products..... Above X Equivalent ___ Below ___

V. Position of interested parties

Petitioner.--The Petitioner, the Moroccan Center for Export Promotion, a Moroccan Government agency, seeks to "ease the access of (this product) into the American market by getting lower customs duties." The Petitioner foresees the following consequences of a successful petition: (1) improvement of the Moroccan foreign trade deficit; (2) increase of the trade between Morocco and the United States; (3) improvement of the rate of capacity utilization in Moroccan anchovy canneries; and (4) creation of new Moroccan jobs. The Petitioner expects an increase in production of canned anchovies of 50 percent above the 1986 level of 8.4 million pounds, and an increase in capacity utilization from 50 to 75 percent, if the petition is successful. The export market is vital to the Moroccan industry, accounting for about 94 percent of the total value of shipments in 1986. Most of these exports are destined for the French market, and nearly all of the remainder to other EC markets. The Petitioner states that its product is of "remarkable" quality, "fully competitive" with competing products in EC markets.

[Probable economic effects advice deleted]

Product: Anchovies, not in oil, in airtight containers not over 15 pounds

U.S. imports for consumption, by principal sources, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
<u>Value (1,000 dollars)</u>				
Nethlds.....				116
Spain.....	64	18	20	93
Italy.....	77	41	71	70
Phil R.....	147	83		51
China P.....	31	40	9	45
Japan.....	1	5	31	34
Malaysa.....	5			34
Greece.....	70	24	22	32
Kor Rep.....	6		6	16
Hg Kong.....	9		23	15
Portugl.....	21		25	13
France.....			2	11
Sweden.....	16	3	2	10
Thailand.....	1	3		8
All other total..	9	6	27	9
Total.....	463	229	244	565
GSP total....	172	89	42	129
<u>Percent</u>				
Nethlds.....	0.0	0.0	0.0	20.6
Spain.....	13.9	8.0	8.2	16.6
Italy.....	16.8	18.2	29.3	12.4
Phil R.....	31.8	36.5	0.0	9.1
China P.....	6.7	17.8	4.0	8.1
Japan.....	0.2	2.6	13.0	6.1
Malaysa.....	1.1	0.0	0.0	6.1
Greece.....	15.2	10.6	9.3	5.7
Kor Rep.....	1.5	0.2	2.5	3.0
Hg Kong.....	2.1	0.0	9.7	2.8
Portugl.....	4.6	0.0	10.6	2.5
France.....	0.0	0.3	1.0	2.1
Sweden.....	3.6	1.7	1.0	1.9
Thailand.....	0.3	1.5	0.0	1.5
All other total..	2.2	2.7	11.3	1.6
Total.....	100.0	100.0	100.0	100.0
GSP total....	37.2	38.9	17.5	22.9

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

Product: Anchovies, not in oil, in airtight containers not over 15 pounds

U.S. imports for consumption, by principal sources, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds)				
Phil.R.....	176,936	92,292		65,479
Italy.....	63,833	32,831	53,369	44,582
Nethlds.....				36,376
Greece.....	62,155	21,623	14,958	33,022
Spain.....	22,102	7,840	9,929	32,060
China P.....	22,294	15,747	3,669	21,663
Malaysa.....	2,450			20,000
Japan.....	1,994	1,272	14,184	14,809
Thailand.....	1,030	2,020		11,002
Kor Rep.....	6,890	218	3,369	10,126
Hg Kong.....	3,600		8,619	8,387
FR Germ.....	4,378	2	2,377	4,348
Sweden.....	9,005	2,630	670	4,102
Portugl.....	4,375		12,460	3,750
All other total..	1,017	3,515	23,373	4,441
Total.....	382,059	179,990	146,977	314,147
GSP total....	191,705	96,363	29,184	115,995
Percent				
Phil.R.....	46.3	51.3	0.0	20.8
Italy.....	16.7	18.2	36.3	14.2
Nethlds.....	0.0	0.0	0.0	11.6
Greece.....	16.3	12.0	10.2	10.5
Spain.....	5.8	4.4	6.8	10.2
China P.....	5.8	8.7	2.5	6.9
Malaysa.....	0.6	0.0	0.0	6.4
Japan.....	0.5	0.7	9.7	4.7
Thailand.....	0.3	1.1	0.0	3.5
Kor Rep.....	1.8	0.1	2.3	3.2
Hg Kong.....	0.9	0.0	5.9	2.7
FR Germ.....	1.1	0.0	1.6	1.4
Sweden.....	2.4	1.5	0.5	1.3
Portugl.....	1.1	0.0	8.5	1.2
All other total..	0.3	2.0	15.9	1.4
Total.....	100.0	100.0	100.0	100.0
GSP total....	50.2	53.5	19.9	36.9

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

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985,
and 1986

Source	1981	1983	1985	1986
<u>Quantity (pounds)</u>				
Israel.....	162,678	443,381	602,576	1,348,718
Thailand.....		78,431	190,997	873,234
Trinidad.....	358,353	119,141	294,363	461,461
N. Cald.	36,586	78,406	138,987	368,780
Bahamas.....	508,569	390,144	202,370	317,039
Singapore.....	58,747	34,881	53,278	288,839
Canada.....	4,620,775	723,122	287,414	268,459
Panama.....	330,194	532,849	260,118	224,868
Japan.....	37,800	40,652	351,624	179,302
U.King.....	4,002,624	162,057	34,425	142,597
Hong Kong.....	53,981	64,984	93,974	128,244
Greece.....		33,750		105,000
Porto Rico.....			55,555	89,948
Mexico.....	70,173	6,434	265,593	83,193
All other total..	6,592,675	6,393,707	791,797	424,633
Total.....	16,833,155	9,101,939	3,623,071	5,304,315
GSP total....	6,507,880	6,702,211	2,619,366	4,380,554
<u>Percent</u>				
Israel.....	1.0	4.9	16.6	25.4
Thailand.....	0.0	0.9	5.3	16.5
Trinidad.....	2.1	1.3	8.1	8.7
N. Cald.	0.2	0.9	3.8	7.0
Bahamas.....	3.0	4.3	5.6	6.0
Singapore.....	0.3	0.4	1.5	5.4
Canada.....	27.5	7.9	7.9	5.1
Panama.....	2.0	5.9	7.2	4.2
Japan.....	0.2	0.4	9.7	3.4
U.King.....	23.8	1.8	1.0	2.7
Hong Kong.....	0.3	0.7	2.6	2.4
Greece.....	0.0	0.4	0.0	2.0
Porto Rico.....	0.0	0.0	1.5	1.7
Mexico.....	0.4	0.1	7.3	1.6
All other total..	39.2	70.2	21.9	8.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	38.7	73.6	72.3	82.6

Source: Compiled from official statistics of the U.S. Department of Commerce 8

1/ Approximately 15-20 percent of Schedule B item No. 112.2500 has been allocated to this table.

Product: FISH, NSPF, CANNED

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U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985,
and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Israel.....	235	678	994	2,209
Thailand.....		83	167	840
Trinidad.....	515	136	390	549
Japan.....	68	62	436	496
Canada.....	5,818	1,066	292	383
Panama.....	530	726	407	374
Bahamas.....	735	452	233	365
N Cald.	56	85	110	278
Singapr.....	91	65	94	260
U. King.....	6,102	114	91	166
Dom. Rep.....	99	84	66	119
Taiwan	74	19	42	118
Hg Kong.....	100	96	74	116
Mexico.....	99	4	189	90
All other total..	5,576	3,788	757	527
Total.....	20,103	7,467	4,399	6,896
GSP total....	5,584	4,589	3,116	5,574

Percent				
Israel.....	1.2	9.1	22.6	32.0
Thailand.....	0.0	1.1	3.8	12.2
Trinidad.....	2.6	1.8	8.9	8.0
Japan.....	0.3	0.8	11.1	7.2
Canada.....	28.9	14.3	6.6	5.6
Panama.....	2.6	9.7	9.3	5.4
Bahamas.....	3.7	6.1	5.3	5.3
N Cald.	0.3	1.1	2.5	4.0
Singapr.....	0.5	0.9	2.2	3.8
U. King.....	30.4	1.5	2.1	2.4
Dom. Rep.....	0.5	1.1	1.5	1.7
Taiwan	0.4	0.3	1.0	1.7
Hg Kong.....	0.5	1.3	1.7	1.7
Mexico.....	0.5	0.1	4.3	1.3
All other total..	27.7	50.7	17.2	7.6
Total.....	100.0	100.0	100.0	100.0
GSP total....	27.8	61.5	70.8	80.8

Source: Compiled from official statistics of the U.S. Department of Commerce 9

1/ Approximately 15-20 percent of Schedule B item No. 112.2500 has been allocated to this table.

TSUS item No.
131.27 1/

Milled Oats, Fit For Human Consumption, Valued over \$8.00 per Hundred Pounds

I. Introduction

Col. 1 rate of duty: 80¢/100 lbs (1986 AVE 1.3%)

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP: _____

Country graduation: _____

Competitive-need-limit waiver: _____

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No _____

Description and uses: Milled oats fit for human consumption include oatmeal, oat flour, rolled oats, flaked oats, and hulled oats. Most of the oats are used for "oatmeal" cereals, either as cooked oatmeal or instant oatmeal. Most of these cereals consist of rolled oats. Products processed further than milling are not included here; such products are classified as cereal breakfast foods in TSUS item 182.30. Oat flour, a byproduct of the manufacture of rolled oats, is used in the production of prepared breakfast foods and infant foods. Oat flour contains an antioxidant which delays rancidity in foods containing fat. Imports of milled oats consist mostly of rolled oats breakfast cereals which are imported as specialty products with a limited market.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms)..	*5	*5	*5	*5	-
Total U.S. employment (thousand employees)..	2	2	2	2	-
U.S. shipments (thousand dollars).....	**111,324	**127,223	**134,370	**140,010	+27
U.S. exports (thousand dollars).....	10,442	3,500	1,143	4,193	-60
U.S. imports (thousand dollars).....	1,186	1,311	1,284	1,683	+42
U.S. consumption (thousand dollars).....	**102,068	**125,034	**134,511	**137,500	+35
Import to consumption ratio (percent).....	**1	**1	**1	**1	-
Capacity utilization (nearest 10 percent)...	**80	**80	**80	**80	-

Comment: Food use of oat production has averaged about 8 percent in recent years as animal feed use has declined. Food use has ranged between 33 million and 45 million bushels per year. Products include oatmeal, oat flour, natural cereals, bread, cookies,

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 1104.12.00.

TSUS item No.
131.27--Con.

granola, and baby food. The principal use of food oats is breakfast food and snack products. The food use of oats is as follows: 50 percent regular oatmeal, 35 percent instant oatmeal, 8 percent oat flour, 8 percent snack products. Over 70 percent of cooked cereal in the United States is oatmeal. It is consumed particularly by people over 65 or under 5 years of age. Instant oatmeal product use has increased while standard rolled oats products have decreased. The market for all food oat products is increasing by 2 percent per year. Health benefits of oats may increase consumption in the future. Oats have a high protein and fiber content and may help lower cholesterol. Demand for food oats is price inelastic (-.1). The largest producer is Quaker Oats ([* * *] percent of the market); three or four others are believed to account for the remainder. Oatmeal cereals are characterized by high value added, high advertising costs, and product differentiation. The trend is towards products requiring higher packaging and advertising costs. The domestic market for milled oats is oligopolistic (a few companies dominate the industry). It is difficult to enter this market because of the competitive advantages held by the large firms. These advantages include marketing channels, name brand recognition of the product by consumers, economies of scale and the vertical integration of mills, packaging plants and advertising companies. It would be especially difficult for a foreign company to enter this market for these same reasons.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (100 pounds)</u>				
Total.....	35,314	100	-	1/
Imports from GSP countries:				
Total.....	20,345	58	100	1/
Colombia.....	19,508	55	96	1/
Venezuela.....	413	1	2	1/
Thailand.....	400	1	2	1/
Jamaica.....	24	1/	1/	1/
<u>Value (thousands)</u>				
Total.....	\$1,683	100	-	1
Imports from GSP countries:				
Total.....	1,234	73	100	1
Colombia.....	1,201	71	97	1
Venezuela.....	25	2	2	1/
Thailand.....	6	1/	1	1/
Jamaica.....	2	1/	1/	1/

1/ Less than .5 percent.

Note.--The countries shown in the table include the top four GSP suppliers in 1986.

IV. Competitiveness profiles, GSP suppliersCompetitiveness of Colombia for all digest productsRanking as a U.S. import supplier, 1986..... 1

Price sensitivity:

Can production in the country be easily expanded or
contracted in the short term?..... Yes ___ No XDoes the country have significant export
markets besides the United States?..... Yes X No ___Could exports from the country be readily
redistributed among its foreign export markets?..... Yes ___ No XPrice sensitivity of import supply..... High ___ Moderate X Low ___Can the U.S. purchaser easily shift among this
and other suppliers?..... Yes X No ___Price sensitivity of U.S. demand..... High ___ Moderate ___ Low X

Price level compared with:

U.S. products..... Above X Equivalent ___ Below ___Other foreign products..... Above X Equivalent ___ Below ___

Quality compared with:

U.S. products..... Above ___ Equivalent X Below ___Other foreign products..... Above ___ Equivalent X Below ___

Comment: The average price of Colombian product is \$0.61 per pound, compared to \$0.18 per pound for the domestically produced product. This is due to high packaging cost, not difference in quality. Consumers who buy the Colombian oat products are willing to pay the higher price because the product is packaged in metal containers. Most of the consumers live in tropical climates such as Puerto Rico where the metal containers protect the contents against high humidity and insects. U.S. consumers have a low demand elasticity for food oats. Food oats are price inelastic for the following reasons: (1) Many consumers use oatmeal cereals and granolas for health reasons; health related products tend to be price inelastic. (2) There are no close substitutes for most food oat products. (3) The price of the most important food oat product, hot oatmeal cereal, is much lower than that of potential substitutes such as cold cereals.

TSUS item No.
131.27—Con.

V. Position of interested parties

Petitioner.—Colombian Government Trade Bureau requests GSP duty-free treatment in order to promote exports to the U.S. market. The petitioner claims that there would be no injury to the U.S. industry. Colombia needs foreign exchange earnings, increased plant utilization, and increased employment. The petitioner argues that addition would diversify choice for U.S. consumers.

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

Product: Oats, milled, fit for human consumption

U.S. imports for consumption, by principal sources, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (100 pounds)				
Colomb.....	15,843	16,781	15,070	19,508
Canada.....		405	5,586	11,006
Ireland.....	1,955	1,307	2,038	2,053
U King.....	106	1,098	408	1,340
Venez.....	9			413
Thailand.....				400
FR Germ.....				340
Nethlds.....			317	230
Jamaica.....				24
Mexico.....	931			
Belgium.....			61	
China P.....	5			
Taiwan		1		
All other total..				
Total.....	18,849	19,592	23,480	35,314
GSP total....	16,783	16,782	15,070	20,345
Percent				
Colomb.....	84.1	85.7	64.2	55.2
Canada.....	0.0	2.1	23.8	31.2
Ireland.....	10.4	6.7	8.7	5.8
U King.....	0.6	5.6	1.7	3.8
Venez.....	0.0	0.0	0.0	1.2
Thailand.....	0.0	0.0	0.0	1.1
FR Germ.....	0.0	0.0	0.0	1.0
Nethlds.....	0.0	0.0	1.4	0.7
Jamaica.....	0.0	0.0	0.0	0.1
Mexico.....	4.9	0.0	0.0	0.0
Belgium.....	0.0	0.0	0.3	0.0
China P.....	0.0	0.0	0.0	0.0
Taiwan	0.0	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	89.0	85.7	64.2	57.6

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

TS number: 13127

TSUS item No.

131.27--Con.

Product: Oats, milled, fit for human consumption

U.S. imports for consumption, by principal sources, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Colomb.....	1,015	1,161	1,066	1,200
Canada.....		15	69	207
Ireland.....	104	74	126	117
U King.....	7	59	13	96
Venez.....				25
FR Germ.....				16
Nethlds.....			3	11
Thailand.....				5
Jamaica.....				2
Mexico.....	53			
Belgium.....			3	
All other total..				
Total.....	1,182	1,311	1,283	1,682
GSP total....	1,069	1,161	1,066	1,233

	Percent			
Colomb.....	85.9	88.6	83.1	71.4
Canada.....	0.0	1.2	5.4	-12.3
Ireland.....	8.8	5.7	9.8	7.0
U King.....	0.6	4.5	1.1	5.7
Venez.....	0.0	0.0	0.0	1.5
FR Germ.....	0.0	0.0	0.0	1.0
Nethlds.....	0.0	0.0	0.3	0.7
Thailand.....	0.0	0.0	0.0	0.3
Jamaica.....	0.0	0.0	0.0	0.1
Mexico.....	4.6	0.0	0.0	0.0
Belgium.....	0.0	0.0	0.3	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	90.5	88.6	83.1	73.3

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

Product: OATS, MILLED EX BRKFST CEREAL

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985,
and 1986

Source	1981	1983	1985	1986
Quantity (pounds)				
Colomb.....	18,079,839	4,409,200		9,920,700
Guatmal.....	3,246,700	1,741,225	832,000	7,046,778
Dom Rep.....	1,710,201	564,400	1,400,400	2,641,805
Mexico.....	17,019,593	23,333	40,310	1,341,700
C Rica.....	87,800	129,214	1,243,873	1,208,738
Hondura.....			102,424	578,754
Venez.....	13,276,312	40,000	1,873,930	422,805
Trinid.....		8,750		232,513
B Virgn.....				180,000
Sweden.....			301,686	78,000
Belgium.....				51,667
Nigeria.....				24,460
N. Antil.....				12,000
Canada.....	257,337	444,917		2,500
All other total..	17,770,646	13,841,866	69,631	
Total.....	71,448,428	21,202,905	5,864,254	23,742,420
GSP total....	68,985,932	12,846,036	5,562,568	23,585,793
Percent				
Colomb.....	25.3	20.8	0.0	41.8
Guatmal.....	4.5	8.2	14.2	29.7
Dom Rep.....	2.4	2.7	23.9	11.1
Mexico.....	23.8	0.1	0.7	5.7
C Rica.....	0.1	0.6	21.2	5.1
Hondura.....	0.0	0.0	1.7	2.4
Venez.....	18.6	0.2	32.0	1.8
Trinid.....	0.0	0.0	0.0	1.0
B Virgn.....	0.0	0.0	0.0	0.8
Sweden.....	0.0	0.0	5.1	0.3
Belgium.....	0.0	0.0	0.0	0.2
Nigeria.....	0.0	0.0	0.0	0.1
N. Antil.....	0.0	0.0	0.0	0.1
Canada.....	0.4	2.1	0.0	0.0
All other total..	24.9	65.3	1.2	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	96.6	60.6	94.9	99.3

1/ Schedule B number 131.2600 was allocated at a level of 100 percent for
purpose of this table. 9

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

Product: OATS, MILLED EX BRKFST CEREAL

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985,
and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Colomb.....	2,919	610		1,494
Guatmal.....	537	353	170	1,156
Dom. Rep.....	352	116	292	537
C Rica.....	15	23	389	406
Mexico.....	1,758	2	2	227
Hondura.....			39	143
Venez.....	1,876	6	110	71
Nigeria.....				46
Sweden.....			129	41
B Virgn.....				34
Trinid.....		1		23
Belgium.....				6
N. Antil.....				2
Canada.....	32	53		1
All other total..	2,949	2,330	8	
Total.....	10,441	3,499	1,143	4,193
GSP total....	9,993	2,138	1,013	4,097
Percent				
Colomb.....	28.0	17.4	0.0	35.6
Guatmal.....	5.1	10.1	14.9	27.6
Dom. Rep.....	3.4	3.3	25.6	12.8
C Rica.....	0.1	0.7	34.0	9.7
Mexico.....	16.8	0.1	0.3	5.4
Hondura.....	0.0	0.0	3.5	3.4
Venez.....	18.0	0.2	9.7	1.7
Nigeria.....	0.0	0.0	0.0	1.1
Sweden.....	0.0	0.0	11.4	1.0
B Virgn.....	0.0	0.0	0.0	0.8
Trinid.....	0.0	0.0	0.0	0.6
Belgium.....	0.0	0.0	0.0	0.1
N. Antil.....	0.0	0.0	0.0	0.1
Canada.....	0.3	1.5	0.0	0.0
All other total..	28.2	66.6	0.7	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	95.7	61.1	88.6	97.7

1/ Schedule B number 131.2600 was allocated at a level of 100 percent for
purpose of this table.

Beans, Except Soybeans, Pickled

I. Introduction

Col. 1 rate of duty: 9 percent ad valorem

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP: _____

Country graduation: _____

Competitive-need-limit waiver: _____

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No _____

Description and uses: Pickled beans (other than soybeans) include such products as pickled fresh green and yellow (wax) string beans, as well as pickled cooked dry beans, often used alone or with other pickled beans in salads.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
Total U.S. employment (thousand employees).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
U.S. shipments (thousand dollars).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
U.S. exports (thousand dollars).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
U.S. imports (thousand dollars).....	136	9	0	0	-100
U.S. consumption (thousand dollars).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
Import to consumption ratio (percent).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
Capacity utilization (nearest 10 percent) <u>3/</u> ...	**75	**75	**75	**75	-

Comment: Pickled beans are described as specialty products, often marketed as a separate item in mixtures with other pickled vegetables or in salads. Annual domestic production data are not available; such production, however, supplies the bulk of pickled bean consumption and exports are believed to be negligible. Imports, comparable in quality and appearance, are generally about the same price.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 2001.90.30.

2/ Not available.

3/ Based on an estimated capacity utilization for the overall domestic vegetable processing industry.

III. GSP import situation, 1984 1/

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total.....	6	100	-	2/
Imports from GSP countries:				
Total.....	1	24	100	2/
Guatemala.....	1	16	69	2/
Taiwan.....	3/	7	31	2/
Value (thousands)				
Total.....	\$9	100	-	2/
Imports from GSP countries:				
Total.....	1	9	100	2/
Guatemala.....	4/	5	55	2/
Taiwan.....	4/	4	45	2/

Note.--The countries shown in the table include the top GSP suppliers in 1984.

1/ The most recent year in which data are available.

2/ Not available.

3/ Less than 500 pounds.

4/ Less than \$500.

IV. Competitiveness profiles, GSP suppliersCompetitiveness of Guatemala for all digest products

Ranking as a U.S. import supplier, 1984 1/..... 5

Price sensitivity:

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

1/ The most recent year in which imports are reported.

TSUS item No.
141.15--Con.

Price level compared with:

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

Quality compared with:

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

Competitiveness of Taiwan for all digest products

Ranking as a U.S. import supplier, 1984 1/..... 6

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High Moderate Low

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

Price sensitivity of U.S. demand..... High Moderate Low

Price level compared with:

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

Quality compared with:

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

1/ The most recent year in which imports are reported.

TSUS item No.
141.15--Con.

V. Position of interested parties

Petitioner.--The Moroccan Center for Export Promotion, the petitioner, is a Governmental center for finding new markets and promoting exports. The Center wants to ease the access of this product into the American market by getting lower customs duties. This undertaking is part of an effort to improve the Moroccan foreign trade deficit, increase overall U.S.-Moroccan trade, improve capacity utilization rate of Moroccan processing plants, and create new jobs.

[Probable economic effects advice deleted]

TSUS item No.
141.15--Con.

Product: Beans, except soybeans, pickled

U.S. imports for consumption, by principal sources, 1981, 1983, and 1984 ^{1/}

Source	1981	1983	1984
	Quantity (pounds)		
Canada.....	371,000	0	690
Japan.....	0	198	1,302
West Germany.....	0	1,238	990
China.....	0	0	1,503
Guatemala.....	0	0	960
Taiwan.....	2,432	2,509	429
India.....	0	5,583	0
Belgium.....	0	1,692	0
All other total.....	0	1,224	0
Total.....	373,432	12,444	5,874
GSP total.....	2,432	8,592	1,389
	Percent		
Canada.....	99.3	0.0	11.7
Japan.....	-	1.6	22.2
West Germany.....	-	9.9	16.9
China.....	-	-	25.6
Guatemala.....	-	-	16.3
Taiwan.....	.7	20.2	7.3
India.....	-	44.9	-
Belgium.....	-	13.6	-
All other total.....	-	9.8	-
Total.....	100.0	100.0	100.0
GSP total.....	.7	69.0	23.6

^{1/} The most recent year in which imports are reported.

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

TSUS item No.
141.15--Con.

Product: Beans, except soybeans, pickled

U.S. imports for consumption, by principal sources, 1981, 1983, and 1984 ^{1/}

Source	1981	1983	1984
	Value (1,000 dollars)		
Canada.....	133	0	5
Japan.....	-	-	2
West Germany.....	-	-	1
China.....	-	-	1
Guatemala.....	-	-	2/
Taiwan.....	2	1	2/
India.....	-	6	-
Belgium.....	-	6	-
All other total.....	1	2	-
Total.....	136	9	9
GSP total.....	2	7	1
	Percent		
Canada.....	98.4	0.0	52.3
Japan.....	-	-	21.9
West Germany.....	-	-	9.1
China.....	-	-	7.8
Guatemala.....	-	-	4.9
Taiwan.....	1.6	10.8	4.1
India.....	-	62.8	-
Belgium.....	-	6.3	-
All other total.....	3/	3/	-
Total.....	100.0	100.0	100.0
GSP total.....	1.6	76.1	8.9

^{1/} The most recent year in which imports are reported.

^{2/} Less than \$500.

^{3/} Less than 0.5 percent.

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

Corn In Airtight Containers

I. Introduction

Col. 1 rate of duty: 12.5 percent ad valorem

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP:

Country graduation:

Competitive-need-limit waiver:

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No .

Description and uses: Corn in airtight containers is canned, fresh sweet corn, prepared from clean, sound whole or cut kernels and packed primarily in water and a creamy liquid made from corn kernels. Canned corn is often used alone as a cooked vegetable side dish, in vegetable mixtures, or with other vegetables in soups, stews, and casseroles.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	*50	*45	*40	*34	*-32
Total U.S. employment (employees).....	**1,000	**900	**800	**680	** -32
U.S. shipments (million dollars).....	**447	**434	**436	**395	** -18
U.S. exports (million dollars).....	56	53	46	56	1
U.S. imports (million dollars).....	2	4	4	5	184
U.S. consumption (million dollars).....	**393	**385	**394	**344	** -12
Import to consumption ratio (percent).....	<u>2/</u>	1	1	2	300
Capacity utilization (nearest 10 percent).....	**75	**75	**75	**75	-

Comment: Canned corn is one of the most important domestically-produced canned vegetables, accounting for over one-fifth of total canned-vegetable production in recent years. Most firms canning corn process a number of other vegetables as well, with corn representing a major share of their total production. Although processing is distributed nationwide, the bulk of production takes place in the Midwest, with most of the decline in production since 1985 occurring in the West. Whereas a distinct brand loyalty/preference exists for specific items and in certain geographic areas, most firms pack under a number of different private and house brands, with product quality, service, and price significantly affecting sales.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 2005.80.00.

2/ Less than 0.5 percent.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (thousands of kilograms)</u>				
Total.....	6,615	100	-	1
Imports from GSP countries:				
Total.....	6,419	97	100	1
Thailand.....	3,733	56	58	1
Taiwan.....	2,555	39	40	1
Singapore.....	69	1	1	1/
<u>Value (thousands)</u>				
Total.....	\$5,235	100	-	2
Imports from GSP countries:				
Total.....	5,107	98	100	1
Thailand.....	2,898	55	57	1
Taiwan.....	2,119	41	41	1
Singapore.....	44	1	1	1/

1/ Less than 0.5 percent.

Note.--The countries shown in the table include the top GSP suppliers in 1986.IV. Competitiveness profiles, GSP suppliersCompetitiveness of Thailand for all digest products

Ranking as a U.S. import supplier, 1986..... 1

Price sensitivity:

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

TSUS item No.
141.83--Con.

Price level compared with:

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

Quality compared with:

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

Competitiveness of Taiwan for all digest products

Ranking as a U.S. import supplier, 1986..... 2

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High Moderate Low

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

Price sensitivity of U.S. demand..... High Moderate Low

Price level compared with:

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

Quality compared with:

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

TSUS item No.
141.83--Con.

V. Position of interested parties

Petitioner.--The Government of Thailand, the petitioner, requested that canned corn be designated as an eligible article under the GSP. The petitioner stated that the recent import penetration ratio of all canned corn imports was under 2 percent, that Thailand has limited production capacity (due to small land masses), and a perceived diversification in the U.S. industry from canned to frozen corn.

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

TSUS item No.
141.83--Con.

Product: Corn in airtight containers

U.S. imports for consumption, by principal sources, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
	Quantity (pounds)			
Thailand.....	111,411	1,370,384	3,818,908	8,230,082
Taiwan.....	4,128,159	6,524,310	6,531,955	5,632,663
Canada.....	118,267	636,778	650,000	382,144
Singapore.....	0	0	38,262	152,295
Hong Kong.....	0	18,000	0	89,100
France.....	11,020	32	4,748	21,728
Malaysia.....	0	0	0	38,250
West Germany.....	99	859	2,753	3,520
All other total.....	93,594	36,802	260,211	33,112
Total.....	4,462,451	8,587,165	11,306,837	14,582,894
GSP total.....	4,290,371	7,942,774	10,445,448	14,151,953
	Percent			
Thailand.....	2.5	16.0	33.8	56.4
Taiwan.....	92.5	76.0	57.8	38.6
Canada.....	2.7	7.4	5.7	2.6
Singapore.....	.0	.0	.3	1.0
Hong Kong.....	.0	.2	.0	.6
France.....	1/	1/	1/	1/
Malaysia.....	-	-	-	1/
West Germany.....	1/	1/	1/	1/
All other total.....	2.1	1/	2.3	1/
Total.....	100.0	100.0	100.0	100.0
GSP total.....	96.1	92.5	92.4	97.0

1/ Less than 0.5 percent.

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

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

TSUS item No.
141.83--Con.

Product: Corn in airtight containers

U.S. imports for consumption, by principal sources, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
	Value (1,000 dollars)			
Thailand.....	54	653	1,546	2,898
Taiwan.....	1,698	2,732	2,577	2,119
Canada.....	51	200	121	99
Singapore.....	-	-	11	44
Hong Kong.....	-	8	-	33
Japan.....	17	<u>1/</u>	26	11
France.....	4	<u>1/</u>	6	8
Malaysia.....	-	-	-	7
All other total.....	19	22	90	16
Total.....	1,843	3,615	4,377	5,235
GSP total.....	1,770	3,410	4,159	5,107
	Percent			
Thailand.....	3.0	18.1	35.3	55.4
Taiwan.....	92.1	75.6	58.9	40.5
Canada.....	2.8	5.5	2.8	1.9
Singapore.....	-	-	.3	.8
Hong Kong.....	-	.2	-	.6
Japan.....	1.0	<u>2/</u>	.6	.2
France.....	.2	<u>2/</u>	.2	.2
Malaysia.....	-	-	-	.2
All other total.....	1.0	.6	2.1	.3
Total.....	100.0	100.0	100.0	100.0
GSP total.....	96.0	94.3	95.0	97.6

1/ Less than \$500.

2/ Less than 0.5 percent.

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

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

TSUS item No.
141.83--Con.

Product: Corn in airtight containers ^{1/}

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
	Quantity (pounds)			
Japan.....	72,030,517	41,841,317	35,698,234	53,129,747
West Germany.....	14,060,056	19,411,383	21,105,283	29,697,498
United Kingdom.....	8,344,853	19,961,441	21,212,902	18,636,831
France.....	20,466,713	22,147,103	11,156,790	13,681,627
Switzerland.....	7,338,496	7,984,340	9,641,980	11,731,735
Hong Kong.....	4,664,549	3,610,728	6,030,734	9,383,733
Taiwan.....	5,464,697	3,954,485	5,449,832	7,617,320
Sweden.....	3,687,565	3,921,585	4,885,502	4,982,426
All other total.....	20,967,273	22,733,583	19,410,938	20,022,726
Total.....	157,024,719	145,565,965	134,592,195	168,883,543
GSP total.....	23,339,531	17,251,258	22,906,765	27,227,152
	Percent			
Japan.....	45.9	28.7	26.5	31.5
West Germany.....	9.0	13.3	15.7	17.6
United Kingdom.....	5.3	13.7	15.8	11.0
France.....	13.0	15.2	8.3	8.1
Switzerland.....	4.7	5.5	7.2	6.9
Hong Kong.....	3.0	2.5	4.5	5.6
Taiwan.....	3.5	2.7	4.0	4.5
Sweden.....	2.3	2.7	3.6	3.0
All other total.....	13.4	15.6	14.4	11.9
Total.....	100.0	100.0	100.0	100.0
GSP total.....	14.9	11.9	17.0	16.1

^{1/} Includes data under Schedule B No. 141.0500, comparable with 100 percent of TSUS No. 141.83.

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

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

TSUS item No.
141.83—Con.

Product: Corn in airtight containers 1/

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (thousands of dollars)				
Japan.....	25,335	15,722	12,476	18,249
West Germany.....	5,210	6,959	6,966	9,499
United Kingdom.....	2,974	7,327	7,420	6,654
France.....	6,667	7,564	3,824	4,456
Switzerland.....	2,591	2,826	3,244	3,632
Hong Kong.....	1,725	1,269	2,225	3,306
Taiwan.....	2,071	1,287	1,725	2,301
Sweden.....	1,638	1,683	1,717	1,530
All other total.....	8,174	7,875	6,553	6,128
Total.....	56,385	52,512	46,150	55,935
GSP total.....	8,973	6,060	7,676	8,782
Percent				
Japan.....	44.9	29.9	27.0	32.6
West Germany.....	9.2	13.3	15.1	17.0
United Kingdom.....	5.3	14.9	16.1	11.9
France.....	11.8	14.4	8.3	8.0
Switzerland.....	4.6	5.4	7.0	6.5
Hong Kong.....	3.1	2.4	4.8	5.9
Taiwan.....	3.7	2.5	3.7	4.1
Sweden.....	2.9	3.2	3.7	2.7
All other total.....	14.5	15.0	14.2	11.0
Total.....	100.0	100.0	100.0	100.0
GSP total.....	15.9	11.5	16.6	15.7

1/ Includes data under Schedule B No. 141.0500, comparable with 100 percent of TSUS No. 141.83.

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

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

Capers

I. Introduction

Col. 1 rate of duty: 16 percent ad valorem (1986 AVE 8.8%) 2/

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP: _____

Country graduation: _____

Competitive-need-limit waiver: _____

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No _____

Description and uses: Capers are the unopened flower buds of the caper bush (Capparis spinosa, L.), a climbing shrub which grows wild or semi-wild in the countries bordering the Mediterranean Sea (mainly in Morocco and Spain). Capers are picked from each bush several times a week during the summer and fall months, dried and stored in vinegar and salt, and then graded according to size. Capers are not commercially grown in the United States. 3/

Capers are a specialty product with a limited demand in the United States. They are used as pickles and as a garnish or condiment in gourmet sauces, salads and fish dishes. Capers are imported into the United States either in containers holding 7.5 pounds or less (classified under item 161.08) or in containers holding over 7.5 pounds (classified under item 161.06) and then repackaged domestically in retail-sized containers. It should be noted that the subject of this Digest is capers which enter the United States classified under item 161.08. Capers classified under item 161.06 already have GSP status.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 2001.90.20.

2/ The duty on capers was temporarily reduced during 1984-87, pursuant to trade agreement legislation. Temporary duty rates were 11.2 percent in 1984 and 1985, 12.4 percent in 1986, and 13.6 percent in 1987. The reduced rate terminates at the close of Dec. 31, 1987.

3/ One firm in California is known to have recently begun producing capers in small quantities for sale to a localized market.

TSUS item No.
161.08--Con.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	* 7	*7	*7	*7	0
Total U.S. employment (employees).....	** 200	** 200	**200	* 200	0
U.S. shipments (thousand dollars).....	**4,000	**4,000	**3,700	**3,100	-23
U.S. exports (thousand dollars) <u>1/</u>					
U.S. imports (thousand dollars).....	<u>2/</u>	1,281	2,051	2,163	-
U.S. consumption (thousand dollars).....	<u>2/</u>	5,281	5,751	5,263	-
Import to consumption ratio (percent).....	-	24	36	41	-
Capacity utilization (nearest 10 percent).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-

Comment: Approximately, 7 domestic firms repack capers (from those imported in bulk) into retail-size containers. 3/ [* * *

]. However, capers account for a small part of the total sales of most of the other firms which repackage capers.

1/ Believed to be nil or negligible.

2/ Not available.

3/ One firm in California is known to grow small amounts of capers which it sells in the local market.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (1,000 pounds)</u>				
Total.....	1,038	100	-	<u>1/</u>
Imports from GSP countries:				
Total.....	3	<u>2/</u>	100	<u>1/</u>
Brazil.....	2	<u>2/</u>	67	<u>1/</u>
Cyprus.....	1	<u>2/</u>	33	<u>1/</u>
<u>Value (thousands)</u>				
Total.....	\$2,162	100	-	41
Imports from GSP countries:				
Total.....	11	1	100	<u>2/</u>
Brazil.....	8	<u>2/</u>	73	<u>2/</u>
Cyprus.....	3	<u>2/</u>	27	<u>2/</u>

Note.—The countries shown in the table include the top GSP suppliers in 1986.

IV. Competitiveness profiles, GSP suppliersCompetitiveness of Brazil for all digest products

Ranking as a U.S. import supplier, 1986..... 5

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High ___ Moderate X Low ___

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

Price sensitivity of U.S. demand..... High ___ Moderate X Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

1/ Not available.

2/ Less than 0.5 percent.

TSUS item No.
161.08—Con.

Competitiveness of Cyprus for all digest products

Ranking as a U.S. import supplier, 1986..... 8

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High ___ Moderate X Low ___

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

Price sensitivity of U.S. demand..... High ___ Moderate X Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Competitiveness of Morocco for all digest products

Ranking as a U.S. import supplier, 1986..... None

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High ___ Moderate X Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Comment: Morocco did not supply capers classified under item 161.08 (in containers other than those holding over 7.5 pounds) to the United States in 1986. However, Morocco supplied the United States with about 482,000 pounds of capers in 1986 classified under item 161.06 (in containers holding over 7.5 pounds). These capers were then bottled in the United States and were equivalent to about 46 percent of the amount of capers which entered the United States in 1986 classified under item 161.08.

V. Position of interested parties

Petitioner.—The Moroccan Center for Export Promotion, a Moroccan Government advisory center, is the petitioner. The Center reports that granting GSP status would result in a 25 percent increase in exports, thereby allowing the creation of new jobs, improvement in the rate of capacity utilization, and improvement of the Moroccan foreign trade deficit.

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

Product: Capers, nspf

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981 1/	1983	1985	1986
Quantity(pounds)				
Spain.....		453,170	978,363	958,829
France.....		4,326	7,102	43,298
U King.....			37,448	18,056
FR Germ.....		2,604		6,499
Italy.....		2,263	8,315	4,723
Greece.....			18,892	2,447
Brazil.....				2,361
Cyprus.....		1,117	2,660	1,118
Belgium.....			1,422	600
Israel.....			1,586	
Moroc.....			35,273	
All other total..				
Total.....		463,480	1,091,061	1,037,931
GSP total....		1,117	39,519	3,479
Percent				
Spain.....	0.0	97.8	89.7	92.4
France.....	0.0	0.9	0.7	4.2
U King.....	0.0	0.0	3.4	1.7
FR Germ.....	0.0	0.6	0.0	0.6
Italy.....	0.0	0.5	0.8	0.5
Greece.....	0.0	0.0	1.7	0.2
Brazil.....	0.0	0.0	0.0	0.2
Cyprus.....	0.0	0.2	0.2	0.1
Belgium.....	0.0	0.0	0.1	0.1
Israel.....	0.0	0.0	0.1	0.0
Moroc.....	0.0	0.0	3.2	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	0.0	100.0	100.0	100.0
GSP total....	0.0	0.2	3.6	0.3

1/ Not available.

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

Product: Capers, nspf

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981 1/	1983	1985	1986
Value (1,000 dollars)				
Spain.....		1,255	1,835	1,960
France.....		14	13	101
U King.....			108	59
Italy.....		6	9	11
Brazil.....				7
FR Germ.....		2		7
Greece.....			47	7
Cyprus.....		1	3	3
Belgium.....			1	2
Israel.....			1	
Moroc.....			30	
All other total..				
Total.....		1,281	2,051	2,162
GSP total....		1	35	11
Percent				
Spain.....	0.0	98.0	89.5	90.7
France.....	0.0	1.2	0.6	4.7
U King.....	0.0	0.0	5.3	2.7
Italy.....	0.0	0.5	0.5	0.5
Brazil.....	0.0	0.0	0.0	0.4
FR Germ.....	0.0	0.2	0.0	0.4
Greece.....	0.0	0.0	2.3	0.4
Cyprus.....	0.0	0.1	0.2	0.1
Belgium.....	0.0	0.0	0.1	0.1
Israel.....	0.0	0.0	0.1	0.0
Moroc.....	0.0	0.0	1.5	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	0.0	100.0	100.0	100.0
GSP total....	0.0	0.1	1.7	0.5

1/ Not available.

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

Certain Rum

I. Introduction

Col. 1 rate of duty: for item 169.1300: \$1.40 pf. gal. (1986 AVE 11.9%)
for item 169.1415: \$1.44 pf. gal. (1986 AVE 21.5%)

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP:

Country graduation:

Competitive-need-limit waiver

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No

Description and uses: Rum is any alcoholic distillate from the fermented juice of sugarcane, sugarcane sirup, sugarcane molasses, or other sugarcane byproducts distilled at less than 190-degrees proof in such manner that the distillate possesses the taste, aroma, and characteristics generally attributed to rum. Most rum consumed in the United States is light in flavor and is used mostly in preparing cocktails. More full-bodied types are used as ingredients in punch, rum toddies, and zombies.

The requested GSP item numbers include rum in containers each holding not over 1 gallon (TSUS item No. 169.13) and rum in containers each holding over 1 gallon, valued over \$3.50 per gallon (TSUSA item No. 169.1415).

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	*12	*12	*8	*8	-33
Total U.S. employment (employees).....	*1,300	*1,200	*1,100	*900	-31
U.S. shipments (thousand dollars).....	*146,328	*154,616	*165,100	*144,680	-1
U.S. exports (thousand dollars).....	1,847	1,916	1,644	1,997	8
U.S. imports (thousand dollars).....	2/ 4,369	2/ 6,615	10,704	9,663	121
U.S. consumption (thousand dollars) 3/.....	*141,420	*146,922	*164,712	*158,366	12
Import to consumption ratio (percent).....	*3	*5	*6	*6	-
Capacity utilization (nearest 10 percent).....	**90	**90	**80	**80	-

1/ TSUS(A) items 169.13 and 169.1415 are included in this digest. Probable effects advice for these products on the basis of the HS nomenclature is contained in the Digest for HS item No. 2208.40.0030.

2/ Includes all rum imports.

3/ Adjusted for stocks.

TSUS item No.
169.13--Con.

Comment: Puerto Rico and the U.S. Virgin Islands are the principal rum-producing areas, with some production also taking place in Florida, Massachusetts, and Hawaii. Producers in Puerto Rico account for about 85 percent of U.S. rum production, and Virgin Islands production makes up about 10 percent. There are about eight rum producers; however, Bacardi Corp. of Miami, FL, and Puerto Rico, is estimated to account for over 70 percent of production. Bacardi's size and the fact that it is its own importer and distributor (with over 200 wholesalers) allows it to enjoy significant economies of scale in the U.S. market. Many of the other U.S. rums are produced and/or distributed by large U.S. distillers that also benefit from certain economies of scale. In addition Bacardi and certain other U.S. producers are large enough to promote brand recognition through extensive advertising. There are two markets for rum in the United States, the branded rums (usually unaged and generally used in prepared cocktails) and the private-label rums. Rum from the U.S. Virgin Islands largely supplies the private-label market, which usually sells at prices considerably less than the branded rums. Generally, the Puerto Rican brands and brands from the Caribbean area compete in the higher priced, branded market. In 1986, about 91 percent (by value) of all rum imports were from Caribbean countries which were eligible for duty-free treatment under the Caribbean Basin Economic Recovery Act.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (1,000 pf gals.)</u>				
Total.....	1,306	100	-	5
Imports from GSP countries:				
Total.....	1,271	97	100	5
Jamaica.....	946	72	74	4
Barbados.....	216	17	17	1
Dominican Republic.....	37	3	3	<u>1/</u>
Haiti.....	14	1	1	<u>1/</u>
<u>Value (thousands)</u>				
Total.....	\$9,663	100	-	6
Imports from GSP countries:				
Total.....	9,279	96	100	6
Jamaica.....	6,750	70	73	4
Barbados.....	1,124	12	12	1
Dominican Republic.....	509	5	5	<u>1/</u>
Haiti.....	171	2	2	<u>1/</u>

1/ Less than 0.5 percent.

Note.—The countries shown in the table include the top four GSP suppliers in 1986. 2

IV. Competitiveness profiles, GSP suppliersCompetitiveness of Jamaica for all digest products

Ranking as a U.S. import supplier, 1986..... 1

Price sensitivity:

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

Price level compared with:

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

Quality compared with:

U.S. products..... Above Equivalent Below Other foreign products..... Above Equivalent Below Comment: Rum imports from Jamaica are presently eligible for duty-free treatment under
the Caribbean Basin Economic Recovery Act.Competitiveness of Barbados for all digest products

Ranking as a U.S. import supplier, 1986..... 2

Price sensitivity:

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

Price level compared with:

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

Quality compared with:

U.S. products..... Above Equivalent Below Other foreign products..... Above Equivalent Below Comment: Rum imports from Barbados are presently eligible for duty-free treatment under
the Caribbean Basin Economic Recovery Act.

TSUS item No.
169.13—Con.

Competitiveness of the Dominican Republic for all digest products

Ranking as a U.S. import supplier, 1986..... 3

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High Moderate Low

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

Price sensitivity of U.S. demand..... High Moderate Low

Price level compared with:

U.S. products..... Above Equivalent Below

Other foreign products..... Above Equivalent Below

Quality compared with:

U.S. products..... Above Equivalent Below

Other foreign products..... Above Equivalent Below

Comment: Rum imports from the Dominican Republic are presently eligible for duty-free treatment under the Caribbean Basin Economic Recovery Act.

V. Position of interested parties

Petitioner.—The Government of the Republic of the Philippines is the petitioner. The Philippine Government has indicated that because of the U.S. duty of \$1.40 and \$1.44 per proof gallon and freight advantages, the Philippines cannot compete with other suppliers of rum to the U.S. market (i.e., Puerto Rico, the U.S. Virgin Islands and CBI countries). The Government reports that the CBI countries' duty exemption on rum has completely altered the competitive position of their rum in the U.S. market.

Opposition.—Mr. J. Ballin, President of Classic Brands De Puerto Rico stated in a letter to the United States Trade Representative that the Philippines should not be granted GSP status for rum because U.S. consumption of rum has been declining, the domestic rum market of the Philippines has been steadily expanding, and since 1984, CBI countries have attained a favorable position in the U.S. market and would be seriously hurt by the entry of GSP rum from the Philippines.

Governor Alexander A. Farrelly of the U.S. Virgin Islands expressed strong opposition to the Philippine request for GSP status on rum in a letter to the Office of the Special Trade Representative. He states that because of increased competition from CBI countries, additional market preferences for the Philippines will come at the expense of U.S. producers in the U.S. Virgin Islands and Puerto Rico. He also notes the fiscal importance of rum to the treasury and the fact that U.S. rum consumption has been declining.

Honorable Ron de Lugo, Delegate to the U.S. House of Representatives from the U.S. Virgin Islands opposes the granting of GSP status for rum. Delegate de Lugo reported, in a statement sent to the Commission, that since 1984, the U.S. market for rum has been steadily decreasing and a duty-free status for GSP producers of rum will only add to the disruption and worsening economic outlook for U.S. rum producers in Puerto Rico and the U.S. Virgin Islands.

Honorable Jaime B. Fuster, Member of the U.S. House of Representatives from Puerto Rico, in a statement sent to the Commission, expressed opposition to the granting of GSP status to rum and associated himself with comments received for the record from Mr. Antonio J. Colorado, of the Commonwealth of Puerto Rico.

Mr. Antonio J. Colorado, Administrator of the Economic Development Administration of the Commonwealth of Puerto Rico indicated in a statement to the Commission that the elimination of import duties under the GSP will clearly have a harmful effect on U.S. rum producers in Puerto Rico. He states that, at best it will erode the profitability of U.S. producers in a market that has already declined substantially in recent years and, at worst, it could result in the loss of hundreds of jobs for U.S. citizens in Puerto Rico.

TSUS item No.
169.13—Con.

The Government of the Virgin Islands expressed strong opposition to the Philippine request for GSP status on rum in testimony at the Commission's Hearing. The Virgin Island Government reports that the rum industry represents one of the principal sources of employment and income for the economy and that the U.S. Government has on recent occasions taken action to protect the Virgin Islands rum industry from competitive harm. They report that extending duty-free treatment would run counter to this long-standing federal policy and pose a direct threat to the fiscal autonomy of their Island Government.

Schenley Industries, Inc. and its subsidiary Islands Rum Industries, Ltd. expressed strong opposition to the Philippine request for GSP status on rum in testimony at the Commission's Hearing. They indicate that the only way such rum can make headway in the U.S. market is by underselling established rums and U.S. producers must either meet these prices or expect to lose sales. They indicate an adverse impact on profitability occurs either way and these effects are compounded by the shrinking market into which the rum is being sold.

Mr. Mario S. Belaval, President of the Puerto Rico Rum Producers Association, Inc. expressed opposition to the Philippine request for GSP status on rum in testimony at the Commission's Hearing. Mr. Belaval indicated that in the last 5 years, rum from Puerto Rico has declined by 20 percent in the U.S. market and sales from CBI countries have increased 47 percent. He states that consideration should be given to increasing the sugar quota of the Philippines instead of granting GSP to rum, because the sugar industry is a more labor intensive industry than the distilling industry.

Mr. Felix J. Serralles, President of Destileria Serralles, Inc. expressed opposition to the Philippine request for GSP status on rum in testimony at the Commission's Hearing. Mr. Serralles stated that allowing duty-free entry for rum would do great harm to the rum industry in Puerto Rico and particularly to companies which produced non-premium rums (primarily Destileria Serralles).

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

Product: Rum, in containers holding not over 1 gallon

169.13--Con.

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
	Quantity (proof gallons)			
Jamaica.....	46,572	74,466	51,477	63,422
Dom Rep.....		6,979	15,769	34,122
Bahamas.....	8,642	19,718	4,281	15,724
Guyana.....	14,391	16,714	9,210	14,497
Haiti.....	17,234	21,316	16,386	13,878
U King.....			18,707	11,804
Barbado.....	16,747	7,031	8,301	6,497
Trinid.....	5,665	3,983	4,829	5,080
Bermuda.....	1,419	2,326	2,868	4,885
Colomb.....	2,400	3,851	3,901	3,858
Venez.....	8,898	4,200	4,237	3,586
Canada.....	917	5,797	1,484	3,075
Thailand.....				2,853
Ireland.....			119	2,283
All other total..	31,457	34,420	60,328	11,908
Total.....	154,342	200,801	181,897	197,472
GSP total....	147,395	185,044	155,515	173,467
	Percent			
Jamaica.....	30.2	37.1	28.3	32.1
Dom Rep.....	0.0	3.5	8.7	17.3
Bahamas.....	5.6	9.8	2.4	8.0
Guyana.....	9.3	8.3	5.1	7.3
Haiti.....	11.2	10.6	9.0	7.0
U King.....	0.0	0.0	10.3	6.0
Barbado.....	10.9	3.5	4.6	3.3
Trinid.....	3.7	2.0	2.7	2.6
Bermuda.....	0.9	1.2	1.6	2.5
Colomb.....	1.6	1.9	2.1	2.0
Venez.....	5.8	2.1	2.3	1.8
Canada.....	0.6	2.9	0.8	1.6
Thailand.....	0.0	0.0	0.0	1.4
Ireland.....	0.0	0.0	0.1	1.2
All other total..	20.4	17.1	22.2	6.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	95.5	92.2	85.5	87.8

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

Product: Rum, in containers holding not over 1 gallon

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Jamaica.....	398	600	317	493
Dom Rep.....		112	177	475
U King.....			416	177
Haiti.....	236	247	206	171
Bahamas.....	68	177	46	162
Guyana.....	115	161	103	156
Colomb.....	28	35	71	79
Bermuda.....	17	33	40	71
Barbado.....	94	77	114	70
Trinid.....	78	45	61	64
Canada.....	9	83	24	44
Venez.....	124	52	42	38
B Virgn.....	12	479	621	31
France.....			4	30
All other total..	262	223	151	141

Total.....	1,445	2,332	2,401	2,209
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GSP total....	1,353	2,116	1,904	1,877
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	Percent			
Jamaica.....	27.6	25.8	13.2	22.3
Dom Rep.....	0.0	4.8	7.4	21.5
U King.....	0.0	0.0	17.4	8.0
Haiti.....	16.3	10.6	8.6	7.7
Bahamas.....	4.8	7.6	1.9	7.4
Guyana.....	8.0	6.9	4.3	7.1
Colomb.....	2.0	1.5	3.0	3.6
Bermuda.....	1.2	1.4	1.7	3.2
Barbado.....	6.5	3.3	4.8	3.2
Trinid.....	5.4	1.9	2.6	2.9
Canada.....	0.6	3.6	1.0	2.0
Venez.....	8.6	2.3	1.8	1.7
B Virgn.....	0.9	20.6	25.9	1.4
France.....	0.0	0.0	0.2	1.4
All other total..	18.1	9.6	6.3	6.4
Total.....	100.0	100.0	100.0	100.0
GSP total....	93.6	90.8	79.3	85.0

Product: Rum, in containers holding over 1 gallon, valued over \$3.50/gal.

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981 ^{1/}	1983 ^{1/}	1985	1986
Quantity(proof gallons)				
Jamaica.....			1,014,730	883,031
Barbado.....			203,572	209,079
Japan.....				7,319
Dom Rep.....			1,813	2,479
Mexico.....			1,243	1,412
Canada.....			466	1,339
B Virgn.....				1,048
France.....				588
Italy.....				523
Venez.....			614	467
FR Germ.....			511	309
Guyana.....			2,286	247
Trinid.....				206
Bulgar.....				184
All other total..			12,969	
Total.....			1,238,204	1,108,231
GSP total....			1,236,927	1,097,969

Percent				
Jamaica.....	0.0	0.0	82.0	79.7
Barbado.....	0.0	0.0	16.4	18.9
Japan.....	0.0	0.0	0.0	0.7
Dom Rep.....	0.0	0.0	0.1	0.2
Mexico.....	0.0	0.0	0.1	0.1
Canada.....	0.0	0.0	0.0	0.1
B Virgn.....	0.0	0.0	0.0	0.1
France.....	0.0	0.0	0.0	0.1
Italy.....	0.0	0.0	0.0	0.0
Venez.....	0.0	0.0	0.0	0.0
FR Germ.....	0.0	0.0	0.0	0.0
Guyana.....	0.0	0.0	0.2	0.0
Trinid.....	0.0	0.0	0.0	0.0
All other total..	0.0	0.0	1.0	0.0
Total.....	0.0	0.0	100.0	100.0
GSP total....	0.0	0.0	99.9	99.1

^{1/} Not available.

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

Product: Rum, in containers holding over 1 gallon, valued over \$3.50/gal.

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981 ^{1/}	1983 ^{1/}	1985	1986
Value (1,000 dollars)				
Jamaica.....			7,174	6,257
Barbado.....			1,004	1,054
Dom Rep.....			13	34
B Virgn.....				24
Mexico.....			16	17
Japan.....				17
Canada.....			15	12
FR Germ.....			4	10
Venez.....			9	8
Italy.....				5
Trinid.....				4
Bulgar.....				3
France.....				2
Guyana.....			10	1
All other total..			56	
Total.....			8,303	7,454
GSP total....			8,282	7,402

Percent				
Jamaica.....	0.0	0.0	86.4	83.9
Barbado.....	0.0	0.0	12.1	14.1
Dom Rep.....	0.0	0.0	0.2	0.5
B Virgn.....	0.0	0.0	0.0	0.3
Mexico.....	0.0	0.0	0.2	0.2
Japan.....	0.0	0.0	0.0	0.2
Canada.....	0.0	0.0	0.2	0.2
FR Germ.....	0.0	0.0	0.1	0.1
Venez.....	0.0	0.0	0.1	0.1
Italy.....	0.0	0.0	0.0	0.1
Trinid.....	0.0	0.0	0.0	0.1
Bulgar.....	0.0	0.0	0.0	0.0
France.....	0.0	0.0	0.0	0.0
Guyana.....	0.0	0.0	0.1	0.0
All other total..	0.0	0.0	0.7	0.0
Total.....	0.0	0.0	100.0	100.0
GSP total....	0.0	0.0	99.7	99.3

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985,
 and 1986

Source	1981	1983	1985	1986
Quantity (proof gallons)				
N. Antil.....	88,261	138,346	55,167	95,043
Nethlds.....	32,999	29,044	30,871	42,448
B Virgn.....	63,719	88,301	28,197	42,310
FR Germ.....	15,102	25,943	29,565	35,081
Canada.....	4,663	1,217	69,772	34,730
Japan.....	567	6,655	6,488	30,885
Bahamas.....	35,344	56,678	23,439	30,088
Panama.....	1,526	219	31,000	14,681
Cocos I.....	3,558	2,220		7,417
Finland.....	6,837	12,155	2,605	6,207
S W Afr.....			19,743	6,161
Bolivia.....	2,931	1,728	9,745	5,846
Chile.....	16,058	7,977	2,186	5,801
Belgium.....	8,683	6,172	12,123	4,848
All other total..	105,782	62,394	48,269	23,767
Total.....	386,030	439,049	369,170	385,313
GSP total....	272,001	325,612	178,530	213,294

Percent				
N. Antil.....	22.9	31.5	14.9	24.7
Nethlds.....	8.5	6.6	8.4	11.0
B Virgn.....	16.5	20.1	7.6	11.0
FR Germ.....	3.9	5.9	8.0	9.1
Canada.....	1.2	0.3	18.9	9.0
Japan.....	0.1	1.5	1.8	8.0
Bahamas.....	9.2	12.9	6.3	7.8
Panama.....	0.4	0.0	8.4	3.8
Cocos I.....	0.9	0.5	0.0	1.9
Finland.....	1.8	2.8	0.7	1.6
S W Afr.....	0.0	0.0	5.3	1.6
Bolivia.....	0.8	0.4	2.6	1.5
Chile.....	4.2	1.8	0.6	1.5
Belgium.....	2.2	1.4	3.3	1.3
All other total..	27.4	14.2	13.1	6.2
Total.....	100.0	100.0	100.0	100.0
GSP total....	70.5	74.2	48.4	55.4

1/ Schedule B numbers 168.4020 and 168.4040 were both allocated at a level of 100 percent for purposes of this table.

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985,
 and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
N. Antil.....	332	441	247	391
Nethlds.....	225	159	213	282
B Virgn.....	317	433	160	213
Japan.....	3	43	28	174
FR Germ.....	60	67	88	148
Bahamas.....	163	256	117	142
Canada.....	18	4	233	137
Cocos I.....	15	4		137
Panama.....	9	1	120	75
Chile.....	82	44	16	46
S W Afr.....			69	32
Finland.....	50	64	20	28
Thailnd.....	27	3	15	25
Haiti.....	22			21
All other total..	518	391	311	137
Total.....	1,847	1,915	1,643	1,996
GSP total....	1,221	1,351	815	1,112
Percent				
N. Antil.....	18.0	23.0	15.0	19.6
Nethlds.....	12.2	8.3	13.0	14.1
B Virgn.....	17.2	22.6	9.8	10.7
Japan.....	0.2	2.3	1.7	8.7
FR Germ.....	3.3	3.5	5.4	7.4
Bahamas.....	8.8	13.4	7.1	7.1
Canada.....	1.0	0.3	14.2	6.9
Cocos I.....	0.8	0.3	0.0	6.9
Panama.....	0.5	0.1	7.3	3.8
Chile.....	4.5	2.3	1.0	2.3
S W Afr.....	0.0	0.0	4.2	1.6
Finland.....	2.7	3.3	1.2	1.4
Thailnd.....	1.5	0.2	1.0	1.3
Haiti.....	1.2	0.0	0.0	1.1
All other total..	28.0	20.4	19.0	6.9
Total.....	100.0	100.0	100.0	100.0
GSP total....	66.1	70.5	49.6	55.7

1/ Schedule B numbers 168.4020 and 168.4040 were both allocated at a level of 100 percent for purposes of this table. 14

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

Wood Shutters with Adjustable Louvers

I. Introduction

Col. 1 rate of duty: 8 percent ad valorem

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP: _____

Country graduation: _____

Competitive-need-limit waiver: _____

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No _____.

Description and uses: The articles included here are adjustable louver wood shutters; wood blinds, shades, and screens other than those with fixed louvers or slats; and wood venetian blinds. These articles are primarily used as decorative window treatments; however, most articles also function to filter out unwanted light or provide at least a limited degree of privacy.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms) <u>2/..</u>	**70	**75	**90	**95	**36
Total U.S. employment (thousand employees) <u>3/..</u>	**1	**1	**1	**1	**20
U.S. shipments (thousand dollars) <u>4/.....</u>	**70,000	**82,000	**104,000	**112,000	**60
U.S. exports (thousand dollars).....	**398	**122	**154	**143	**64
U.S. imports (thousand dollars).....	10,906	16,622	15,710	15,175	39
U.S. consumption (thousand dollars).....	**80,508	**98,500	**119,556	**127,032	**58
Import to consumption ratio (percent).....	**14	**17	**13	**12	-
Capacity utilization (nearest 10 percent) <u>4/...</u>	*70	*80	*90	*90	-

Comment: The domestic industry producing adjustable louver wood shutters produces both custom and stock shutters; and often also manufactures both custom and stock fixed louver shutters. Custom shutter producers manufacture articles on a special order basis; whereas, stock shutter producers manufacture for mass-marketing. Adjustable custom shutter manufacturers are located throughout the country but are centered in California

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 4421.90.40.

2/ Estimated number of companies with shipments over \$100,000 (SIC 24318 33 exterior shutters). There are believed to be over 1,000 companies producing the articles included herein; however, most are small custom operations.

3/ Estimated from official U.S. Department of Commerce data for millwork products.

4/ Estimated from phone conversations with industry producers and official U.S. Department of Commerce data for the millwork industry.

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and Texas, and adjustable stock shutter producers are located in Michigan as well as California and Texas. Shutter manufacturers require clear, easily worked, fine grained woods, of which there are ample supplies in the western United States. Producers in foreign countries, including Mexico, have tighter supplies of such woods than do U.S. producers. The largest companies manufacture for both the stock and custom markets, and at least one major company has its own retail stores. The U.S. companies manufacturing adjustable shutters in Mexico (the petitioners) produce custom rather than stock shutters in their Mexican maquiladora operations because of the lower labor costs involved. U.S. demand for the products included herein is strongest for shutters and weakest for shades and screens; therefore, domestic manufacturers have concentrated on shutter manufacturing and, thereby, are far less competitive in the U.S. market for shades and screens, which is supplied almost entirely by foreign suppliers.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Value (thousands)				
Total.....	\$15,175	100	-	12
Imports from GSP countries:				
Total.....	9,847	65	100	8
Taiwan.....	6,614	44	67	5
Hong Kong.....	2,544	17	26	2
Macau.....	450	3	5	1/
India.....	123	1	1	1/

Note.—The countries shown in the table include the top four GSP suppliers in 1986.

1/ Less than 0.5 percent.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Taiwan for all digest products

Ranking as a U.S. import supplier, 1986..... 1

Price sensitivity:

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

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Price level compared with:

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

Quality compared with:

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

Comment: The articles from Taiwan that are similar to those produced in the United States are fastened in a manner inferior to the methods used by most U.S. companies. Also, the articles are not finished as well as those produced by most U.S. companies. However, the articles from Taiwan are very competitive in U.S. mass-market retail sales. Taiwan also exports many articles, such as shades and screens, that are not readily available from U.S. sources, but do compete in the U.S. market with imports from other foreign suppliers.

Competitiveness of Hong Kong for all digest products

Ranking as a U.S. import supplier, 1986..... 2

Price sensitivity:

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

Price level compared with:

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

Quality compared with:

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

Comment: The articles produced in Hong Kong that are similar to those produced in the United States are manufactured in a manner inferior to that employed by most U.S. mills. Hong Kong also exports many articles, such as shades and screens, that are not readily available from U.S. sources, but do compete in the U.S. market with imports from other foreign suppliers.

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Competitiveness of Macau for all digest products

Ranking as a U.S. import supplier, 1986..... 6

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above Equivalent Below
- Other foreign products..... Above Equivalent Below

Quality compared with:

- U.S. products..... Above Equivalent Below
- Other foreign products..... Above Equivalent Below

Comment: The articles produced in Macau that are similar to those produced in the United States are manufactured in a manner inferior to that employed by most U.S. mills. Macau also exports many articles, such as shades and screens, that are not readily available from U.S. sources, but do compete in the U.S. market with imports from other foreign suppliers.

Competitiveness of Mexico for all digest products

Ranking as a U.S. import supplier, 1986..... 16

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above Equivalent Below
- Other foreign products..... Above Equivalent Below

Quality compared with:

- U.S. products..... Above Equivalent Below
- Other foreign products..... Above Equivalent Below

Comment: The articles manufactured in Mexico are produced by U.S. companies with maquiladora operations in Mexico. The shutters are exported to the United States either in final form or for finishing by the parent company. The shutters are primarily custom rather than stock and are equivalent in terms of quality to those produced in the United States. As a result of the establishment of maquiladora operations in Mexico, imports from Mexico during the first half of 1987 totalled \$389,000.

V. Position of interested parties

Petitioner.—Both petitioners, Ohline Corporation and Eastman Bell, Inc., are U.S. corporations with manufacturing facilities in Mexico. They requested the addition of GSP eligibility for this item to become cost competitive with their maquiladora operations. The petitioners assert that such operations are presently marginal because they are operating at a low level of capacity utilization, which would be increased by GSP eligibility.

Opposition.—Representatives of two major wood shutter companies expressed their opinion to the staff of the Commission that addition of GSP for this item would cause injury to their businesses. They believe that the lower wage rates in many foreign countries, including the leading GSP suppliers, would enable foreign competitors to under price certain of their products, were it not for the current duty of 8 percent.

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

TS number: 20667

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Product: Wood shutters with adjustable louvers

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Taiwan.....	4,781	9,958	6,813	6,614
Hg Kong.....	3,285	2,316	2,479	2,544
Canada.....	212	443	2,056	2,301
China P.....	1,531	2,096	1,748	1,526
Portugl.....	267	466	992	1,043
Macao.....	45	360	750	450
Japan.....	117	85	101	135
India.....	277	106	136	123
Italy.....	62	59	34	111
France.....	17	36	121	44
FR Germ.....	4	29	23	39
Kor Rep.....	64	72	50	38
Nethlds.....	9	16	48	37
U King.....	34	94	28	29
All other total..	193	478	326	134
Total.....	10,906	16,622	15,710	15,175
GSP total....	8,579	12,887	10,277	9,847
Percent				
Taiwan.....	43.8	59.9	43.4	43.6
Hg Kong.....	30.1	13.9	15.8	16.3
Canada.....	1.9	2.7	13.1	15.2
China P.....	14.0	12.6	11.1	10.1
Portugl.....	2.5	2.8	6.3	6.9
Macao.....	0.4	2.2	4.8	3.0
Japan.....	1.1	0.5	0.6	0.9
India.....	2.5	0.6	0.9	0.8
Italy.....	0.6	0.4	0.2	0.7
France.....	0.2	0.2	0.8	0.3
FR Germ.....	0.0	0.2	0.1	0.3
Kor Rep.....	0.6	0.4	0.3	0.3
Nethlds.....	0.1	0.1	0.3	0.2
U King.....	0.3	0.6	0.2	0.2
All other total..	1.8	2.9	2.1	0.9
Total.....	100.0	100.0	100.0	100.0
GSP total....	78.7	77.5	65.4	64.9

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

Product: Wood shutters with adjustable louvers

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985,
and 1986 1/

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	130	29	57	43
Dom. Rep.....				26
Bermuda.....	11	23	1	16
Bahamas.....	17	6	7	11
U. King.....	7	6	13	7
Mexico.....	16	1	1	7
France.....		7	2/	6
Trinid.....	1			6
FR Germ.....	37	9	2	4
Japan.....	15	1	5	4
Taiwan				2
Norway.....			1	2
N. Antil.....	4	1		2
Iceland.....		2/	2/	1
All other total..	159	39	66	6
Total.....	398	122	154	143
GSP total....	140	52	41	75

Percent				
Canada.....	32.7	23.6	37.4	29.6
Dom. Rep.....	0.0	0.0	0.0	18.1
Bermuda.....	2.7	18.4	0.8	11.2
Bahamas.....	4.3	5.0	4.8	7.5
U. King.....	1.7	5.0	8.2	4.8
Mexico.....	4.1	0.9	0.4	4.6
France.....	0.0	6.0	0.3	4.2
Trinid.....	0.2	0.0	0.0	4.2
FR Germ.....	9.2	7.6	1.4	3.1
Japan.....	3.8	0.5	2.9	2.9
Taiwan	0.0	0.0	0.0	1.7
Norway.....	0.1	0.0	0.6	1.6
N. Antil.....	1.0	0.6	0.0	1.2
Iceland.....	0.0	0.3	0.2	0.9
All other total..	40.1	32.2	43.0	4.4
Total.....	100.0	100.0	100.0	100.0
GSP total....	35.1	42.5	26.8	52.1

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

1/ Allocated on the basis of 20 percent of Schedule B No. 206.66.

2/ Less than 500 dollars.

Strips of Manmade Fibers, Often Known as Artificial
Straw or Yarns, not Laminated

I. Introduction

Col. 1 rate of duty: 5¢ per lb. (309.20) (1986 AVE 5.9%)
6.6% ad val. (309.21)

Type of action proposed (check one):

Addition of GSP: X
Removal from GSP: _____
Country graduation: _____
Competitive-need-limit waiver _____

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No _____

Description and uses: Manmade-fiber strips are defined in the TSUS as strips in continuous form (i.e., over 30 inches in length), "whether or not folded lengthwise, twisted, or crimped, which in unfolded, untwisted, and uncrimped condition are over 0.06 inch, but not over one inch in width and are not over 0.01 inch in thickness." These strips, also referred to as artificial straw or yarn, have a twist and are often similar in appearance to decorative cord or string. In many instances, the strips are put up on a roll and used as a sealant around the threaded end of a pipe. These strips have many practical applications for household, agricultural, industrial, and maritime uses, when tying, sealing, reinforcement, stability, fastening, or other needs are required.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	3/	3/	3/	3/	3/
Total U.S. employment (thousand employees).....	3/	3/	3/	3/	3/
U.S. shipments (thousand dollars).....	3/	3/	3/	3/	3/
U.S. exports (thousand dollars).....	6,907	5,458	13,946	12,960	88
U.S. imports (thousand dollars).....	1,539	4,258	6,452	7,062	359
U.S. consumption (thousand dollars).....	3/	3/	3/	3/	3/
Import to consumption ratio (percent).....	3/	3/	3/	3/	-
Capacity utilization (nearest 10 percent).....	3/	3/	3/	3/	-

1/ Strips of manmade fibers are classified in the HS under item 3920.20.00, which has already been designated for GSP eligibility. Therefore, probable effects advice for this HS item will not be provided in a separate digest.

2/ This digest includes TSUS items 309.20 and 309.21.

3/ Not available.

Comment: There are many domestic producers of manmade-fiber yarns that manufacture or have the ability and technology to produce strips of manmade fibers. Generally, these strips account for a small segment of their overall output, particularly in comparison to the amount of manmade fiber yarns produced and used for other textile purposes. Although a large capital investment is required to produce the strips, these items are not considered "high tech." In addition, since there is no product distinction, there is no brand loyalty or preference among consumers. Price and availability are the primary factors considered when purchasing the strips, with the imported and domestic products being of comparable quality.

Although data are not available, trade sources indicated that U.S. consumption and producers' shipments have increased since 1981. This is probably a result of domestic manufacturers seeking additional markets for their output, such as in the industrial or agricultural sectors, which are not faced with as much import competition as their primary market—apparel. Although data are not available, the import-to-consumption ratio has probably remained fairly constant. The value of total imports increased by more than four fold from \$1.5 million in 1981 to \$7.1 million in 1986. A large part of the increase since 1981 was GSP eligible countries. The value of imports for GSP countries increased from \$37,000 in 1981 to \$1.2 million in 1986.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (pounds)</u>				
Total.....	2,295,312	100	-	<u>2/</u>
Imports from GSP countries:				
Total.....	476,614	21	100	<u>2/</u>
Singapore.....	168,959	7	35	<u>2/</u>
Taiwan.....	261,107	11	6	<u>2/</u>
Thailand.....	16,755	<u>3/</u>	4	<u>2/</u>
Mexico.....	1,742	<u>3/</u>	<u>3/</u>	<u>2/</u>
<u>Value (thousands)</u>				
Total.....	7,062	100	-	<u>2/</u>
Imports from GSP countries:				
Total.....	1,228	17	100	<u>2/</u>
Singapore.....	800	11	65	<u>2/</u>
Taiwan.....	396	6	32	<u>2/</u>
Thailand.....	13	<u>3/</u>	1	<u>2/</u>
Mexico.....	3	<u>3/</u>	<u>3/</u>	<u>2/</u>

1/ This digest includes TSUS items 309.20 and 309.21.

2/ Not available.

3/ Less than 0.5 percent.

Note.—The countries shown in the table include the top four GSP suppliers in 1986.

IV. Competitiveness profiles, GSP suppliersCompetitiveness of Singapore for all digest productsRanking as a U.S. import supplier, 1986..... 7

Price sensitivity:

Can production in the country be easily expanded or
contracted in the short term?..... Yes X No ___Does the country have significant export
markets besides the United States?..... Yes X No ___Could exports from the country be readily
redistributed among its foreign export markets?..... Yes X No ___Price sensitivity of import supply..... High X Moderate ___ Low ___Can the U.S. purchaser easily shift among this
and other suppliers?..... Yes X No ___Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

U.S. products..... Above ___ Equivalent X Below ___Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

U.S. products..... Above ___ Equivalent X Below ___Other foreign products..... Above ___ Equivalent X Below ___Competitiveness of Taiwan for all digest productsRanking as a U.S. import supplier, 1986..... 9

Price sensitivity:

Can production in the country be easily expanded or
contracted in the short term?..... Yes X No ___Does the country have significant export
markets besides the United States?..... Yes X No ___Could exports from the country be readily
redistributed among its foreign export markets?..... Yes X No ___Price sensitivity of import supply..... High X Moderate ___ Low ___Can the U.S. purchaser easily shift among this
and other suppliers?..... Yes X No ___Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

U.S. products..... Above ___ Equivalent X Below ___Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

U.S. products..... Above ___ Equivalent X Below ___Other foreign products..... Above ___ Equivalent X Below ___

1/ This digest includes TSUS items 309.20 and 309.21.

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309.20 1/—Con.

V. Position of interested parties

Petitioner.—Cordelerias Filamentas y Costales, S.A. de C.V. (COFICSA) located in Veracruz, Mexico, believes that GSP status would make it price competitive in the U.S. market. As a result, they would be able to increase production and employment while earning more foreign capital exchange. Its product is made entirely of raw materials imported from the United States.

Opposition.—Certain U.S. cordage manufacturers—Blue Mountain Industries, Blue Mountain, AL, Bridon Cordage Inc., Albert Lea, MN, and Shuford Mills, Inc., Hickory, NC—are represented by counsel of Taft, Stettinius & Hollister, Washington, D.C., and are in opposition to the removal of duties for items under TSUS items 309.20 and 309.21 from Mexico. They are of the opinion that: (1) the description in the petition does not cover items to which such a removal would grant duty-free treatment; (2) items classified under TSUS 309.20 and 309.21 may be ineligible for such consideration, due to possible noncompliance with the eligibility requirements of the Trade Act of 1974; and (3) efficiently operated domestic producers of like and directly competitive articles would be negatively economically impacted by any such grant without any corresponding benefits to Congressionally intended parties.

1/ This digest includes TSUS items 309.20 and 309.21.

[Probable economic effects advice deleted]

Product: Strips of manmade fibers, not laminated

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (Pounds)				
Ireland.....			132,938	428,107
U King.....		522,432	385,542	107,514
Taiwan	28,677	13,179	94,616	100,265
Nethlds.....	2,416			34,233
Israel.....				28,051
FR Germ.....		15,915	56,886	20,465
Austral.....			942	17,626
Thailand.....			36,156	16,755
China P.....		8,813	3,636	2,952
Canada.....	1,764		8,735	430
Sweden.....		9,647	619	
Japan.....			40,826	
Hg Kong.....			675	
All other total..				
Total.....	32,857	569,986	761,571	756,398
GSP total....	28,677	13,179	131,447	145,071
Percent				
Ireland.....	0.0	0.0	17.5	56.6
U King.....	0.0	91.7	50.6	14.2
Taiwan	87.3	2.3	12.4	13.3
Nethlds.....	7.4	0.0	0.0	4.5
Israel.....	0.0	0.0	0.0	3.7
FR Germ.....	0.0	2.8	7.5	2.7
Austral.....	0.0	0.0	0.1	2.3
Thailand.....	0.0	0.0	4.7	2.2
China P.....	0.0	1.5	0.5	0.4
Canada.....	5.4	0.0	1.1	0.1
Sweden.....	0.0	1.7	0.1	0.0
Japan.....	0.0	0.0	5.4	0.0
Hg Kong.....	0.0	0.0	0.1	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	87.3	2.3	17.3	19.2

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

Product: Strips of manmade fibers, not laminated

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Ireland.....			107	387
U King.....		362	341	96
Taiwan.....	23	9	71	73
Nethlds.....	3			33
Israel.....				17
FR Germ.....		14	46	16
Thailand.....			27	12
Austral.....				6
China P.....		4	2	1
Canada.....	1		3	
Sweden.....		5		
Japan.....			22	
All other total..				
Total.....	28	396	624	646
GSP total....	23	9	99	103

Percent				
Ireland.....	0.0	0.0	17.2	60.0
U King.....	0.0	91.4	54.8	15.0
Taiwan.....	82.9	2.4	11.4	11.3
Nethlds.....	13.1	0.0	0.0	5.2
Israel.....	0.0	0.0	0.0	2.7
FR Germ.....	0.0	3.7	7.4	2.6
Thailand.....	0.0	0.0	4.4	2.0
Austral.....	0.0	0.0	0.1	1.0
China P.....	0.0	1.1	0.4	0.2
Canada.....	4.1	0.0	0.6	0.1
Sweden.....	0.0	1.4	0.1	0.0
Japan.....	0.0	0.0	3.6	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	82.9	2.4	15.9	16.0

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

1/ This digest includes TSUS items 309.20 and 309.21.

Product: Strips of manmade fibers, not laminated

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (Pounds)				
Denmark.....			60,290	212,969
U King.....	45,904	68,059	79,423	178,297
Singapr.....			71,927	168,959
Taiwan	3,500	9,724	34,162	160,842
Sweden.....	1,214	69,290	126,533	156,797
Austral.....			117,792	142,542
Italy.....	4,322	916	148,567	117,866
FR Germ.....	49,934	142,723	127,166	116,846
France.....	10,132	2,229	70,964	108,544
Japan.....	89,706	46,374	168,645	104,456
Ireland.....	72	15,757		39,168
Canada.....	673	15,689	60,051	29,243
Mexico.....			88,503	1,742
Belgium.....			1,198	529
All other total..	8,534	169,035	13,063	114
Total.....	213,991	539,796	1,168,284	1,538,914
GSP total....	5,725	10,204	205,319	331,543
Percent				
Denmark.....	0.0	0.0	5.2	13.8
U King.....	21.5	12.6	6.8	11.6
Singapr.....	0.0	0.0	6.2	11.0
Taiwan	1.6	1.8	2.9	10.5
Sweden.....	0.6	12.8	10.8	10.2
Austral.....	0.0	0.0	10.1	9.3
Italy.....	2.0	0.2	12.7	7.7
FR Germ.....	23.3	26.4	10.9	7.6
France.....	4.7	0.4	6.1	7.1
Japan.....	41.9	8.6	14.4	6.8
Ireland.....	0.0	2.9	0.0	2.5
Canada.....	0.3	2.9	5.1	1.9
Mexico.....	0.0	0.0	7.6	0.1
Belgium.....	0.0	0.0	0.1	0.0
All other total..	4.0	31.3	1.1	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	2.7	1.9	17.6	21.5

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

1/ This digest includes TSUS item 309.20 and 309.21.

Product: Strips of manmade fibers, not laminated

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Japan.....	300	358	1,476	1,269
FR Germ.....	578	1,402	966	990
Singapr.....			396	799
France.....	77	13	706	751
Italy.....	10	18	793	606
Denmark.....			118	523
Sweden.....	5	308	262	404
U King.....	484	668	403	323
Taiwan.....	4	12	127	323
Austral.....			228	289
Canada.....	3	62	192	88
Ireland.....		118		39
Mexico.....			104	2
Belgium.....			2	1
All other total..	45	898	47	1
Total.....	1,511	3,861	5,827	6,415
GSP total....	14	13	669	1,125
Percent				
Japan.....	19.9	9.3	25.3	19.8
FR Germ.....	38.3	36.3	16.6	15.4
Singapr.....	0.0	0.0	6.8	12.5
France.....	5.1	0.3	12.1	11.7
Italy.....	0.7	0.5	13.6	9.5
Denmark.....	0.0	0.0	2.0	8.2
Sweden.....	0.4	8.0	4.5	6.3
U King.....	32.1	17.3	6.9	5.0
Taiwan.....	0.3	0.3	2.2	5.0
Austral.....	0.0	0.0	3.9	4.5
Canada.....	0.2	1.6	3.3	1.4
Ireland.....	0.1	3.1	0.0	0.6
Mexico.....	0.0	0.0	1.8	0.0
Belgium.....	0.0	0.0	0.0	0.0
All other total..	3.0	23.3	0.8	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	0.9	0.4	11.5	17.5

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

1/ This digest includes TSUS items 309.20 and 309.21.

Product: NYLON STRIPS, CONTINUOUS

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (Pounds)				
Phil.R.....	12,446	1,894	687,104	806,891
Canada.....	1,795,683	1,112,072	630,052	633,743
FR Germ.....	217,288	12,412	167,142	503,843
Japan.....	69,648	140,280	576,000	368,462
Cocos I.....	490,252	824,740	424,984	366,288
Cook Is.....	986	241,399	382,450	316,218
C Rica.....	12,677	1,645	18,551	289,314
Spain.....	750,054	123,345	450,892	189,076
Mexico.....	716,599	10,625	158,876	182,907
Venez.....	53,997	14,099	44,587	62,009
Italy.....	2,076	8,311	71,314	51,837
France.....	29,391	15,520	82,005	25,737
Brazil.....	547			19,844
Hg Kong.....	5,811	894	5,783	18,214
All other total..	743,948	774,381	542,709	122,171
Total.....	4,901,403	3,281,617	4,242,449	3,956,554
GSP total....	1,836,291	1,246,208	1,910,182	2,149,865

Percent				
Phil.R.....	0.3	0.1	16.2	20.4
Canada.....	36.6	33.9	14.9	16.0
FR Germ.....	4.4	0.4	3.9	12.7
Japan.....	1.4	4.3	13.6	9.3
Cocos I.....	10.0	25.1	10.0	9.3
Cook Is.....	0.0	7.4	9.0	8.0
C Rica.....	0.3	0.1	0.4	7.3
Spain.....	15.3	3.8	10.6	4.8
Mexico.....	14.6	0.3	3.7	4.6
Venez.....	1.1	0.4	1.1	1.6
Italy.....	0.0	0.3	1.7	1.3
France.....	0.6	0.5	1.9	0.7
Brazil.....	0.0	0.0	0.0	0.5
Hg Kong.....	0.1	0.0	0.1	0.5
All other total..	15.2	23.6	12.8	3.1
Total.....	100.0	100.0	100.0	100.0
GSP total....	37.5	38.0	45.0	54.3

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

1/ This digest includes TSUS items 309.20 and 309.21.2/ These Schedule B item numbers were allocated 100 percent to this digest.

Product: NYLON STRIPS, CONTINUOUS

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Phil.R.....	47	9	6,465	7,619
Canada.....	2,182	1,326	1,090	1,044
FR Germ.....	493	161	604	864
Japan.....	173	262	1,168	573
Cocos I.....	606	1,147	626	561
Cook Is.....	4	365	572	453
Mexico.....	1,196	40	605	341
Spain.....	387	171	900	254
U King.....	186	403	211	220
C Rica.....	20	7	33	166
Venez.....	143	27	63	135
Italy.....	20	66	185	128
France.....	183	269	183	106
Hg Kong.....	35	6	108	54
All other total..	1,226	1,189	1,126	434
Total.....	6,907	5,458	13,946	12,960
GSP total....	2,954	2,061	9,071	9,699

Percent				
Phil.R.....	0.7	0.2	46.4	58.8
Canada.....	31.6	24.3	7.8	8.1
FR Germ.....	7.1	3.0	4.3	6.7
Japan.....	2.5	4.8	8.4	4.4
Cocos I.....	8.8	21.0	4.5	4.3
Cook Is.....	0.1	6.7	4.1	3.5
Mexico.....	17.3	0.7	4.3	2.6
Spain.....	5.6	3.1	6.5	2.0
U King.....	2.7	7.4	1.5	1.7
C Rica.....	0.3	0.1	0.2	1.3
Venez.....	2.1	0.5	0.5	1.0
Italy.....	0.3	1.2	1.3	1.0
France.....	2.7	4.9	1.3	0.8
Hg Kong.....	0.5	0.1	0.8	0.4
All other total..	17.8	21.8	8.1	3.4
Total.....	100.0	100.0	100.0	100.0
GSP total....	42.8	37.8	65.0	74.8

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

1/ This digest includes TSUS items 309.20 and 309.21.

2/ These Schedule B item numbers were allocated 100 percent to this digest.

Silk Handkerchiefs

I. Introduction

Col. 1 rate of duty: 7.5%

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP: _____

Country graduation: _____

Competitive-need-limit waiver _____

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No _____.

Description and uses: The silk handkerchiefs under consideration for GSP treatment are not ornamented and contain 70 percent or more by weight of silk. These handkerchiefs, which are currently exempt from U.S. import quotas, are classified in the TSUSA under item 370.8405 (hemmed) and item 370.8450 (not hemmed).

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	2	2	2	2	-
Total U.S. employment (thousand employees).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-
U.S. shipments (thousand dollars).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	[***]	-
U.S. exports (thousand dollars).....	<u>4/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	-
U.S. imports (thousand dollars).....	2,282	1,804	3,714	4,640	103
U.S. consumption (thousand dollars).....	<u>5/</u>	<u>5/</u>	<u>5/</u>	[***]	-
Import to consumption ratio (percent).....	<u>5/</u>	<u>5/</u>	<u>5/</u>	[***]	-
Capacity utilization (nearest 10 percent).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 6213.10.00.

2/ This digest includes TSUSA item Nos. 370.8405 and 370.8450.

3/ Not available.

4/ Data on exports are not available but are believed to be nil.

5/ Although data are not available on U.S. consumption, it is believed that consumption is supplied almost entirely by imports.

TSUSA item No.
370.8405 1/—Con.

Imports of the silk handkerchiefs under consideration for the GSP are estimated to have doubled during 1981-86 to \$4.6 million in 1986. The growth reflected the trend in fashion to the dressy look. In addition, industry sources indicated that demand for silk handkerchiefs has been stimulated by the growing use of such handkerchiefs by persons appearing on television.

Unlike most apparel imports, which come primarily from developing countries, most of the imports of silk handkerchiefs come from developed countries. About 65 percent of the total value of imports in 1986 came from Italy; another 15 percent of the total came from Portugal, the United Kingdom, Japan, and France. The competitive strengths of these countries are based on the quality and perceived fashion leadership of their products in the U.S. market. Only 10 percent of the imports in 1986 came from GSP-eligible countries, with Hong Kong and India accounting for almost all the imports. Hong Kong only recently entered the market as part of an overall effort to expand its shipments of textile products, such as these silk handkerchiefs, which are not covered by U.S. import quota. There were no imports from the petitioning country, Thailand, during 1981-86.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Hong Kong for all digest products

Ranking as a U.S. import supplier, 1986..... 3

Price sensitivity:

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

Price level compared with:

U.S. products 2/..... Above Equivalent Below
 Other foreign products..... Above Equivalent Below X

Quality compared with:

U.S. products 2/..... Above Equivalent Below
 Other foreign products..... Above Equivalent Below X

1/ This digest includes TSUSA item Nos. 370.8405 and 370.8450.

2/ Because U.S. production is relatively insignificant, it is difficult to make such a comparison.

TSUSA item No.
370.8405 1/—Con.

Competitiveness of India for all digest products

Ranking as a U.S. import supplier, 1986..... 7

Price sensitivity:

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

Price level compared with:

- U.S. products 2/..... Above Equivalent Below
- Other foreign products..... Above Equivalent Below X

Quality compared with:

- U.S. products 2/..... Above Equivalent Below
- Other foreign products..... Above Equivalent Below X

1/ This digest includes TSUSA item Nos. 370.8405 and 370.8450.

2/ Because U.S. production is relatively insignificant, it is difficult to make such a comparison.

TSUSA item No.
370.8405 1/—Con.

V. Position of interested parties

Petitioner.—The Government of Thailand, the petitioner, indicated that GSP treatment on silk handkerchiefs would enable its country's product to compete in the U.S. market; imports from Thailand have been nil since at least 1981. It estimated that, if GSP treatment were granted, Thailand's production of silk handkerchiefs would increase by 1 percent and employment would increase by 7 percent. In addition, it would enable the Government to provide income to 500,000 silkworm farmers. In 1986, 12 companies in Thailand produced a total of 6,200 silk handkerchiefs, priced at \$6 per dozen. The 12 companies employed a total of 2,800 workers in 1986.

1/ This digest includes TSUSA item Nos. 370.8405 and 370.8450.

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

Product:

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (dozens)				
Italy.....	16,468	21,640	94,139	156,999
Hong Kong.....	0	58	22,814	37,475
Portugal.....	40,294	28,684	40,882	17,081
China.....	29,295	37,331	34,037	30,364
Japan.....	27,751	7,935	8,398	6,966
United Kingdom...	3,152	2,293	2,500	2,482
France.....	556	1,372	482	1,117
India.....	8,746	5,693	8,239	17,860
Canada.....	19	6	13	3,575
Ivy Coast.....	0	0	3,558	2,820
S. Korea.....	0	769	1,542	1,301
Spain.....	126	751	44	132
All other total..	171	39	4,108	2,179
Total.....	126,578	106,571	220,756	280,351
GSP total....	8,746	6,535	33,953	56,644

Percent				
Italy.....	13.0	20.4	42.6	56.8
Hong Kong.....	0.0	0.0	10.4	13.3
Portugal.....	31.8	26.9	18.5	6.0
China.....	23.2	35.0	15.5	10.0
Japan.....	21.9	7.4	3.8	2.4
United Kingdom....	2.5	2.2	1.2	0.8
France.....	0.4	1.3	0.2	0.3
India.....	6.9	5.4	3.8	6.3
Canada.....	0.0	0.0	0.0	1.2
Ivy Coast.....	0.0	0.0	1.6	1.0
S. Korea.....	0.0	0.7	0.6	0.4
Spain.....	0.0	0.7	0.0	0.0
All other total..	0.1	0.0	1.8	0.7
Total.....	100.0	100.0	100.0	100.0
GSP total....	6.9	6.1	15.4	20.2

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

1/ This digest includes TSUSA item Nos. 370.8405 and 370.8450.

Product:

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Italy.....	347	455	1,781	2,872
Hong Kong.....	0	1	238	347
Portugal.....	769	591	756	297
China.....	315	389	344	282
Japan.....	579	102	147	165
United Kingdom...	112	70	116	125
France.....	15	28	38	86
India.....	51	28	28	57
Canada.....	1	0	1	32
Ivy Coast.....	0	0	30	23
S. Korea.....	0	9	10	12
Spain.....	7	15	3	7
All other total..	4	1	33	26
Total.....	2,199	1,689	3,525	4,331
GSP total....	51	40	288	417

Percent				
Italy.....	15.8	26.9	50.5	66.3
Hong Kong.....	0.0	0.0	6.8	8.0
Portugal.....	35.0	35.0	21.4	6.9
China.....	14.3	23.0	9.7	6.5
Japan.....	26.3	6.0	4.2	3.8
United Kingdom....	5.1	4.1	3.3	2.9
France.....	0.7	1.8	1.1	2.0
India.....	2.3	1.8	0.8	1.3
Canada.....	0.0	0.0	0.0	0.7
Ivy Coast.....	0.0	0.0	0.9	0.5
S. Korea.....	0.0	0.5	0.3	0.3
Spain.....	0.3	0.9	0.1	0.2
All other total..	0.2	0.0	0.9	0.6
Total.....	100.0	100.0	100.0	100.0
GSP total....	2.3	2.4	8.2	9.6

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

1/ This digest includes TSUSA item Nos. 370.8405 and 370.8450.

Product:**U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986**

Source	1981	1983	1985	1986
Quantity (dozen)				
Italy.....	1,162	2,436	5,536	5,192
China.....	0	1,986	4,935	10,427
India.....	812	2,341	1,114	8,728
United Kingdom...	56	60	363	1,071
Japan.....	355	225	236	610
All other total..	1,357	1,109	1,011	434
Total.....	3,742	8,157	13,195	26,462
GSP total....	1,145	2,355	1,362	9,009

Percent				
Italy.....	31.1	29.9	42.0	19.6
China.....	0.0	24.3	37.4	39.4
India.....	21.7	28.7	8.4	33.0
United Kingdom...	1.5	0.7	2.8	4.0
Japan.....	9.4	2.8	1.8	2.4
All other total..	36.3	13.6	7.6	1.6
Total.....	100.0	100.0	100.0	100.0
GSP total....	30.6	28.9	10.3	34.0

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

1/ This digest includes TSUSA item Nos. 370.8405 and 370.8450.

Product:**U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986**

Source	1981	1983	1985	1986
Value (\$1,000)				
Italy.....	27	59	99	153
China.....	0	16	46	97
India.....	4	11	5	38
United Kingdom...	4	4	19	8
Japan.....	6	4	4	8
All other total..	42	21	16	5
Total.....	83	115	189	309
GSP total....	15	11	7	41

Percent				
Italy.....	32.5	51.3	52.4	49.5
China.....	0.0	13.8	24.3	31.4
India.....	4.8	9.6	2.6	12.3
United Kingdom...	4.6	3.5	10.1	2.6
Japan.....	7.2	3.5	2.1	2.6
All other total..	50.6	18.3	8.5	1.6
Total.....	100.0	100.0	100.0	100.0
GSP total....	18.1	9.6	3.7	13.3

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

1/ This digest includes TSUSA item Nos. 370.8405 and 370.8450.

Silk Scarves

I. Introduction

Col. 1 rate of duty: 5.8% (372.5005)
8% (372.5505)

Type of action proposed (check one):

Addition of GSP: X
Removal from GSP: _____
Country graduation: _____
Competitive-need-limit waiver _____

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No _____.

Description and uses: The products covered here are scarves, shawls, mufflers, and mantillas that contain 70 percent or more by weight of silk (hereinafter "scarves"). The scarves are classified under TSUSA item 372.5005 (knit) and item 372.5505 (certain woven silk scarves, valued not over \$5 per dozen).

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>4/</u> *30	-
Total U.S. employment (thousand employees).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-
U.S. shipments (thousand dollars).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>5/</u>	-
U.S. exports (thousand dollars).....	<u>6/</u>	<u>6/</u>	<u>6/</u>	<u>6/</u>	-
U.S. imports (thousand dollars).....	31	86	171	223	619
U.S. consumption (thousand dollars).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-
Import to consumption ratio (percent).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-
Capacity utilization (nearest 10 percent).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item Nos. 6117.10.30 (pt.) and 6214.10.00.

2/ This digest includes TSUSA item Nos. 372.5005 and 372.5505.

3/ Not available.

4/ Represents an estimate of the staff of the U.S. International Trade Commission of the total number of producers of silk scarves, including those covered in this digest.

5/ Although data are not available, U.S. shipments of the scarves covered here are believed to account for a relatively insignificant share of the estimated \$4.9 million in shipments of all silk scarves in 1986.

6/ Data on U.S. exports are not available; however, exports are believed to be relatively insignificant. Thus, an export table will not be provided for this digest.

TSUSA item No.
372.5005 1/—Con.

Comment: Data are not available on U.S. producers' shipments or consumption of knit silk scarves or the low-valued woven silk scarves covered in this digest. However, these scarves are believed to account for a relatively insignificant share of the estimated \$4.9 million in U.S. producers' shipments of all silk scarves in 1986. U.S. imports of the scarves covered here are estimated to have increased by 619 percent during 1981-86 to \$223,000 in 1986. They accounted for less than 1 percent of the estimated \$34 million in total imports of silk scarves in 1986.

An estimated 30 firms produce silk scarves in the United States; however, it is unknown how many of the firms produce knit silk scarves or the low-valued woven silk scarves. Silk scarves account for approximately 10 percent of the industry's total production of scarves, which consists mostly of manmade-fiber scarves. Industry sources noted that U.S. producers use imported silk fabric to make the scarves because such fabric—having an average weight of 10 ounces per square yard—is not usually manufactured domestically. They indicated that it takes about 6 to 9 months to receive the fabric from the date it was ordered.

Three-fourths of U.S. imports of silk scarves during 1981-86 were supplied by Italy, China, and France. The importance of Italy and France is attributed to their quality and perceived fashion leadership in these products. China is the world's largest source of raw silk and has been stepping up its efforts to ship more items that are exempt from U.S. import restrictions. Imports from GSP-eligible countries in 1986 totaled only \$25,000, representing 11 percent of total imports. The bulk of these imports came from India. Imports from the petitioning country, Thailand, were negligible during 1981-86. According to an industry source, Thailand's silk scarves are made of a fabric which is too stiff and heavy to drape properly and which is more suitable for making apparel such as dresses.

1/ This digest includes TSUSA item Nos. 372.5005 and 372.5505.

TSUSA item No.
372.5005 1/--Con.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total.....	223	100	-	2/
Imports from GSP countries:				
Total.....	25	11	100	2/
India.....	22	10	88	2/
Taiwan.....	2	1	8	2/

IV. Competitiveness profiles, GSP suppliers

Competitiveness of India for all digest products

Ranking as a U.S. import supplier, 1986..... 4

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High Moderate X Low

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

Price sensitivity of U.S. demand..... High Moderate X Low

Price level compared with:

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

Other foreign products..... Above Equivalent Below X

Quality compared with:

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

Other foreign products..... Above Equivalent Below X

1/ This digest includes TSUSA item Nos. 372.5005 and 372.5505.

2/ Not available.

TSUSA item No.
372.5005 1/—Con.

V. Position of interested parties

Petitioner.—The Government of Thailand, the petitioner, indicated that GSP treatment would enable Thailand to better compete in the U.S. market. Thailand had 13 companies, employing a total of 1,000 workers, manufacturing a total of 42,000 scarves in 1986.

1/ This digest includes TSUSA item Nos. 372.5005 and 372.5505.

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

Products: Shawls, scarves, mufflers, mantillas, vests

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

SOURCE	1981	1983	1985	1986
Value (1,000 dollars)				
Italy-----	7	17	59	93
France-----	5	10	22	45
China-----	1	13	35	35
Japan-----	1	1	3	7
U. Kingdom-----	4	12	23	6
Switzerland-----	9	1	2/	5
India-----	0	5	1	3
All other total..	4	27	20	8
Total.....	31	86	163	202
GSP total....	2	5	1	6

Percent				
Italy-----	22.7	19.7	36.2	46.0
France-----	16.1	11.6	13.5	22.2
China-----	3.2	15.1	21.5	17.3
Japan-----	3.2	1.2	1.8	3.5
U. Kingdom-----	12.9	14.0	14.2	3.0
Switzerland-----	29.0	1.2	0.0	2.5
India-----	0.0	5.8	0.6	1.5
All other total-	12.9	31.4	11.6	4.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	6.4	5.8	0.6	3.0

1/ This digest includes TSUSA item Nos. 372.5005 and 372.5505.

2/ Less than \$500.

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

Product: Shawls, scarves, mufflers, mantillas, vests

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
India.....	0	0	2	19
All other total..	0	0	6	2
Total.....	0	0	8	21
GSP total....	0	0	2	19
Percent				
India.....	0.0	0.0	25.0	90.5
All other total..	0.0	0.0	75.0	9.5
Total.....	0.0	0.0	100.0	100.0
GSP total....	0.0	0.0	25.0	90.5

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

1/ This digest includes TSUSA item Nos. 372.5005 and 372.5505.

Plastic Pot Scourers

I. Introduction

Col. 1 rate of duty: 12.5% ad val.

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP: _____

Country graduation: _____

Competitive-need-limit waiver _____

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No _____

Description and uses: Plastic pot scourers are used primarily in the scouring and cleaning of pots, pans, and other kitchen utensils, particularly those with teflon or plastic finishes that require the use of a less abrasive pad than the conventional steel scouring pad. Known in the industry as plastic puffs or pads, they are made of nylon or polypropylene materials and are produced on a circular knitting machine in the form of a tubular netting, which is cut into approximately 12 inch lengths. Then by hand, the knitted material is placed over a tube and then rolled off, one end being closed with a rubber band. The material is then tucked several times and the remaining end closed with another rubber band.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	*15-25	<u>2/</u>
Total U.S. employment (thousand employees).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>3/</u>	<u>2/</u>
U.S. shipments (thousand dollars).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	*1,680	<u>2/</u>
U.S. exports (thousand dollars).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>4/</u>	<u>2/</u>
U.S. imports (thousand dollars).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>5/</u> 320	<u>2/</u>
U.S. consumption (thousand dollars).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	*2,000	<u>2/</u>
Import to consumption ratio (percent).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	*16	-
Capacity utilization (nearest 10 percent).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	*70	-

1/ Plastic pot scourers are classified in the HS under item 6307.90.80, which has already been designated for GSP eligibility. Therefore, probable effects advice for this HS item will not be provided in a separate digest.

2/ Not available.

3/ Less than 250 workers.

4/ Believe to be extremely small or nil. No export table will be provided at the end of this digest.

5/ Estimated by the staff of the U.S. International Trade Commission based on information provided by industry sources. No import table will be provided at the end of this digest.

TSUS item No.
389.40 (pt.)—Con.

Comment: The domestic industry consists of 2 or 3 relatively large producers that account for more than 50 percent of the plastic pad market. The remaining 12 to 22 producers operate on a much smaller scale. Virtually every producer manufactures other types of pads or pot scourers, such as metal, sponge, or nonwoven. In addition, they also produce other related household products such as brushes or cleaning utensils.

The plastic pot scourers under consideration for the GSP generally account for a small share of total industry output. Generally, they are marketed by a manufacturer as part of a broad product line of related cleaning products and are marketed almost exclusively in grocery, hardware, and drug stores. The scouring pads are purchased primarily for household purposes and, to a much lesser degree, for commercial, institutional, and industrial purposes. Brand loyalty is not usually an important selling factor, especially because retailers usually carry only one brand of the plastic scouring pad in their store. Distribution as well as low price are key factors needed to acquire a segment of the domestic market. Therefore, product availability and convenience are key nonprice purchasing incentives.

Sales in the overall scouring pad market have been flat during the past 5 years. Although the plastic pot scourers accounted for less than 10 percent of the market, their share has increased slightly at the expense of steel scouring pads, the largest segment of the overall pad market. The increase is due primarily to greater utilization of plastic and software products, microwave ovens, and teflon products, which require a less abrasive scouring pad.

III. GSP import situation, 1986

Plastic pot scourers are classified in the TSUS under item 389.40, a "basket" category that consists of a large number of unrelated textile articles. Prior to August 1986, they were classified in another basket category (TSUS item 772.15). However, although data are not available, trade sources believe that the scouring pads represent an extremely small share of the imports in the basket provisions. In addition to Mexico, Haiti is believed to be an important supplier.

TSUS item No.
389.40 (pt.)—Con.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Mexico for all digest products

Ranking as a U.S. import supplier, 1986..... 1/

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate Low

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

Price sensitivity of U.S. demand..... High X Moderate Low

Price level compared with:

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

Other foreign products..... Above Equivalent X Below

Quality compared with:

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

Other foreign products..... Above Equivalent X Below

Comment: Although most foreign suppliers, including Mexico, offer this product at a lower price than domestic producers, trade sources indicated that some domestic purchasers at the wholesale level prefer buying from U.S. producers because of their more timely delivery, better service, and other related products.

1/ Not available.

TSUS item No.
389.40 (pt.)--Con.

V. Position of interested parties

Petitioner.—Filtros y Mallas Industriales, S.A. de C.V. located in Guadalupe, Mexico is of the opinion that if GSP treatment is granted, they can increase their exports and contribute more to Mexico's economic growth by increasing employment and operating at full capacity. They noted that the total number of full-time workers would increase by 70 percent the next year, while the increased production would help increase wages by 20 to 30 percent over the inflation rate. With the assistance of duty-free treatment, their sales would increase, since they could offer a better quality product at a comparable price and be more competitive in the world market.

[Probable economic effects advice deleted]

Acrylonitrile-Butadiene-Styrene (ABS) Resins

I. Introduction

Col. 1 rate of duty: 0.3¢/lb + 9.4% ad val. (1986 AVE 9.9%)

Type of action proposed (check one):

Addition of GSP:

Removal from GSP:

Country graduation: X (Korea)

Competitive-need-limit waiver

Non-eligible GSP countries: Taiwan,

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: Korea, Taiwan

U.S. production on Jan. 3, 1985? Yes X No

Description and uses: ABS resin is a thermoplastic polymer (i.e., can be repeatedly softened by increase of temperature and hardened by decrease of temperature) made by grafting or polymerizing acrylonitrile and styrene onto dissolved polybutadiene. ABS resin is not a single material, but rather comprises a family of polymers ranging in properties from general purpose grades for lower performance applications to specialty grades used in products where high performance is paramount. The ABS resins are used in such applications as pipe, conduit, and fittings; transportation components; appliance components; and business machines, including calculators.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms) 1/..	9	5	5	4	56
Total U.S. employment (thousand employees).....	*4.2	2.8	2.9	3.3	*-21
U.S. shipments (thousand dollars).....	683,145	822,882	846,228	814,213	19
U.S. exports (thousand dollars).....	63,229	50,134	68,503	68,576	8
U.S. imports (thousand dollars).....	1,426	24,504	36,751	39,878	2,696
U.S. consumption (thousand dollars).....	621,342	797,252	814,476	785,515	26
Import to consumption ratio (percent).....	0.2	3	5	5	-
Capacity utilization (nearest 10 percent).....	*60	*70	*80	*70	-

1/ From 1983 to the present, three firms have annually accounted for virtually all of the domestic ABS resin production.

Comment: The three principal producers of ABS resins are large, multinational firms that produce and market a wide range of chemical and other manufactured goods. These firms are innovators in technology, produce a complete product line of ABS resins, and offer their customers local technical service to assist in solving any processing or production problems which occur with their resin. In many of the major applications for ABS resin, quality is important as the finished parts are components of high-performance articles (e.g., automobiles, business machines, refrigerators, computers).

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 3903.30.00. 1

TSUS item No.
408.72—Con.

IV. Competitiveness profiles, GSP suppliers—Con.

Competitiveness of Korea for all digest products—Con.

Quality compared with:

U.S. products..... Above Equivalent Below

Other foreign products..... Above Equivalent Below

Comment: The petitioner states that the Korean ABS resin industry is strong and growing rapidly, and has proven its ability to compete in the United States and third-country markets. The petitioner further states that disproportionately large percentages of ABS resin imports from Korea have been grades directed to the pipe, sheet, and non-automotive molding markets. These are well-established ABS resin markets where technology is known, technical service requirements are small, and, the ABS resin used is more homogeneous and, therefore, tends to be more price sensitive than ABS resin grades suitable for use in automotive and business machine applications.

V. Position of interested parties

Petitioner.—Borg-Warner Chemicals, Inc., of Parkersburg, West Virginia, and Dow Chemical U.S.A., of Midland, Michigan, are U.S. producers and sellers of ABS resin covered under TSUS item 408.72.

Support.—The petitioners believe that a graduation of Korea from GSP eligibility on ABS is warranted because, as demonstrated by the Trade Policy Staff Committee's (TPSC) action in the General Review, Korea is an internationally competitive producer of ABS. ^{1/} The Korean ABS industry is strong and growing rapidly, and has proven its ability to compete in the U.S. and third-country market. Also Korean ABS resin reportedly has been a key factor in the erosion of ABS resin prices in certain U.S. markets. For these reasons, the petitioners believes that Korean ABS resin does not require GSP-free treatment to succeed in the U.S. market.

^{1/} In a statement filed in November 1985 pursuant to the TPSC's General Review of the GSP program, Borg-Warner Chemicals requested that the President seek liberalizations of certain beneficiary countries' import regimes (particularly Korea's) with respect to ABS resins and, absent attainment of such liberalizations, determine that such beneficiaries are sufficiently competitive suppliers of ABS so as to warrant the application of the program's lower competitive need limits. (Statement of Borg-Warner Chemicals, Inc., to the GSP Subcommittee of the Trade Policy Staff Committee, November 15, 1985.) As a result of the General Review, both Korea and Taiwan were found to be sufficiently competitive suppliers of ABS resins and were subjected to the lower competitive-need-limits. For additional information, see the public version of Petition for the Graduation of Korea from GSP Eligibility for Acrylonitrile-Butadiene-Styrene (ABS) Copolymers, HS. 3903.00.00, filed on June 1, 1987 by St. Maxens and Company, Washington DC before the Trade Policy Staff Committee, on behalf of the petitioners.

TSUS item No.
408.72—Con.

Opposition.—Lucky Ltd. (Lucky), a Korean manufacturer of ABS resin, opposes the graduation of Korea from GSP eligibility on ABS resin. Lucky states that imports of ABS resin from Korea are not adversely affecting ABS producers in the United States. Sales by domestic producers are reported to be at extremely high levels and prices have increased significantly in 1987. U.S. producers of ABS resin have been, and continue to be, the dominant suppliers to the U.S. market, and, as such, have grown with the growth of that market during the 1980's.

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

TSUS item No.
408.72—Con.

Product: Acrylonitrile-butadiene-styrene (ABS)

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
	Quantity (pounds)			
Taiwan.....	441	4,881,147	20,805,054	32,229,856
Republic of Korea.....	43,991	6,671,455	8,986,440	14,581,378
Brazil.....		4,456,519	8,138,287	5,958,148
Japan.....	828,849	5,281,899	4,708,999	3,538,739
Netherlands.....	441	1,730,059	3,626,360	3,025,199
Federal Republic of Germany.....	52,063	1,265,525	2,469,276	3,013,606
Canada.....	840,027	6,512,758	4,646,932	2,478,389
Mexico.....	73,115	568,271	1,325,038	1,593,031
Belgium.....	1,004	360,591	1,067,822	842,273
Italy.....			475,642	220,750
Peoples Republic of China.....				104,845
Ireland.....			53,173	96,845
United Kingdom.....	71,414	2,470,736	159,526	87,006
Kenya.....				30,203
All other total.....	58,609	5,428,190	4,611,277	16,259
Total.....	1,969,954	39,627,150	61,073,826	67,816,527
GSP total.....	117,547	16,579,427	39,450,800	54,399,230
	Percent			
Taiwan.....	0.0	12.3	34.1	47.5
Republic of Korea.....	2.2	16.8	14.7	21.5
Brazil.....	0.0	11.2	13.3	8.8
Japan.....	42.1	13.3	7.7	5.2
Federal Republic of Germany.....	0.0	4.4	5.9	4.5
Netherlands.....	2.6	3.2	4.0	4.4
Canada.....	42.6	16.4	7.6	3.7
Mexico.....	3.7	1.4	2.2	2.3
Belgium.....	0.1	0.9	1.7	1.2
Italy.....	0.0	0.0	0.8	0.3
Peoples Republic of China.....	0.0	0.0	0.0	0.2
Ireland.....	0.0	0.0	0.1	0.1
United Kingdom.....	3.6	6.2	0.3	0.1
All other total.....	3.0	13.7	7.6	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total.....	6.0	41.8	64.6	80.2

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

Product: Acrylonitrile-butadiene-styrene (ABS)

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Taiwan.....		3,211	11,578	16,892
Republic of Korea.....	26	3,748	4,634	7,528
Brazil.....		2,449	5,247	3,667
Japan.....	664	4,057	3,227	3,327
Federal Republic of Germany.....	44	582	1,864	2,618
Netherlands.....		1,216	2,382	2,449
Canada.....	519	4,238	3,476	1,786
Mexico.....	52	397	837	697
Belgium.....	1	239	529	513
Italy.....			238	126
Ireland.....			46	110
United Kingdom.....	61	1,261	55	61
Peoples Republic of China.....				59
Kenya.....				22
All other total.....	55	3,103	2,631	16
Total.....	1,425	24,504	36,750	39,877
GSP total.....	78	9,807	22,411	28,816
Percent				
Taiwan.....	0.0	13.1	31.5	42.4
Republic of Korea.....	1.9	15.3	12.6	18.9
Brazil.....	0.0	10.0	14.3	9.2
Japan.....	46.6	16.6	8.8	8.3
Federal Republic of Germany.....	3.1	2.4	5.1	6.6
Netherlands.....	0.0	5.0	6.5	6.1
Canada.....	36.5	17.3	9.5	4.5
Mexico.....	3.7	1.6	2.3	1.7
Belgium.....	0.1	1.0	1.4	1.3
Italy.....	0.0	0.0	0.6	0.3
Ireland.....	0.0	0.0	0.1	0.3
United Kingdom.....	4.3	5.1	0.2	0.2
Peoples Republic of China.....	0.0	0.0	0.0	0.1
All other total.....	3.9	12.7	7.2	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total.....	5.5	40.0	61.0	72.3

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

SCH B No. 44422010—Con.

Product: Acrylonitrile-butadiene-styrene (ABS)

U.S. exports of domestic merchandise, by principal markets 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (Pounds)				
Peoples Republic of China.....	30,142,925	18,942,013	39,580,837	37,637,466
Taiwan.....	12,760,505	10,739,775	2,569,883	14,445,810
Hong Kong.....	15,205,767	9,708,074	11,569,520	13,139,951
Mexico.....	3,053,890	3,949,201	11,409,299	11,989,650
Canada.....	10,738,441	15,766,202	7,557,146	7,139,306
Netherlands.....	473,830	559,804	1,536,131	4,043,997
Singapore.....	383,257	823,474	1,987,247	3,956,092
Ecuador.....	3,564,052	3,534,979	4,290,855	3,892,357
Venezuela.....	1,563,190	730,846	1,925,519	3,444,282
Republic of Korea.....	673,408	3,204,742	3,482,989	2,191,670
Japan.....	430,730	376,752	1,544,170	1,251,423
Cocos I.....	4,252,614	191,826	495,483	775,813
Argentina.....	2,167,864	1,058,743	505,212	652,711
Belgium.....	209,911	721,545	2,425,335	583,959
All other total.....	10,730,348	8,631,617	5,245,745	3,375,959
Total.....	96,350,732	78,939,593	96,125,371	108,530,402
GSP total.....	52,011,107	41,657,559	42,950,587	57,253,082

Percent				
Peoples Republic of China.....	31.3	24.0	41.2	34.7
Taiwan.....	13.2	13.6	2.7	13.3
Hong Kong.....	15.8	12.3	12.0	12.1
Mexico.....	3.2	5.0	11.9	11.0
Canada.....	11.1	20.0	7.9	6.6
Singapore.....	0.5	0.7	1.6	3.7
Netherlands.....	0.4	1.0	2.1	3.6
Ecuador.....	3.7	4.5	4.5	3.6
Venezuela.....	1.6	0.9	2.0	3.2
Republic of Korea.....	0.7	4.1	3.6	2.0
Japan.....	0.4	0.5	1.6	1.2
Cocos I.....	4.4	0.2	0.5	0.7
Argentina.....	2.2	1.3	0.5	0.6
Belgium.....	0.2	0.9	2.5	3.1
All other total.....	11.1	10.9	5.5	3.1
Total.....	100.0	100.0	100.0	100.0
GSP total.....	54.0	52.8	44.7	52.8

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

SCH B No. 44422010—Con.

Product: Acrylonitrile-butadiene-styrene (ABS)

U.S. exports of domestic merchandise, by principal markets 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Peoples Republic of China.....	17,220	10,065	23,976	18,242
Taiwan.....	11,146	6,480	10,748	12,171
Hong Kong.....	7,876	6,836	1,893	8,110
Mexico.....	1,554	2,846	7,184	7,812
Canada.....	7,325	10,586	5,710	4,816
Singapore.....	209	642	2,086	3,294
Netherlands.....	394	549	1,272	2,702
Ecuador.....	2,410	2,447	2,754	2,264
Venezuela.....	1,165	589	1,462	2,193
Republic of Korea.....	329	2,539	4,072	2,185
Japan.....	263	401	1,180	886
Cocos I.....	3,174	141	362	582
Argentina.....	1,534	762	352	557
Colombia.....	1,617	1,032	1,021	445
All other total.....	7,004	4,212	4,423	2,310
Total.....	63,228	50,134	68,502	68,576
GSP total.....	35,991	27,367	34,332	41,009
Percent				
Peoples Republic of China.....	27.2	20.1	35.0	26.6
Taiwan.....	17.6	12.9	15.7	17.7
Hong Kong.....	12.5	13.6	2.8	11.8
Mexico.....	2.5	5.7	10.5	11.4
Canada.....	11.6	21.1	8.3	7.0
Singapore.....	0.3	1.3	3.0	4.8
Netherlands.....	0.6	1.1	1.9	3.9
Ecuador.....	3.8	4.9	4.0	3.3
Venezuela.....	1.8	1.2	2.1	3.2
Republic of Korea.....	0.5	5.1	5.9	3.2
Japan.....	0.4	0.8	1.7	1.3
Cocos I.....	5.0	0.3	0.5	0.8
Argentina.....	2.4	1.5	0.5	0.8
Colombia.....	2.6	2.1	1.5	0.7
All other total.....	11.1	8.4	6.5	3.4
Total.....	100.0	100.0	100.0	100.0
GSP total.....	56.9	54.6	50.1	59.8

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

U.S. imports for consumption under the GSP, by principal sources, 1981, 1983,
1985, and 1986

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

Source	1981	1983	1985	1986
First unit quantity:				
Duty-free items under GSP provisions:				
Argentina.....	0	0	156	0
Brazil.....	0	4,282	8,138	5,838
Hong Kong.....	0	0	40	0
Israel.....	0	0	*0	0
Kenya.....	0	0	0	30
South Korea.....	44	4,231	8,986	14,581
Mexico.....	0	376	1,086	1,587
Singapore.....	0	2	0	0
Taiwan.....	0	4,844	20,189	32,108
World.....	44	13,735	38,596	54,144
Customs value				
Duty-free items under GSP provisions:				
Argentina.....	0	0	94	0
Brazil.....	0	2,336	5,248	3,580
Hong Kong.....	0	0	17	0
Israel.....	0	0	1	0
Kenya.....	0	0	0	23
South Korea.....	26	2,369	4,635	7,529
Mexico.....	0	215	611	691
Singapore.....	0	1	0	0
Taiwan.....	0	3,191	11,240	16,847
World.....	26	8,112	21,846	28,670

TSUSA item No.
408.72—Con.

U.S. imports for consumption under the GSP, by principal sources, 1981, 1983,
1985, and 1986—Con.

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

Source	1981	1983	1985	1986
	Unit value			
Duty-free items under GSP provisions:				
Argentina.....	0	0	0.61	0
Brazil.....	0	0.55	0.64	0.61
Hong Kong.....	0	0	0.43	0
Israel.....	0	0	3.20	0
Kenya.....	0	0	0	0.75
South Korea.....	0.60	0.56	0.52	0.52
Mexico.....	0	0.57	0.56	0.44
Singapore.....	0	0.68	0	0
Taiwan.....	0	0.66	0.56	0.52
World.....	0.60	0.59	0.57	0.53

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

08/12/87

Annual Review of the Generalized System of Preferences (GSP)
U.S. imports for consumption under the GSP, by principal source, 1981, 1983, 1985, and 1986
Flow: Imports for consumption
TSUSA commodity: 40872--Acrylonitrile-butadiene-styren

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

Type	Time period:	1981	1983	1985	1986
Cty subcode					
Partner					
First unit of quantity					
Duty-free items under GSP provisions:					
Argentina.....		0	0	156	0
Brazil.....		0	4,282	8,138	5,838
Hong Kong.....		0	0	40	0
Israel.....		0	0	0	0
Kenya.....		0	0	0	30
Korea, South.....	44	4,231	8,986	14,581	
Mexico.....		0	376	1,086	1,587
Singapore.....		0	2	0	0
Taiwan.....		0	4,844	20,189	32,108
World.....	44	13,735	38,596	54,144	
Customs value					
Duty-free items under GSP provisions:					
Argentina.....		0	0	94	0
Brazil.....		0	2,336	5,248	3,580
Hong Kong.....		0	0	17	0
Israel.....		0	0	1	0
Kenya.....		0	0	0	23
Korea, South.....	26	2,369	4,635	7,529	
Mexico.....		0	215	611	691
Singapore.....		0	1	0	0
Taiwan.....		0	3,191	11,240	16,847
World.....	26	8,112	21,846	28,670	
Unit value					
Duty-free items under GSP provisions:					
Argentina.....		0	0	0.61	0
Brazil.....		0	0.55	0.64	0.61
Hong Kong.....		0	0	0.43	0
Israel.....		0	0	3.20	0
Kenya.....		0	0	0	0.75
Korea, South.....	0.60	0.56	0.52	0.52	
Mexico.....		0	0.57	0.56	0.44
Singapore.....		0	0.68	0	0
Taiwan.....		0	0.66	0.56	0.52
World.....	0.60	0.59	0.57	0.53	

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

Certain Inorganic Oxides, Hydroxides, and Peroxides

I. Introduction

Col. 1 rate of duty: 3.7% ad valorem

Type of action proposed (check one):

Addition of GSP: -

Removal from GSP: -

Country graduation: X (Brazil)

Competitive-need-limit waiver None

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No _____.

Description and uses: Because TSUSA item 423.0050 is a basket category which includes many disparate chemical products, it is impossible in a limited listing to describe the full range of these products. Probably the most commercially important chemical that is included in TSUSA 423.0050 is carbon dioxide which is used principally in food freezing and in the carbonation of beverages. Columbium oxide, the subject of the accompanying petition, is used to produce extremely pure ferrocolumbium, known as vacuum grade ferrocolumbium, and columbium metal, and alloys in aerospace applications, and in the production of super-conducting magnets. Tantalum oxide which is also imported from Brazil is principally used as a starting material in the production of tantalum carbide used to make metal cutting tools and related applications. Tantalum oxide is also used in the manufacture of optical glass and in certain proprietary applications.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms)....	1/	1/	1/	100	1/
Total U.S. employment (thousand employees)....	1/	1/	1/	**1	1/
U.S. shipments (thousand dollars).....	1/	1/	1/	**350,000	1/
U.S. exports (thousand dollars).....	2/	2/	2/	2/	2/
U.S. imports (thousand dollars).....	12,881	15,963	21,399	23,989	86
U.S. consumption (thousand dollars).....	1/	1/	1/	**350,000	1/
Import to consumption ratio (percent).....	1/	1/	1/	3/ **7	-
Capacity utilization (nearest 10 percent).....	1/	1/	1/	1/	-

1/ Not available.

2/ Export data that correspond to the products covered under TSUSA item 423.0050 are not available.

3/ About 60 percent of U.S. consumption of columbium oxide was supplied by imports.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item 2825.90.50.

TSUSA item No.
423.0050

Comment: Because of the extremely wide range of disparate products that are covered under TSUSA item 423.0050, it is impossible to present a unified market profile for the items that are under this number. Columbium oxide, the subject of the accompanying petition and tantalum oxide, however, are essentially the only chemicals that would be affected by graduating GSP treatment for imports of articles under TSUSA Item 423.0050 from Brazil. Columbium oxide is currently produced by three domestic producers located in Oregon, Pennsylvania, and Illinois. A fourth domestic columbium oxide producer located in Missouri, has recently shut down plant operations partly because of high costs that the producer incurred as a result of meeting environmental regulations and partly because of competition from Brazilian imports. This plant may reopen in late 1987.

Most columbium oxide is produced in the United States and Western Europe as a byproduct of tantalum production. In these production processes, the columbium oxide is separated out from the primary product which is a tantalum chemical, frequently a tantalum fluoride or tantalum oxide. Most U.S. producers consider the columbium oxide to be a waste product. These producers attempt to sell the columbium oxide only to cut their losses on disposal of this product. In the process used by the petitioner and the Brazilian producers which is primarily for the recovery of columbium oxide, columbium oxide is not produced as a byproduct and tantalum and columbium are not therefore separated out. The petitioner produces columbium oxide from ferrocolumbium which is mostly imported from Brazil and is produced in Brazil from the ore concentrate pyrochlore. The Brazilian producer does not permit the export of pyrochlore on the ground that the material is radioactive; however, some U.S. producers claim that the Brazilian producer is refusing to export pyrochlore to stifle competition. In contrast to the petitioner, the columbium oxide produced by the other domestic producers of columbium oxide is not primarily derived from raw materials supplied by Brazil.

U.S. consumption of columbium oxide has been estimated to range between 1.5 and 3 million pounds per year. Although U.S. consumption of columbium oxide appears to be growing at an average rate of about 3-5 percent per year, the market is extremely cyclic. In 1986, about [***] of columbium oxide was supplied to the U.S. market by domestic producers as compared with [***] which was imported from Brazil and [***] which was imported from West Germany.

Although columbium oxide from sources other than Brazil accounted for almost 50 percent of U.S. consumption in 1986, clearly, Brazil is the price leader in the U.S. market. Principally, because of Brazilian imports, the average market price for columbium oxide declined from a high of \$27 per pound in 1979 to a little more than \$6 per pound in 1987.

According to industry sources, tantalum oxide is produced by two U.S. firms and is also imported from Brazil, West Germany, and Australia. U.S. imports of tantalum oxide from Brazil (about *** in 1986) are much smaller than U.S. imports of columbium oxide from that country and these imports are believed to have had only a limited impact on the domestic industry and on the U.S. markets for tantalum products.

TSUSA item No.
423.0050

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (thousands of pounds)</u>				
Total.....	132,914	100	-	<u>1/</u>
Imports from GSP countries:				
Total.....	1,590	1	100	<u>1/</u>
Brazil.....	1,307	1	82	<u>1/</u>
Mexico.....	208	<u>2/</u>	13	<u>1/</u>
Hong Kong.....	47	<u>2/</u>	3	<u>1/</u>
<u>Value (thousands of dollars)</u>				
Total.....	23,989	100	-	7
Imports from GSP countries:				
Total.....	7,945	33	100	2
Brazil.....	7,560	32	95	2
Mexico.....	209	1	3	<u>2/</u>
Hong Kong.....	65	<u>2/</u>	1	<u>2/</u>

1/ Not available.

2/ Less than 0.5 percent.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Brazil for all digest products 1/

Ranking as a U.S. import supplier, 1986..... 2/ 1

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High ___ Moderate X Low ___

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

Price sensitivity of U.S. demand..... High ___ Moderate X Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

1/ Because tantalum oxide imports from Brazil are small relative to imports of columbia oxide, this profile confines itself to an analysis of the effect of columbia oxide imports from Brazil.

2/ In terms of value.

IV. Competitiveness profiles, GSP suppliers—Con.

Comment: Because Brazil has the largest and richest reserves of columbium ore in the world (almost 80 percent of the world's supply) and has in recent years added major refining capacity for columbium products, no other producing country can even remotely compete with Brazil in being able to supply low-cost columbium raw materials and key columbium-based minerals and chemicals to the U.S. and other world markets. Brazilian production capacity for columbium oxide is already enough to meet world demand and additional production capacity may be installed. Brazilian imports to the United States, therefore, set U.S. prices for columbium oxide. Although columbium oxide produced in Brazil cannot be used in certain specialized markets because of special purity requirements, at least 90 percent of the columbium oxide consumed in the United States can use the Brazilian material. About [***] percent of the columbium oxide produced in Brazil is exported to the United States either as columbium oxide or products made from columbium oxide (very little columbium oxide is consumed in Brazil); most of the remainder goes to the U.S.S.R., Western Europe, and Japan. Because all but about [***] percent of the columbium oxide exported from Brazil is shipped to the United States and because end-use demand is relatively price insensitive, columbium oxide exports cannot be redistributed among other foreign export markets should Brazilian exports to the United States cease or decline sharply.

V. Position of interested parties

Petitioner.—According to the petitioner, Teledyne Industries, the Brazilian producer of columbium oxide and other columbium products who is dominant in the U.S. and world export markets, does not need or qualify for duty-free treatment under the GSP. According to the petitioner, because of the production cost advantages that the Brazilian producer enjoys, U.S. columbium oxide producers who are unable to compete have been forced to lay off workers and to lose an ever-growing portion of their market share to the Brazilian producer. According to the petitioner, these problems will be exacerbated in the next few years as the Brazilian producer expands its processing capabilities, thus posing a direct threat to the domestic columbium processing industry and to the national security. To ensure that U.S. processors of columbium minerals do not obtain basic raw materials, the petitioner claims that the Brazilian producer is refusing to export the mineral pyrochlore to the United States using the pretext that the material is radioactive. Ultimately, whatever remains of the domestic columbium processing industry may be acquired by the Brazilian producer, unless steps are taken to prevent further erosion of the domestic columbium processing industry.

Support.—In addition to the petitioner, two other U.S. producers support the motion to deny Brazil duty-free treatment for columbium oxide under the GSP. Although these producers have produced columbium oxide by a radically different process than the method used by the petitioner, these other producers concur with the petitioner that the domestic columbium processing industry could ultimately disappear in the face of intense competition from the Brazilian producer unless steps are taken to control the unchecked expansion of the Brazilian producer in the U.S. market.

Opposition. ^{1/}—According to the U.S. representative of the Brazilian importer who readily concedes that Brazil is the price leader for columbium oxide and other columbium-based products, the low prices charged by Brazil in the U.S. market is a result of the natural advantages that Brazil enjoys in having the world's richest deposits of columbium-containing ores. Because of these lower costs, U.S. consumers of columbium products are able to obtain high-quality columbium metal and alloys at a reasonable price; were Brazilian columbium minerals and chemicals not available, U.S. consumers of columbium products in high-tech applications such as in jet engines would either have to look for substitutes or prices for these high-tech products would have to be raised. Accordingly, columbium oxide imported from Brazil does not represent a threat to the U.S. economy but, on the contrary, these imports are a stable source of inexpensive raw materials and downstream products to the U.S. aerospace and other high-tech industries. Moreover, the importer claims that the columbium oxide that is imported to the United States from Brazil does not compete with the columbium oxide produced by the domestic industry which is virtually all consumed internally. According to the importer, the petitioner who is the dominant supplier of columbium alloys and vacuum-grade ferrocolumbium to the United States (Brazilian exports of these products to the United States are either small or nil) is seeking to raise the cost and price of columbium oxide from Brazil so that potential competitors would find it more difficult to market upgraded columbium products in competition with the petitioner.

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

TS number: 4230050

Product: Certain inorganic oxides, hydroxides, and peroxides

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

SOURCE	1981	1983	1985	1986
quantity (pounds)				
Canada.....	176,305,509	254,054,510	172,929,374	125,718,091
U King.....	164,468	716,435	3,729,271	2,711,398
Brazil.....	158,730	371,841	725,074	1,306,896
Japan.....	213,907	375,402	463,277	903,127
FR Germ.....	359,529	334,515	1,095,153	697,543
Belgium.....	245,974	333,063	506,627	477,584
Switzld.....	1,343	1,501	52,769	264,827
Mexico.....	6,614	19,233,965	211,772	208,169
Austria.....	562,682	67,590	79,176	202,886
France.....	28,032	14,490	26,118	125,081
Hungary.....	8,956	25,001	18,500	124,180
Hg Kong.....		2,205	37,478	46,623
Nethlds.....	40,013	18,912	4,887	44,108
Gabon.....				39,931
All other total..	3,501,232	100,453	495,622	43,528
Total.....	181,596,989	275,449,883	180,375,098	132,913,972
GSP total....	3,422,588	19,609,113	1,030,412	1,589,504

Percent				
Canada.....	97.1	92.2	95.9	94.6
U King.....	0.1	0.3	2.1	2.0
Brazil.....	0.1	0.1	0.4	1.0
Japan.....	0.1	0.1	0.3	0.7
FR Germ.....	0.2	0.1	0.6	0.5
Belgium.....	0.1	0.1	0.3	0.4
Switzld.....	0.0	0.0	0.0	0.2
Mexico.....	0.0	7.0	0.1	0.2
Austria.....	0.3	0.0	0.0	0.2
France.....	0.0	0.0	0.0	0.1
Hungary.....	0.0	0.0	0.0	0.1
Hg Kong.....	0.0	0.0	0.0	0.0
Nethlds.....	0.0	0.0	0.0	0.0
All other total..	1.9	0.0	0.3	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	1.9	7.1	0.6	1.2

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

TS number: 4230050

Product: Certain inorganic oxides, hydroxides, and peroxides

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Brazil.....	1,271	1,757	4,736	7,560
FR Germ.....	5,188	4,260	3,459	5,378
Canada.....	3,394	5,107	4,933	4,091
U King.....	223	638	2,824	2,191
Japan.....	455	931	1,394	1,877
Belgium.....	482	300	723	546
Switzld.....	228	180	215	487
Norway.....	929	200	524	482
Austria.....	349	164	192	332
Mexico.....	8	763	182	209
France.....	56	856	177	188
China P.....		422	651	177
Hungary.....	14	60	22	161
Hg Kong.....		70	26	65
All other total..	279	266	1,335	237
Total.....	12,881	15,963	21,399	23,989
GSP total....	1,308	2,594	4,996	7,945
Percent				
Brazil.....	9.9	11.0	22.1	31.5
FR Germ.....	40.3	26.7	16.2	22.4
Canada.....	26.3	32.0	23.1	17.1
U King.....	1.7	4.0	13.2	9.1
Japan.....	3.5	5.8	6.5	7.8
Belgium.....	3.7	1.9	3.4	2.3
Switzld.....	1.8	1.1	1.0	2.0
Norway.....	7.2	1.3	2.5	2.0
Austria.....	2.7	1.0	0.9	1.4
Mexico.....	0.1	4.8	0.9	0.9
France.....	0.4	5.4	0.8	0.8
China P.....	0.0	2.6	3.0	0.7
Hungary.....	0.1	0.3	0.1	0.7
Hg Kong.....	0.0	0.4	0.1	0.3
All other total..	2.2	1.7	6.2	1.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	10.2	16.3	23.3	33.1

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

TSUSA item No.
423.0050

Annual Review of the Generalized System of Preferences (GSP)
U.S. imports for consumption under the GSP, by principal source, 1981, 1983, 1985, and 1986
Flow: Imports for consumption
TSUSA commodity: 4230050—Certain Inorganic Oxides, Hydroxides, and Peroxides

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

Type	Time period				
Cty subcode		1981	1983	1985	1986
Partner					
First unit quantity:					
Duty-free items under GSP provisions:					
Brazil.....		159	370	725	1,241
Israel.....		0	0	0	0
Mexico.....		7	19,234	212	208
Taiwan.....		0	1	19	20
World.....		165	19,605	955	1,469
Customs value					
Duty-free items under GSP provisions:					
Brazil.....		1,271	1,689	4,734	7,210
Israel.....		0	0	6	0
Mexico.....		8	764	182	210
Taiwan.....		0	2	18	23
World.....		1,280	2,455	4,940	7,443
Unit value					
Duty-free items under GSP provisions:					
Brazil.....		8.01	4.57	6.53	5.81
Israel.....		0	0	560.00	0
Mexico.....		1.24	0.04	0.86	1.01
Taiwan.....		0	1.97	0.99	1.16
World.....		7.74	0.13	5.17	5.07

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

Black Pepper Oleoresin

I. Introduction

Col. 1 rate of duty: 6% ad val.

Type of action proposed (check one):

Addition of GSP:

Removal from GSP: X

Country graduation:

Competitive-need-limit waiver

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No

Description and uses: Black pepper oleoresin is a material consisting of volatile and fixed oils in combination with other plant substances extracted from the source by using organic solvents. Oleoresins are used by food processing companies in place of spices because of the ease of handling for the industrial user and other characteristics, such as longer self-life. Oleoresins account for a very small share of the cost of producing processed foods, the market that absorbs almost all oleoresin production.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms) <u>2/</u> ..	<u>3/</u>	<u>3/</u>	3	3	0
Total U.S. employment (employees).....	<u>3/</u>	<u>3/</u>	10	10	0
U.S. shipments (thousand dollars).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-
U.S. exports (thousand dollars).....	<u>4/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	-
U.S. imports (thousand dollars).....	1,860	1,809	3,137	4,681	152
U.S. consumption (thousand dollars).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-
Import to consumption ratio (percent).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-
Capacity utilization (nearest 10 percent).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-

Comment: U.S. producers of oleoresins do not produce oleoresin black pepper as a major

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for TSUS item No. 450.2015.

2/ The production of black pepper oleoresin is a batch process that is not performed on an ongoing basis at 2 of the 3 domestic producers' facilities. As such, there is only one domestic producer, the petitioner, competing continuously on a commercial scale in the domestic market.

3/ Not available.

4/ Historical data indicate that annual exports of black pepper oleoresin range from a value of about \$300,000 to \$600,00.

Comments--Cont.

product line. Additionally, the trend in production of all oleoresins has been to relocate production facilities more closely to the source of the spice. Several U.S. firms, including the petitioner, have established foreign subsidiaries (the petitioner's foreign subsidiary has since been nationalized by the host country) to produce oleoresins. The oleoresins that have been imported have, in some cases, been reported to be of superior quality to the domestic product. Purchases from foreign sources, however, do not allow for the degree of service possibly available from a domestic source. It is believed that imported oleoresins account for at least half of the oleoresins consumed domestically.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (pounds)</u>				
Total.....	397,192	100	-	1/
Imports from GSP countries:				
Total.....	358,420	90	100	1/
India.....	190,735	48	53	1/
Singapore.....	167,685	42	47	1/
<u>Value (thousands)</u>				
Total.....	\$4,682	100	-	1/
Imports from GSP countries:				
Total.....	4,310	92	100	1/
India.....	2,236	48	52	1/
Singapore.....	2,074	44	48	1/

Note.--The countries shown in the table include the top two GSP suppliers in 1986.

IV. Competitiveness profiles, GSP suppliersCompetitiveness of India for all digest products

Ranking as a U.S. import supplier, 1986..... 1 _____

Price sensitivity:

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

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

1/ Not available.

Competitiveness of India for all digest products--Con.

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

Price sensitivity of import supply..... High ___ Moderate X Low ___

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

Price sensitivity of U.S. demand..... High ___ Moderate X Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Comment: Some U.S. customers have, in the past, claimed that the Indian product had different flavor characteristics and that it was not interchangeable with the U.S. product.

Competitiveness of Singapore for all digest products

Ranking as a U.S. import supplier, 1986..... 2 ___

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High ___ Moderate X Low ___

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

Price sensitivity of U.S. demand..... High ___ Moderate X Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Comment: It is believed that the Singapore oleoresin is closer in flavor characteristics to other foreign-produced oleoresins than to the U.S. product.

V. Position of interested parties

Petitioner.—The petitioner, Kalsec, Inc. of Kalamazoo, MI, maintains that the Indian producers are either selling their product in the U.S. market at a price level below their own cost, or are receiving a subsidy of some type from their Government. Therefore, they believe India, which according to the petition has a labor surplus, should not be eligible for GSP-status in relation to a capital-intensive product such as oleoresins.

Opposition.—The opposition, the Spices Board, located in Cochin, India, maintains that the removal of black pepper oleoresin from the GSP is not justified as there has been no negative effect on the petitioner's interests (or of any other U.S. producer of oleoresins). The Spices Board also maintains that the current agricultural problems being experienced in India associated with a great drought would be compounded by the removal of oleoresin black pepper from the GSP. Subsequent to the hearing, a brief was filed by McCormick & Co., an importer of black pepper oleoresin and other spice oleoresins, in opposition to the removal of black pepper oleoresin from GSP-eligibility. This brief reiterated the statements made earlier by the Spices Board of India in opposition to the original petition.

[Probable economic effects advice deleted]

Product: Black pepper oleoresin

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

SOURCE	1981	1983	1985	1986
<u>Quantity (pounds)</u>				
India.....	110,920	121,487	194,704	190,735
Singapr.....	99,124	138,893	134,083	167,685
Canada.....		9,840	13,118	21,713
Spain.....		1,210	5,319	12,650
Ethiop.....				4,409
Nethlds.....			1,124	
U King.....	4,400	352		
Hg Kong.....	10,229			
Malaysa.....	8,056			
All other total..				
Total.....	232,729	271,782	348,348	397,192
GSP total....	228,329	260,380	328,787	358,420
<u>Percent</u>				
India.....	47.7	44.7	55.9	48.0
Singapr.....	42.6	51.1	38.5	42.2
Canada.....	0.0	3.6	3.8	5.5
Spain.....	0.0	0.4	1.5	3.2
Ethiop.....	0.0	0.0	0.0	1.1
Nethlds.....	0.0	0.0	0.3	0.0
U King.....	1.9	0.1	0.0	0.0
Hg Kong.....	4.4	0.0	0.0	0.0
Malaysa.....	3.5	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	98.1	95.8	94.4	90.2

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

Product: Black pepper oleoresin

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
India.....	863	805	1,753	2,236
Singapore.....	830	927	1,215	2,074
Canada.....		65	122	297
Ethiopia.....				66
Spain.....		2	23	8
Netherlands.....			25	
United Kingdom....	20	10		
Hong Kong.....	92			
Malaysia.....	56			
All other total...				
Total.....	1,861	1,810	3,138	4,682
GSP total.....	1,841	1,733	2,968	4,310
(Percent)				
India.....	46.4	44.5	55.9	47.8
Singapore.....	44.6	51.2	38.7	44.3
Canada.....	0.0	3.6	3.9	6.4
Ethiopia.....	0.0	0.0	0.0	1.4
Spain.....	0.0	0.1	0.7	0.2
Netherlands.....	0.0	0.0	0.8	0.0
United Kingdom....	1.1	0.6	0.0	0.0
Hong Kong.....	4.9	0.0	0.0	0.0
Malaysia.....	3.0	0.0	0.0	0.0
All other total...	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total.....	98.9	95.8	94.6	92.1

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

08/12/87

Annual Review of the Generalized System of Preferences (GSP)
U.S. imports for consumption under the GSP, by principal source, 1981, 1983, 1985, and 1986
Flow: Imports for consumption
TSUSA commodity: 4502015--Black pepper

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

Type	Time period:	1981	1983	1985	1986
Cty subcode					
Partner					
First unit of quantity					
Duty-free items under GSP provisions					
Hong Kong.....		10	0	0	0
India.....		109	119	193	191
Malaysia.....		8	0	0	0
Singapore.....		99	139	134	168
World.....		226	258	327	358
Customs value					
Duty-free items under GSP provisions					
Hong Kong.....		92	0	0	0
India.....		849	788	1,740	2,233
Malaysia.....		56	0	0	0
Singapore.....		830	927	1,215	2,074
World.....		1,826	1,715	2,955	4,307
Unit value					
Duty-free items under GSP provisions					
Hong Kong.....		8.97	0	0	0
India.....		7.79	6.62	9.00	11.72
Malaysia.....		6.95	0	0	0
Singapore.....		8.37	6.67	9.06	12.37
World.....		8.07	6.65	9.03	12.02

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

Pectin

I. Introduction

Col. 1 rate of duty: 5% ad valorem

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP: _____

Country graduation: _____

Competitive-need-limit waiver _____

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No _____

Description and uses: Pectin is a yellowish-white powder which is a polysaccharide based on polygalacturonic acids. It is commercially obtained by dilute-acid extraction of citrus peels—lime peels are the major source of Mexican pectin. Pectin is used as a thickening, emulsifying, or gelling agent in jams, jellies, and other food products. Minor uses include cosmetics and pharmaceuticals; e.g., pectin is a component of dental adhesives and antidiarrhetics.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	1	1	1	1	0
Total U.S. employment (thousand employees).....	[***]	[***]	[***]	[***]	[***]
U.S. shipments (thousand dollars).....	[***]	[***]	[***]	[***]	[***]
U.S. exports (thousand dollars).....	1,869	2,497	750	1,289	-31
U.S. imports (thousand dollars).....	12,810	8,791	14,086	15,779	23
U.S. consumption (thousand dollars).....	[***]	[***]	[***]	[***]	[***]
Import to consumption ratio (percent).....	[***]	[***]	[***]	[***]	[***]
Capacity utilization (nearest 10 percent).....	[***]	[***]	[***]	[***]	[***]

Comment: The sole U.S. producer is also a major importer (from developed countries). Its imports [***], reportedly come from affiliated companies in Denmark and West Germany. The domestic producer did not answer our questions about these imports but from its (and the Mexicans') general comments we infer [***]. Based on available information it appears that the domestic producer, adding its imports to its production, supplies about [***] of total U.S. consumption.

1/ Probable effects advice for this and closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 1302.20.00.

IV. Competitiveness profiles, GSP suppliers—Con.Competitiveness of Mexico for all digest products—Con.

Comment—Con. High price sensitivity of (Mexican) import supply: In 1986, a typical year, Mexico produced about [***] million pounds of pectin and exported about [***] percent of this to the United States. The remaining [***] percent was sold into the Mexican, South American, and Danish markets. [***].

Price sensitivity of U.S. demand: Because pectin is a minor component of the food products it is added to, changes in its price would have little effect on its consumption. Regarding sensitivity of demand for pectin from a particular country—in this case Mexico—price sensitivity would be moderate to high if the Mexicans increased (or decreased) their price appreciably (which they have not done).

Price level: Import statistics show that Mexican pectin, at \$2.68 per pound, is priced [***] domestically produced pectin and imports from larger sources (e.g., pectin from Denmark, the largest source, valued at \$3.64 per pound, and the average unit value of all imports of \$3.45 per pound). However, after the addition of sugar and blending to achieve a uniform gel strength and other critical properties—which is done in the United States—the product that is sold to customers is reportedly a high-quality commodity that is [***] competing products.

Quality and competitiveness: The best raw material for pectin is wet lime peel, which gives the highest quality and lowest cost pectin as compared with other citrus and apple pomace sources. Mexico's "excellent citrus peel resources for the production of pectin, . . . are greater than those found in Florida. In fact, Mexico is the largest center for lime growing in the world. Pectin producers worldwide are constantly buying peel in the Mexican market." (Quote from statement of domestic producer.) Mexico exports a considerable fraction of its lime peel resources, to the extent that [***].

TSUS item No.
455.04--Con.

V. Position of interested parties

Petitioner.--The Mexican petitioner is expanding capacity and hopes to increase exports to the United States by about 50 percent if GSP status is granted. GSP status for pectin would have a favorable impact on the farm economy in the lime-growing Mexican district of Tecoman.

Note: The Mexican company which produces pectin is owned by Danish interests.

Support.--None known.

Opposition.--The sole U.S. producer alleges that "the Mexican pectin industry is truly competitive and does not require preferential treatment in order to develop and expand." Mexico's advantages include high quality raw material (lime peel), low labor and energy costs, and environmental requirements which are less stringent than those in the United States (which caused the shutdown of an earlier U.S. producer's pectin plants because of waste treatment problems in California). The U.S. producer also refers to the fact that the Mexican pectin market, with an import duty of 30.6 percent ad valorem, is far less open than that of the United States.

Note: As discussed above, the U.S. producer of pectin is also a major importer of pectin from non-GSP-beneficiary sources.

[Probable economic effects advice deleted]

TS number: 45504

Product: Pectin

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (1000 pounds)				
Denmark.....	1,681,193	946,989	1,578,508	2,210,701
U King.....	831,122	720,006	828,653	1,026,983
FR Germ.....	52,549	30,591	1,064,244	630,240
Mexico.....	497,802	450,284	656,050	566,553
France.....	110	3,086	75,729	82,670
Israel.....	94,985	38,736	43,017	40,841
Norway.....				15,538
Switzid.....	1,101		3,748	2,954
Spain.....	3,307	7,276	13,227	2,645
Canada.....				1,013
Dominca.....			23,810	
Greece.....			22,216	
Belgium.....		992		
Italy.....	181,879	271,054	81,774	
All other total..	600			
Total.....	3,344,648	2,469,014	4,390,976	4,580,138
GSP total....	592,787	489,020	722,877	607,394
Percent				
Denmark.....	50.3	38.4	35.9	48.3
U King.....	24.8	29.2	18.9	22.4
FR Germ.....	1.6	1.2	24.2	13.8
Mexico.....	14.9	18.2	14.9	12.4
France.....	0.0	0.1	1.7	1.8
Israel.....	2.8	1.6	1.0	0.9
Norway.....	0.0	0.0	0.0	0.3
Switzid.....	0.0	0.0	0.1	0.1
Spain.....	0.1	0.3	0.3	0.1
Canada.....	0.0	0.0	0.0	0.0
Dominca.....	0.0	0.0	0.5	0.0
Greece.....	0.0	0.0	0.5	0.0
Belgium.....	0.0	0.0	0.0	0.0
Italy.....	5.4	11.0	1.9	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	17.7	19.8	16.5	13.3

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

TS number: 45504

Product: Pectin

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Denmark.....	5,988	3,504	5,546	8,049
U King.....	3,495	2,351	2,455	3,275
FR Germ.....	188	88	3,611	2,480
Mexico.....	2,149	1,614	1,719	1,518
France.....		10	222	284
Israel.....	278	107	101	97
Norway.....				48
Switzld.....	3		15	11
Spain.....	6	17	7	7
Canada.....				4
Dominca.....			57	
Belgium.....		4		
Greece.....			45	
All other total..	698	1,091	304	
Total.....	12,810	8,790	14,085	15,779
GSP total....	2,428	1,722	1,878	1,615
Percent				
Denmark.....	46.7	39.9	39.4	51.0
U King.....	27.3	26.7	17.4	20.8
FR Germ.....	1.5	1.0	25.6	15.7
Mexico.....	16.8	18.4	12.2	9.6
France.....	0.0	0.1	1.6	1.8
Israel.....	2.2	1.2	0.7	0.6
Norway.....	0.0	0.0	0.0	0.3
Switzld.....	0.0	0.0	0.1	0.1
Spain.....	0.1	0.2	0.1	0.0
Canada.....	0.0	0.0	0.0	0.0
Dominca.....	0.0	0.0	0.4	0.0
Belgium.....	0.0	0.0	0.0	0.0
Greece.....	0.0	0.0	0.3	0.0
All other total..	5.5	12.4	2.2	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	19.0	19.6	13.3	10.2

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

SCH B no. 4550300

Product: PECTIN

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (1000 pounds)				
Denmark.....	30,865	999	74,487	138,445
Canada.....	109,237	358,269	57,482	92,883
U.King.....				31,900
Italy.....	742			11,783
Cook Is.....	5,000	400		5,965
Japan.....	62,100	134,250	5,338	4,470
Greece.....	2,670	200	1,600	4,000
Peru.....	2,611	1,713	2,020	3,979
Phil.R.....	4,922	2,615	3,800	3,907
Bahamas.....				2,935
Venez.....	14,791	2,590	5,532	2,500
Colomb.....	7,386	10,223	3,010	2,287
Trinid.....				1,664
Dom Rep.....		239		1,503
All other total..	252,551	94,824	36,565	5,630
Total.....	492,875	606,322	189,834	313,851
GSP total....	191,494	64,948	30,767	29,400

Percent				
Denmark.....	6.3	0.2	39.2	44.1
Canada.....	22.2	59.1	30.3	29.6
U.King.....	0.0	0.0	0.0	10.2
Italy.....	0.2	0.0	0.0	3.8
Cook Is.....	1.0	0.1	0.0	1.9
Japan.....	12.6	22.1	2.8	1.4
Greece.....	0.5	0.0	0.8	1.3
Peru.....	0.5	0.3	1.1	1.3
Phil.R.....	1.0	0.4	2.0	1.2
Bahamas.....	0.0	0.0	0.0	0.9
Venez.....	3.0	0.4	2.9	0.8
Colomb.....	1.5	1.7	1.6	0.7
Trinid.....	0.0	0.0	0.0	0.5
Dom Rep.....	0.0	0.0	0.0	0.5
All other total..	51.2	15.6	19.3	1.8
Total.....	100.0	100.0	100.0	100.0
GSP total....	38.9	10.7	16.2	9.4

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

SCH B no. 4550300

Product: PECTIN

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	419	1,503	207	589
Denmark.....	97	3	226	429
U.King.....				70
Peru.....	15	15	13	38
Phil.R.....	24	16	18	23
Venez.....	42	19	36	22
Japan.....	243	431	25	21
Italy.....	2			21
Colomb.....	31	41	16	17
Argent.....	5	17	2	7
Cook Is.....	19	1		6
Mexico.....	11	4	6	4
Greece.....	15	1	5	4
Bahamas.....				4
All other total..	940	440	189	27
Total.....	1,869	2,496	749	1,289
GSP total....	618	295	137	146

	Percent			
Canada.....	22.4	60.2	27.7	45.7
Denmark.....	5.2	0.1	30.3	33.3
U.King.....	0.0	0.0	0.0	5.4
Peru.....	0.8	0.6	1.8	3.0
Phil.R.....	1.3	0.6	2.5	1.8
Venez.....	2.3	0.8	4.9	1.8
Japan.....	13.0	17.3	3.4	1.7
Italy.....	0.2	0.0	0.0	1.6
Colomb.....	1.7	1.7	2.1	1.3
Argent.....	0.3	0.7	0.4	0.6
Cook Is.....	1.0	0.1	0.0	0.5
Mexico.....	0.6	0.2	0.9	0.4
Greece.....	0.8	0.1	0.8	0.4
All other total..	50.3	17.6	25.3	2.1
Total.....	100.0	100.0	100.0	100.0
GSP total....	33.1	11.9	18.4	11.4

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

Certain China Household Ware Not Available in Specified Sets

I. Introduction

Col. 1 rate of duty: 26%

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP:

Country graduation:

Competitive-need-limit waiver

Non-eligible GSP countries: None.

Current competitive-need-limit waivers: None.

Current "sufficiently competitive" designation: None.

U.S. production on Jan. 3, 1985? Yes X No .

Description and uses: The products included in this digest are low-valued household chinaware articles not available in specified sets, chiefly used for preparing, serving, or storing food or beverages or their ingredients, included in SIC 3262, Vitreous China Food Utensils. Included in this category is transparent, nonglazed glass ceramic ware.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	**10-15	**10-15	**10-15	**10-15	0
Total U.S. employment (thousand employees) 2/..	**3-4	**3-4	**3-4	**3-4	0
U.S. shipments (thousand dollars).....	3/	3/	3/	3/	-
U.S. exports (thousand dollars).....	434	600	570	512	18
U.S. imports (thousand dollars).....	25,037	23,674	22,017	17,656	-29
U.S. consumption (thousand dollars).....	3/	3/	3/	3/	-
Import to consumption ratio (percent).....	3/	3/	3/	3/	-
Capacity utilization (nearest 10 percent).....	**85	**85	**85	**85	-

Comment: U.S. production of all household chinaware is generally concentrated on high-value articles, where many U.S. producers have developed market niches. Therefore, the market for low-value articles, such as these, is usually dominated by low-cost countries such as Japan, China, and Taiwan. These articles are most likely to be sold in discount or bulk merchandise stores, with customer preferences and cost the determining purchase factors.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 7013.10.00.

2/ Data applies to U.S. producers, not specifically those articles being reviewed.

3/ Not available.

TSUS item No.
533.79—Con.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Quantity (1,000 dozen pieces)				
Total.....	3,097	100	-	-
Imports from GSP countries:				
Total.....	477	15	100	-
Taiwan.....	134	4	28	-
Hong Kong.....	223	7	47	-
Brazil.....	74	2	16	-
Korea.....	32	1	7	1/
Value (thousands)				
Total.....	17,656	100	-	-
Imports from GSP countries:				
Total.....	2,192	12	100	-
Taiwan.....	968	5	44	-
Hong Kong.....	691	4	32	-
Brazil.....	390	2	18	1/
Korea.....	47	1/	2	1/

1/ Less than 0.5 percent.

Note.—The countries shown in the table include the top four GSP suppliers in 1986.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Taiwan for all digest products

Ranking as a U.S. import supplier, 1986..... 3

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate Low

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

Price sensitivity of U.S. demand..... High X Moderate Low

Price level compared with:

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

Quality compared with:

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

TSUSA item No.
533.79—Con.

Competitiveness of Hong Kong for all digest products

Ranking as a U.S. import supplier, 1986..... 5

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Competitiveness of Brazil for all digest products

Ranking as a U.S. import supplier, 1986..... 6

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Comment: [* * *.]

TSUS item No.
533.79—Con.

V. Position of interested parties

Petitioner.—Corning Glass Works (Corning, NY) is seeking GSP treatment for TSUS item 533.79 to continue duty-free treatment for these products despite a proposed Customs reclassification which would raise the duty rate to 26 percent ad valorem, and to ensure the lowest possible costs [* * *].

[Probable economic effects advice deleted]

Product: Articles of nonbone chinaware

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (dozen pieces)				
China.P.....	2,259,511	2,323,120	2,036,301	1,708,249
Japan.....	1,757,697	1,415,814	1,463,187	814,099
Hg Kong.....	136,732	252,763	261,334	223,284
Taiwan.....	277,154	222,115	284,814	133,547
Brazil.....	46,063	46,954	157,471	73,917
Kor Rep.....	14,432	89,999	9,038	31,528
France.....	67,296	22,578	53,668	23,161
Italy.....	23,545	10,103	17,885	16,018
FR Germ.....	33,500	33,051	37,732	14,798
Germ DR.....	254	30,151	25,857	11,374
Hungary.....	8,959	4,985	7,325	8,269
Belgium.....	30	19	358	7,482
Switzld.....	137		9,230	6,909
Turk Is.....				5,249
All other total..	158,762	28,830	30,954	19,394
Total.....	4,784,072	4,480,482	4,395,154	3,097,278
GSP total....	482,901	615,225	722,622	476,594

Percent				
China.P.....	47.2	51.8	46.3	55.2
Japan.....	36.7	31.6	33.3	26.3
Hg Kong.....	2.9	5.6	5.9	7.2
Taiwan.....	5.8	5.0	6.5	4.3
Brazil.....	1.0	1.0	3.6	2.4
Kor Rep.....	0.3	2.0	0.2	1.0
France.....	1.4	0.5	1.2	0.7
Italy.....	0.5	0.2	0.4	0.5
FR Germ.....	0.7	0.7	0.9	0.5
Germ DR.....	0.0	0.7	0.6	0.4
Hungary.....	0.2	0.1	0.2	0.3
Belgium.....	0.0	0.0	0.0	0.2
Switzld.....	0.0	0.0	0.2	0.2
All other total..	3.3	0.6	0.7	0.6
Total.....	100.0	100.0	100.0	100.0
GSP total....	10.1	13.7	16.4	15.4

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

Product: Articles of nonbone chinaware

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Japan.....	13,744	11,157	11,054	7,689
China P.....	6,233	7,299	6,102	5,991
Taiwan.....	1,209	1,551	1,273	968
France.....	1,446	526	705	758
Hg Kong.....	439	771	751	691
Brazil.....	218	290	865	390
FR Germ.....	316	474	384	258
Italy.....	99	114	170	253
Hungary.....	79	144	181	155
Germ DR.....	15	127	63	81
U King.....	325	265	102	81
Portugl.....	108	67	54	50
Kor Rep.....	64	696	61	47
Ireland.....	3	1	8	41
All other total..	731	183	235	195
Total.....	25,037	23,674	22,017	17,656
GSP total....	2,062	3,394	3,049	2,192
Percent				
Japan.....	54.9	47.1	50.2	43.5
China P.....	24.9	30.8	27.7	33.9
Taiwan.....	4.8	6.6	5.8	5.5
France.....	5.8	2.2	3.2	4.3
Hg Kong.....	1.8	3.3	3.4	3.9
Brazil.....	0.9	1.2	3.9	2.2
FR Germ.....	1.3	2.0	1.7	1.5
Italy.....	0.4	0.5	0.8	1.4
Hungary.....	0.3	0.6	0.8	0.9
Germ DR.....	0.1	0.5	0.3	0.5
U King.....	1.3	1.1	0.5	0.5
Portugl.....	0.4	0.3	0.2	0.3
Kor Rep.....	0.3	2.9	0.3	0.3
Ireland.....	0.0	0.0	0.0	0.2
All other total..	2.9	0.8	1.1	1.1
Total.....	100.0	100.0	100.0	100.0
GSP total....	8.2	14.3	13.8	12.4

Source: Compiled from official statistics of the U.S. Department of Commerce 7

Product: CERAMIC HH WARE EX EARTHENWR

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (dozen pieces)				
Cocos.I.....	2,416	18,853	19,666	21,635
Belgium.....		9,270	10,088	13,031
U.King.....	742	6,259	25,555	9,887
Rep Saf.....	28	5,735	4,597	4,487
Singapr.....	237	3,477	3,828	3,695
France.....	54	731	1,457	2,298
Canada.....	7,186	4,624	2,131	1,653
Sweden.....	5	3	180	1,519
Nethlds.....	13	138	82	1,113
Japan.....	180	5,938	2,540	1,076
Arab Em.....	21	303	462	819
Taiwan	31	547	316	688
S.Arab.....	1,991	2,580	335	615
Trinid.....	120	1,303	516	503
All other total..	7,991	5,949	5,184	4,876
Total.....	21,015	65,710	76,937	67,895
GSP total....	10,065	29,896	29,258	30,917
Percent				
Cocos.I.....	11.5	28.7	25.6	31.9
Belgium.....	0.0	14.1	13.1	19.2
U.King.....	3.5	9.5	33.2	14.6
Rep Saf.....	0.1	8.7	6.0	6.6
Singapr.....	1.1	5.3	5.0	5.4
France.....	0.3	1.1	1.9	3.4
Canada.....	34.2	7.0	2.8	2.4
Sweden.....	0.0	0.0	0.2	2.2
Nethlds.....	0.1	0.2	0.1	1.6
Japan.....	0.9	9.0	3.3	1.6
Arab Em.....	0.1	0.5	0.6	1.2
Taiwan	0.1	0.8	0.4	1.0
S.Arab.....	9.5	3.9	0.4	0.9
Trinid.....	0.6	2.0	0.7	0.7
All other total..	38.0	9.1	6.7	7.2
Total.....	100.0	100.0	100.0	100.0
GSP total....	47.9	45.5	38.0	45.5

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

Product: CERAMIC HH WARE EX EARTHENWR

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Cocos.I.....	23	99	97	100
U.King.....	17	60	159	71
Belgium.....		41	45	58
Singapr.....	7	31	59	38
Japan.....	3	61	44	34
Rep Saf.....	1	62	31	30
France.....	2	8	13	21
Canada.....	113	84	17	13
Norway.....				11
Hg Kong.....		8	17	10
S Arab.....	68	29	7	10
Taiwan.....	1	7	8	8
Nethlds.....	1	3	2	7
Mexico.....	42	4	12	7
All other total..	150	97	54	87
Total.....	434	600	570	512
GSP total....	196	229	238	232

Percent				
Cocos.I.....	5.4	16.6	17.1	19.5
U.King.....	4.1	10.0	28.0	14.0
Belgium.....	0.0	6.8	8.0	11.4
Singapr.....	1.6	5.3	10.4	7.6
Japan.....	0.9	10.2	7.8	6.7
Rep Saf.....	0.4	10.4	5.5	6.0
France.....	0.6	1.4	2.3	4.2
Canada.....	26.0	14.1	3.1	2.7
Norway.....	0.0	0.0	0.0	2.3
Hg Kong.....	0.1	1.4	3.0	2.1
S Arab.....	15.8	4.9	1.2	2.0
Taiwan.....	0.3	1.3	1.4	1.7
Nethlds.....	0.4	0.5	0.4	1.5
Mexico.....	9.8	0.7	2.2	1.4
All other total..	34.7	16.2	9.6	17.1
Total.....	100.0	100.0	100.0	100.0
GSP total....	45.2	38.2	41.8	45.4

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

TSUS item No.
534.97 1/ 2/

Miscellaneous Ceramic Art and Ornamental Articles

I. Introduction

Corning Glass Works produced the glass ceramic ware included in this item prior to and on January 3, 1985. The narrower category of transparent, nonglazed glass ceramic kitchenware, however, was not produced in the United States until February 1985.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 7013.10.00.

2/ Section 504(d) waiver requested.

Glass Envelopes for Cathode-Ray Tubes

I. Introduction

Col. 1 rate of duty: 6.6%

Type of action proposed (check one):

Addition of GSP: _____

Removal from GSP: _____

Country graduation: _____

Competitive-need-limit waiver X (Taiwan)

Non-eligible GSP countries: Taiwan

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: Taiwan

U.S. production on Jan. 3, 1985? Yes X No _____

Description and uses: The glass envelopes covered in this digest are without fittings and designed for use in cathode-ray tubes (CRT's) for computer terminals, word processors, televisions, and so forth. These items are part of SIC 3229, Pressed and Blown Glass, N.E.C. Included in this category are monochrome glass envelopes.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	**15	**13	**18	**18	20
Total U.S. employment (thousand employees).....	2/	2/	2/	2/	-
U.S. shipments (thousand dollars).....	2/	2/	2/	2/	-
U.S. exports (thousand dollars).....	41,993	7,220	6,069	4,130	-90
U.S. imports (thousand dollars).....	11,636	12,290	9,107	6,733	-42
U.S. consumption (thousand dollars).....	2/	2/	2/	2/	-
Import to consumption ratio (percent).....	2/	2/	2/	2/	-
Capacity utilization (nearest 10 percent).....	2/	2/	2/	2/	-

Comment: According to the Bureau of the Census, fewer than 18 firms produced the type of glass envelopes included in this digest. Shipments of electronic tube blanks and television tube blanks and parts by these firms in 1985 totaled \$346.6 million, part of which represents cathode ray tube manufacturing. These blanks are generally manufactured to customer specifications for use in a particular type of television, computer terminal, word processor, or other terminal, with quality and price principal purchasing factors. The movement offshore of television and computer production has adversely impacted the demand for CRT's produced by domestic manufacturers.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 7011.20.00.

2/ Not available.

TSUSA item No.
547.3720—Con.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (1,000 pieces)</u>				
Total.....	7,052	100	-	-
Imports from GSP countries:				
Total.....	476	7	100	-
Taiwan.....	470	7	99	-
Brazil.....	6	1/	1	1/
<u>Value (thousands)</u>				
Total.....	6,733	100	-	-
Imports from GSP countries:				
Total.....	2,868	43	100	-
Taiwan.....	2,778	41	97	-
Brazil.....	90	1	3	1/

Note.—Taiwan and Brazil were the only GSP suppliers in 1986.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Taiwan for all digest products

Ranking as a U.S. import supplier, 1986..... 2

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

1/ Less than 0.5 percent.

TSUSA item No.
547.3720—Con.

V. Position of interested parties

Petitioner.—Clinton Electronics Corp. (Rockford, IL), states that the type of CRT envelope used in their operations (a monochrome tube) is not manufactured in the United States, and that duty-free treatment of imports from its Taiwan plant would improve its competitive position in the U.S. market.

Opposition.—Lancaster Glass Corp. (Lancaster, OH) cites a shrinking market for glass envelopes for CRT's and the potential adverse impact on the U.S. industry should a GSP waiver be granted to Taiwan as reasons to respond cautiously to this waiver request.

[Probable economic effects advice deleted]

Product: Glass envelopes for cathode-ray tubes

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pieces)				
Belgium.....		2,200		3,068,064
FR Germ.....	1,106,021	275,239	1,742,494	2,587,759
Nethlds.....	14,143	23,230	3,478	525,312
Taiwan.....	761,245	771,182	579,615	469,866
Japan.....	20,299	164,857	367,677	213,641
U King.....		141,552	44,636	181,048
Brazil.....				5,675
Portugl.....				324
Canada.....			43	
Dom Rep.....			1,026	
Mexico.....		152,974	75,945	
Italy.....		3,600		
China.P.....			3,000	
All other total..				
Total.....	1,901,708	1,534,834	2,817,914	7,051,689
GSP total....	761,245	924,156	656,586	475,541
Percent				
Belgium.....	0.0	0.1	0.0	43.5
FR Germ.....	58.2	17.9	61.8	36.7
Nethlds.....	0.7	1.5	0.1	7.4
Taiwan.....	40.0	50.2	20.6	6.7
Japan.....	1.1	10.7	13.0	3.0
U King.....	0.0	9.2	1.6	2.6
Brazil.....	0.0	0.0	0.0	0.1
Portugl.....	0.0	0.0	0.0	0.0
Canada.....	0.0	0.0	0.0	0.0
Dom Rep.....	0.0	0.0	0.0	0.0
Mexico.....	0.0	10.0	2.7	0.0
Italy.....	0.0	0.2	0.0	0.0
China.P.....	0.0	0.0	0.1	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	40.0	60.2	23.3	6.7

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

Product: Glass envelopes for cathode-ray tubes

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Japan.....	158	1,261	3,796	3,100
Taiwan.....	4,831	6,039	4,146	2,778
FR Germ.....	6,578	3,736	775	561
Brazil.....				90
U King.....		49	23	85
Nethlds.....	68	68	14	68
Belgium.....		32		43
Portugl.....				4
Canada.....			6	
Mexico.....		1,101	319	
Dom Rep.....			23	
China P.....			1	
All other total..				
Total.....	11,636	12,290	9,107	6,733
GSP total....	4,831	7,141	4,489	2,868

	Percent			
Japan.....	1.4	10.3	41.7	46.0
Taiwan.....	41.5	49.1	45.5	41.3
FR Germ.....	56.5	30.4	8.5	8.3
Brazil.....	0.0	0.0	0.0	1.3
U King.....	0.0	0.4	0.3	1.3
Nethlds.....	0.6	0.6	0.2	1.0
Belgium.....	0.0	0.3	0.0	0.6
Portugl.....	0.0	0.0	0.0	0.1
Canada.....	0.0	0.0	0.1	0.0
Mexico.....	0.0	9.0	3.5	0.0
Dom Rep.....	0.0	0.0	0.3	0.0
China P.....	0.0	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	41.5	58.1	49.3	42.6

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

Product: CATHODE RAY TUBE GLS ENVELOP

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	22,638	171	3,353	1,896
Mexico.....	5,851	1,242	1,927	1,109
FR Germ.....	1,190	191	176	499
Nethlds.....	718	85	18	195
U.King.....	388	626	246	148
Japan.....	185	33	21	148
France.....	490	1,375	151	68
India.....		1	2	20
Uruguay.....				15
Italy.....	35	46	16	9
Switzld.....	2	4		8
Kor Rep.....	101	75		5
Brazil.....	9,522	3,140	99	1
Panama.....				1
All other total..	868	225	54	1
Total.....	41,993	7,220	6,069	4,130
GSP total....	16,132	4,682	2,052	1,156
Percent				
Canada.....	53.9	2.4	55.3	45.9
Mexico.....	13.9	17.2	31.8	26.9
FR Germ.....	2.8	2.7	2.9	12.1
Nethlds.....	1.7	1.2	0.3	4.7
U.King.....	0.9	8.7	4.1	3.6
Japan.....	0.4	0.5	0.4	3.6
France.....	1.2	19.1	2.5	1.7
India.....	0.0	0.0	0.0	0.5
Uruguay.....	0.0	0.0	0.0	0.4
Italy.....	0.1	0.7	0.3	0.2
Switzld.....	0.0	0.1	0.0	0.2
Kor Rep.....	0.2	1.0	0.0	0.1
Brazil.....	22.7	43.5	1.6	0.0
All other total..	2.1	3.1	0.9	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	38.4	64.9	33.8	28.0

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

Certain Ferrochromium

I. Introduction

Col. 1 rate of duty: 3.1%

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP:

Country graduation:

Competitive-need-limit waiver

Non-eligible GSP countries: None.

Current competitive-need-limit waivers: None.

Current "sufficiently competitive" designation: None.

U.S. production on Jan. 3, 1985? Yes X No .

Description and uses: Low carbon ferrochromium, which does not contain over 3 percent by weight of carbon, is an alloy of iron and chromium with a low-carbon content used in alloy and stainless steel production. The low-carbon content of the ferrochromium permits sizable additions of chromium to the steel without materially affecting the carbon content of the product.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms)...	3	3	1	1	-67
Total U.S. employment (thousand employees)...	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-70
U.S. shipments (thousand dollars).....	[***]	[***]	[***]	[***]	[***]
U.S. exports (thousand dollars) <u>3/</u>	[***]	[***]	[***]	[***]	[***]
U.S. imports (thousand dollars).....	43,202	15,274	24,975	32,706	-24
U.S. consumption (thousand dollars).....	[***]	[***]	[***]	[***]	[***]
Import to consumption ratio (percent).....	74	71	80	89	-
Capacity utilization (percent).....	20	20	5	5	-

Comment: U.S. consumption of low carbon ferrochromium declined due to the decline in demand for steel and due to technological changes in steel production. Further, U.S. producers could not compete with the basically interchangeable and lower priced imported product, although they had the advantage of quick delivery and technical services. The only remaining U.S. company currently has a narrow price and specialty product advantage over imports.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the digest for HS item No. 7202.49.50.

2/ Less than 500.

3/ Estimated to represent [***] percent of the export values shown in the U.S. export tables under Sch. B no. 607.2600.

TSUS item No.
606.22—Con.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total.....	79,938	100	-	99
Imports from GSP countries:				
Total.....	21,987	28	100	28
Zimbabwe.....	12,066	15	55	15
Turkey.....	9,920	12	45	12
Value (thousand dollars)				
Total.....	32,706	100	-	89
Imports from GSP countries:				
Total.....	10,355	32	100	28
Zimbabwe.....	5,319	16	51	14
Turkey.....	5,035	15	49	14

Note.—The countries shown in the table include the top two GSP suppliers in 1986.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Zimbabwe for all digest products

Ranking as a U.S. import supplier, 1986..... 4

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Comment: Although imports are generally priced lower than domestic products, U.S. producers maintain an advantage in shorter delivery time and technical services.

TSUS item No.
606.22—Con.

Competitiveness of Turkey for all digest products

Ranking as a U.S. import supplier, 1986..... 5

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Comment: Although imports are generally priced lower than domestic products, U.S. producers maintain an advantage in shorter delivery time and technical services.

V. Position of interested parties

Petitioner.—The Government of Zimbabwe is requesting that certain ferrochromium be included in the U.S. Generalized System of Preferences (GSP). The reason for the request is that; Zimbabwe is a developing country and this operation earns foreign exchange and sustains employment; and Zimbabwe is a viable and traditional supplier of this product to the United States. Currently, the petitioner argues, U.S. steelmakers are at some competitive disadvantage with EC steelmakers, since the EC does not impose duties on the ferrochromium imported from Zimbabwe.

Opposition.—The Ferroalloys Association opposes the addition of the ferrochromium to the GSP. The Association argues that these products are of strategic importance and they are essential for the production of products used in defense items for the national security. The Association believes that such action will adversely affect domestic production and may cause producers to cease production and commit their equipment to other uses. GSP is viewed as adversely affecting the ability of domestic producers to obtain reasonable profits from the production of these products.

[Probable economic effects advice deleted]

TS number: 60622

Product: Ferrochromium not containing over 3 percent carbon

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (1000 pounds)				
Rep. Saf.....	22,416,378	1,203,096	10,340,203	32,941,324
FR Germ.....	6,267,405	1,169,154	8,890,944	14,313,895
Zimbabwe.....	10,963,208	5,666,424	9,523,689	12,066,790
Turkey.....	329,722	1,049,390	8,187,921	9,920,700
Sweden.....	11,362,486	11,068,850	14,008,662	9,560,231
Italy.....	1,055,677	209,173	337,658	907,853
Norway.....	1,556,433	892,794		113,260
Japan.....	1,888,505	2,088,615	1,026,280	76,087
Denmark.....				38,030
U King.....		49,889		
Nethlds.....			156,000	
Yugosl.	5,588,321			
France.....	3,390,859	28,926		
Belgium.....	38,224			
All other total..				
Total.....	64,857,218	23,426,311	52,471,357	79,938,170
GSP total....	16,881,251	6,715,814	17,711,610	21,987,490

Percent				
Rep. Saf.....	34.6	5.1	19.7	41.2
FR Germ.....	9.7	5.0	16.9	17.9
Zimbabwe.....	16.9	24.2	18.2	15.1
Turkey.....	0.5	4.5	15.6	12.4
Sweden.....	17.5	47.2	26.7	12.0
Italy.....	1.6	0.9	0.6	1.1
Norway.....	2.4	3.8	0.0	0.1
Japan.....	2.9	8.9	2.0	0.1
Denmark.....	0.0	0.0	0.0	0.0
U King.....	0.0	0.2	0.0	0.0
Nethlds.....	0.0	0.0	0.3	0.0
Yugosl.	8.6	0.0	0.0	0.0
France.....	5.2	0.1	0.0	0.0
Belgium.....	0.1	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	26.0	28.7	33.8	27.5

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

TS number: 60622

Product: Ferrochromium not containing over 3 percent carbon

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Rep.Saf.....	13,304	746	3,903	8,234
FR Germ.....	5,405	743	4,803	8,029
Sweden.....	9,046	7,185	7,062	5,404
Zimbabwe.....	7,402	3,448	4,238	5,319
Turkey.....	208	587	4,134	5,035
Italy.....	891	164	205	580
Japan.....	2,123	1,687	541	47
Denmark.....				28
Norway.....	1,042	647		27
U King.....		39		
France.....	2,452	25		
Belgium.....	30			
Yugosl.	1,294			
Nethlds.....			85	
All other total..				
Total.....	43,202	15,274	24,975	32,706
GSP total....	8,905	4,035	8,373	10,355

	Percent			
Rep.Saf.....	30.8	4.9	15.6	25.2
FR Germ.....	12.5	4.9	19.2	24.5
Sweden.....	20.9	47.0	28.3	16.5
Zimbabwe.....	17.1	22.6	17.0	16.3
Turkey.....	0.5	3.8	16.6	15.4
Italy.....	2.1	1.1	0.8	1.8
Japan.....	4.9	11.0	2.2	0.1
Denmark.....	0.0	0.0	0.0	0.1
Norway.....	2.4	4.2	0.0	0.1
U King.....	0.0	0.3	0.0	0.0
France.....	5.7	0.2	0.0	0.0
Belgium.....	0.1	0.0	0.0	0.0
Yugosl.	3.0	0.0	0.0	0.0
Nethlds.....	0.0	0.0	0.3	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	20.6	26.4	33.5	31.7

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

SCH B no. 6072600

Product: FERROCHROM OVER 30% CHROMIUM

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (1000 pounds)				
Canada.....	11,121,016	5,461,129	6,303,762	7,339,791
Mexico.....	1,069,410	384,081	609,742	1,170,109
Venez.....	10,670	10,522	133,018	1,114,710
Spain.....			1,179,636	820,833
FR Germ.....	5,123,543	562,195	10,069,436	470,815
Sweden.....		42,680		287,279
Argent.....	10,414			158,396
Iceland.....				83,671
Chile.....	85,694	101,677	460,937	72,868
France.....				46,560
Taiwan	26,190	37,457	38,412	44,814
Malaysa.....	61,562	16,374	25,574	29,430
Peru.....		2,173	11,074	22,016
Colomb.....	11,640	23,496	45,008	15,132
All other total..	9,829,272	1,596,694	1,031,837	31,045
Total.....	27,349,411	8,238,478	19,908,436	11,707,469
GSP total....	1,390,515	2,065,531	1,334,640	2,630,385

	Percent			
Canada.....	40.7	66.3	31.7	62.7
Mexico.....	3.9	4.7	3.1	10.0
Venez.....	0.0	0.1	0.7	9.5
Spain.....	0.0	0.0	5.9	7.0
FR Germ.....	18.7	6.8	50.6	4.0
Sweden.....	0.0	0.5	0.0	2.5
Argent.....	0.0	0.0	0.0	1.4
Iceland.....	0.0	0.0	0.0	0.7
Chile.....	0.3	1.2	2.3	0.6
France.....	0.0	0.0	0.0	0.4
Taiwan	0.1	0.5	0.2	0.4
Malaysa.....	0.2	0.2	0.1	0.3
Peru.....	0.0	0.0	0.1	0.2
Colomb.....	0.0	0.3	0.2	0.1
All other total..	35.9	19.4	5.2	0.3
Total.....	100.0	100.0	100.0	100.0
GSP total....	5.1	25.1	6.7	22.5

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

SCH B no. 6072600

Product: FERROCHROM OVER 30% CHROMIUM

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	5,630	2,648	2,786	2,976
Venez.....	9	7	124	798
Mexico.....	741	241	404	627
FR Germ.....	1,200	445	2,939	297
Spain.....			322	221
Sweden.....		33		208
Argent.....	7			115
Iceland.....				77
Taiwan	33	45	44	51
Chile.....	29	36	202	37
France.....				32
Malaysa.....	40	11	17	17
Peru.....		1	13	15
U.King.....				14
All other total..	2,355	1,206	602	30
Total.....	10,050	4,677	7,457	5,522
GSP total....	935	1,515	851	1,677
Percent				
Canada.....	56.0	56.6	37.4	53.9
Venez.....	0.1	0.2	1.7	14.5
Mexico.....	7.4	5.2	5.4	11.4
FR Germ.....	11.9	9.5	39.4	5.4
Spain.....	0.0	0.0	4.3	4.0
Sweden.....	0.0	0.7	0.0	3.8
Argent.....	0.1	0.0	0.0	2.1
Iceland.....	0.0	0.0	0.0	1.4
Taiwan	0.3	1.0	0.6	0.9
Chile.....	0.3	0.8	2.7	0.7
France.....	0.0	0.0	0.0	0.6
Malaysa.....	0.4	0.2	0.2	0.3
Peru.....	0.0	0.0	0.2	0.3
All other total..	23.4	25.8	8.1	0.6
Total.....	100.0	100.0	100.0	100.0
GSP total....	9.3	32.4	11.4	30.4

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

Ferrosilicon Chromium

I. Introduction

Col. 1 rate of duty: 10%

Type of action proposed (check one):

Addition of GSP: X

Removal from GSP:

Country graduation:

Competitive-need-limit waiver

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No

Description and uses: Ferrosilicon chromium is a low-carbon content alloy of chromium and silicon: the chromium and silicon content fall in the range of 30 to 40 percent for each element. Ferrosilicon chromium is used in the production of alloy, stainless, and specialty steels.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	2	2	1	1	-50
Total U.S. employment (thousand employees).....	2/	2/	2/	2/	-70
U.S. shipments (thousand dollars).....	[***]	[***]	[***]	[***]	[***]
U.S. exports (thousand dollars) 3/.....	[***]	[***]	[***]	[***]	[***]
U.S. imports (thousand dollars).....	5,224	669	2,084	5,742	+10
U.S. consumption (thousand dollars).....	[***]	[***]	[***]	[***]	[***]
Import to consumption ratio (percent).....	17	12	45	61	-
Capacity utilization (nearest 10 percent).....	10	10	5	5	-

Comment: U.S. production of ferrosilicon chromium has declined substantially due to technological changes in stainless steel production. The advantages offered by U.S. producers, such as on-demand delivery, technical assistance, customer loyalty have all been outweighed by the price advantage of imports. The only remaining producer relies on relatively inexpensive electric power to maintain its competitiveness.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 7202.50.00.

2/ Less than 500.

3/ Estimated to represent [***] percent of the export value, shown in the U.S. export tables under Sch. B no. 607.2600.

TSUS item No.
606.42—Con.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (thousand pounds, gross weight)</u>				
Total.....	12,519	100	-	64
Imports from GSP countries:				
Total.....	6,469	52	100	33
Zimbabwe.....	6,469	52	100	33
<u>Value (thousands)</u>				
Total.....	5,742	100	-	61
Imports from GSP countries:				
Total.....	3,859	67	100	41
Zimbabwe.....	3,859	67	100	41

Note.—Zimbabwe is currently the only GSP country supplying imports.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Zimbabwe for all digest products

Ranking as a U.S. import supplier, 1986..... 1

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above ___ Equivalent ___ Below X
- Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Comment: Although imports are generally priced lower than domestic products, U.S. producers maintain an advantage in shorter delivery time and technical service.

V. Position of interested parties

Petitioner.—The Government of Zimbabwe is requesting that ferrosilicon chromium be included in the U.S. Generalized System of Preferences (GSP). The reason for the request is that Zimbabwe is a developing country whose ferrosilicon chromium operation earns foreign exchange and sustains employment; also Zimbabwe is a viable and traditional supplier of this product to the United States. Currently, the petitioner agrees, U.S. steelmakers are at some competitive disadvantage with EC steelmakers, since the EC does not impose duties on ferrosilicon chromium from Zimbabwe.

Opposition.—The Ferroalloys Association opposes the addition of certain ferrosilicon chromium to the GSP. The Association agrees that these products are of strategic importance and they are essential for the production of products used in defense items for the national security. The Association believes that such action will adversely affect domestic production and may cause U.S. producers to cease production and commit their equipment to other uses. GSP is viewed as adversely affecting the ability of domestic producers to obtain reasonable profitability from the production of these products.

[Probable economic effects advice deleted]

Product: Ferrosilicon chromium

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
<u>Quantity (pounds)</u>				
Zimbabwe.....	6,630,732	1,116,838	2,916,603	6,469,062
Rep.Saf.....	2,172,493			6,046,467
Canada.....		40,389		2,975
Italy.....			70,098	
All other total..				
Total.....	8,803,225	1,157,227	2,986,701	12,518,504
GSP total....	6,630,732	1,116,838	2,916,603	6,469,062
<u>Percent</u>				
Zimbabwe.....	75.3	96.5	97.7	51.7
Rep.Saf.....	24.7	0.0	0.0	48.3
Canada.....	0.0	3.5	0.0	0.0
Italy.....	0.0	0.0	2.3	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	75.3	96.5	97.7	51.7

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

Product: Ferrosilicon chromium

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Zimbabwe.....	3,985	653	2,016	3,859
Rep.Saf.....	1,238			1,882
Canada.....		15		1
Italy.....			67	
All other total..				
Total.....	5,224	669	2,084	5,742
GSP total....	3,985	653	2,016	3,859

	Percent			
Zimbabwe.....	76.3	97.6	96.8	67.2
Rep.Saf.....	23.7	0.0	0.0	32.8
Canada.....	0.0	2.4	0.0	0.0
Italy.....	0.0	0.0	3.2	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	76.3	97.6	96.8	67.2

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

SCH B no. 6072600

Product: FERROCHROM OVER 30% CHROMIUM

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds)				
Canada.....	11,121,016	5,461,129	6,303,762	7,339,791
Mexico.....	1,069,410	384,081	609,742	1,170,109
Venez.....	10,670	10,522	133,018	1,114,710
Spain.....			1,179,636	820,833
FR Germ.....	5,123,543	562,195	10,069,436	470,815
Sweden.....		42,680		287,279
Argent.....	10,414			158,396
Iceland.....				83,671
Chile.....	85,694	101,677	460,937	72,868
France.....				46,560
Taiwan.....	26,190	37,457	38,412	44,814
Malaysa.....	61,562	16,374	25,574	29,430
Peru.....		2,173	11,074	22,016
Colomb.....	11,640	23,496	45,008	15,132
All other total..	9,829,272	1,596,694	1,031,837	31,045
Total.....	27,349,411	8,238,478	19,908,436	11,707,469
GSP total....	1,390,515	2,065,531	1,334,640	2,630,385

Percent				
Canada.....	40.7	66.3	31.7	62.7
Mexico.....	3.9	4.7	3.1	10.0
Venez.....	0.0	0.1	0.7	9.5
Spain.....	0.0	0.0	5.9	7.0
FR Germ.....	18.7	6.8	50.6	4.0
Sweden.....	0.0	0.5	0.0	2.5
Argent.....	0.0	0.0	0.0	1.4
Iceland.....	0.0	0.0	0.0	0.7
Chile.....	0.3	1.2	2.3	0.6
France.....	0.0	0.0	0.0	0.4
Taiwan.....	0.1	0.5	0.2	0.4
Malaysa.....	0.2	0.2	0.1	0.3
Peru.....	0.0	0.0	0.1	0.2
Colomb.....	0.0	0.3	0.2	0.1
All other total..	35.9	19.4	5.2	0.3
Total.....	100.0	100.0	100.0	100.0
GSP total....	5.1	25.1	6.7	22.5

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

Product: FERROCHROM OVER 30% CHROMIUM

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	5,630	2,648	2,786	2,976
Venez.....	9	7	124	798
Mexico.....	741	241	404	627
FR Germ.....	1,200	445	2,939	297
Spain.....			322	221
Sweden.....		33		208
Argent.....	7			115
Iceland.....				77
Taiwan	33	45	44	51
Chile.....	29	36	202	37
France.....				32
Malaysa.....	40	11	17	17
Peru.....		1	13	15
U.King.....				14
All other total..	2,355	1,206	602	30
Total.....	10,050	4,677	7,457	5,522
GSP total....	935	1,515	851	1,677
Percent				
Canada.....	56.0	56.6	37.4	53.9
Venez.....	0.1	0.2	1.7	14.5
Mexico.....	7.4	5.2	5.4	11.4
FR Germ.....	11.9	9.5	39.4	5.4
Spain.....	0.0	0.0	4.3	4.0
Sweden.....	0.0	0.7	0.0	3.8
Argent.....	0.1	0.0	0.0	2.1
Iceland.....	0.0	0.0	0.0	1.4
Taiwan	0.3	1.0	0.6	0.9
Chile.....	0.3	0.8	2.7	0.7
France.....	0.0	0.0	0.0	0.6
Malaysa.....	0.4	0.2	0.2	0.3
Peru.....	0.0	0.0	0.2	0.3
All other total..	23.4	25.8	8.1	0.6
Total.....	100.0	100.0	100.0	100.0
GSP total....	9.3	32.4	11.4	30.4

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

Malleable Cast Iron Pipe and Tube Fittings Advanced in Condition by Operation or Processes Subsequent to the Casting Process

I. Introduction

Col. 1 rate of duty: 6.2 % ad val.

Type of action proposed (check one):

Addition of GSP:

Removal from GSP: X

Country graduation:

Competitive-need-limit waiver

Non-eligible GSP countries: Korea, Taiwan

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: Korea, Taiwan

U.S. production on Jan. 3, 1985? Yes X No

Description and uses: Malleable iron pipe fittings, which are produced from molten grey iron, have gone through an annealing process giving them greater tensile strength and more ductility. End users use pipe fittings in piping systems to do three specific things: (1) change, divert, divide, or direct the flow of liquid gas or steam, (2) provide access for cleaning and branching, and (3) reduce or increase the diameter of the system. Malleable iron fittings are used where shock and vibration resistance is required and where fittings are subject to quick temperature changes. The principal uses of malleable iron pipe fittings are in gas lines, piping systems of oil refineries, and gas and water systems of building.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	6	6	6	5	-17
Total U.S. employment (employees).....	2,751	2,586	2,601	2,371	-14
U.S. shipments (thousand dollars).....	153,989	111,246	101,520	93,553	-39
U.S. exports (thousand dollars).....	20,201	13,587	7,991	9,126	-55
U.S. imports (thousand dollars).....	19,305	21,163	27,420	22,771	18
U.S. consumption (thousand dollars).....	153,093	118,822	120,822	120,949	-30
Import to consumption ratio (percent).....	13	18	23	21	-
Capacity utilization (percent).....	55	47	47	44	-

Comment: The following 5 firms produce malleable iron pipe fittings: Grinnell Corp., with headquarters in Exeter, NH, and a plant in Columbia, PA.; Stanley G. Flagg & Co., Inc., Stowe, PA; Stockham Valves & Fittings Co., Birmingham, AL; U-Brand Corp., Ashland, OH; and Ward Manufacturing Inc., Blossburg, PA. These firms accounted for 69 percent of apparent U.S. consumption of malleable iron pipe fittings in 1986. Each of these firms has been producing cast iron pipe fitting for at least 35 years and offers an essentially complete line of fittings.

1/ Probable effects advice for these products on the basis of the HS nomenclature is contained in the Digest for HS item No. 7307.19.90.

Comment--Continued

According to a recent report on the U.S. Foundry Industry done by the U.S.I.T.C. (Competitive Assessment of the U.S. Foundry Industry, Investigation No. 332-176, U.S.I.T.C. Pub. 1582), competition is influenced by a variety of factors, the most important of which are labor costs, marketing capability, investment, technology, and government involvement. The U.S. industry indicates that its competitive edge largely stems from a reliable distribution system and responsive service capabilities. In addition, the United States is viewed as equal to or better than its foreign competitors in the application of production technology. Producers evaluated all of their principal competitors as having competitive advantages in lower labor cost and availability, as well as in most facets of government assistance — especially alleged subsidies and R&D funding.

The report states that U.S. producers indicate that foreign producers generally have the competitive advantage in the cost and availability of capital, (which affects the level of capital investment). The relatively lower level of investment in the United States has tended to restrict expanded use of computer technology and further improvements in labor-saving equipment; both (computer technology and labor-saving equipment) are especially important to U.S. producers whose operations are becoming more capital intensive in an effort to more effectively compete in their domestic and export markets.

Although production technology in the malleable-iron pipe fittings industry is rated the same in the United States as it is in Japan and India, domestic producers are believed to have the technological advantage compared with Taiwan and Korea by industry sources. State-of-the-art foundry techniques in the U.S. industry include automated molding and automated machining centers which minimize labor costs. However, the industry believes that it has still not reached the level of capital-intensive required in order to more successfully challenge the developing nations that have rather significant cost advantages due to cheaper labor costs and the absence of environmental, safety, and labor benefit costs.

The domestic industry has a competitive advantage in all facets of marketing structure compared with Taiwan, Japan, India, and Korea. Marketing by U.S. producers is accomplished by their own sales forces through distributors and directly to end users. Foreign producers also sell to distributors, or in the case of large foreign manufacturers, through their wholly owned subsidiaries in the United States. A unique ability of U.S. producers is their ability to provide products on short notice to their customers in domestic markets. This is made possible by the large inventories they carry.

U.S. cast-iron pipe and tube fittings producers allege that foreign producers have a competitive advantage in government subsidies which are designed to facilitate their exports. The countries that were cited as benefiting from subsidies were Japan, Taiwan, India, and Korea.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total.....	37,507	100	-	32
Imports from GSP countries:				
Total.....	21,495	57	100	18
Thailand.....	9,262	25	43	8
Taiwan.....	3,809	10	18	3
South Korea.....	2,666	7	12	2
India.....	2,700	7	13	2
Value (thousands)				
Total.....	22,771	100	-	21
Imports from GSP countries:				
Total.....	11,229	49	100	10
Thailand.....	5,074	22	45	5
Taiwan.....	2,593	11	23	2
South Korea.....	1,373	6	12	1
India.....	777	3	7	1

Note.—The countries shown in the table include the top four GSP suppliers in 1986.

IV. Competitiveness profiles, GSP suppliersCompetitiveness of Thailand for all digest products

Ranking as a U.S. import supplier, 1986..... 2

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

TSUS item No.
610.74—Con.

Comment: Both production and production capacity of malleable pipe fitting in Thailand have been increasing in recent years. From 1985 to 1986 production of malleable iron pipe fittings increased by 66 percent. Capacity to produce malleable pipe fittings increased by 14 percent during 1984-86. In 1986 capacity utilization stood at 70 percent indicating that production could be expanded significantly. Thailand, which has significant non-U.S. sales, has been facing severe competition from Japan and Taiwan in third country markets and as a result has shifted exports to the United States.

In the United States, pipe fittings used for a given application generally must meet standards established by the American Society for Testing and Materials (ASTM) and the American National Standards Institute (ANSI). Any imports that expect to compete in the U.S. market must also meet these standards, so there is generally uniformity in product quality. Despite the fact that malleable iron pipe fittings from Thailand are generally less expensive than U.S. produced fittings, many purchasers will buy the U.S. fittings. Important considerations for buying decisions, other than price and quality, are the reliability of the supplier, the ability a supplier to have prompt delivery, and warranty or service terms. Other factors include whether the supplier is a traditional or alternate source of supply, the availability of a complete product line, and transport costs. Generally U.S. producers of malleable iron pipe fittings rank favorably when all of the considerations are taken into account. The main reasons why U.S. produced fittings are chosen over Thai fittings are because domestic sources are generally a more reliable source of supply, and provide support personnel; in addition distributors' purchase decision are influenced by the need to be consistent with the Buy American policies of some customers.

Competitiveness of Taiwan for all digest products

Ranking as a U.S. import supplier, 1986..... 3

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Comment: Taiwan's exports of malleable iron fittings to the United States account for about 20 percent of its total malleable iron pipe fitting exports. Other significant export markets include Japan, Hong Kong, and Saudi Arabia. Exports to countries other than the United States account for approximately 75 percent of total Taiwan shipments of malleable pipe fittings. In 1986 the capacity utilization rate was nearly 80 percent; although production has recently declined however, due to an influx of imports and pollution control regulations by the Taiwan government. Over the long run the industry plans significant capacity expansion. The reasons why a U.S. consumer would be willing to pay more for domestic malleable iron pipe fittings than Taiwan fittings are the same as for Thailand. An additional factor is the type of purchaser involved. Pipe fittings are purchased by two distinct groups, distributors and end users. Distributors are basically "middle-men" who are far more concerned with price than end users. End users are primarily concerned more with non-price factors like reliability of supply and prompt delivery.

Competitiveness of Korea for all digest products

Ranking as a U.S. import supplier, 1986..... 4

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Comment: There are two large producers of malleable iron pipe fittings in Korea who export significant amounts, of the product to the United States. Specific production, capacity and market data are confidential. The fact that the USITC ruled affirmatively in an antidumping investigation against Korea in 1986 (USITC Investigation No. 731-TA-279 (Final)), indicates a likelihood that capacity could be expanded and that underselling of the U.S. product has occurred. Another indication of South Korea's industry's ability to expand capacity is its capital expenditures in malleable iron facilities. The reasons why a U.S. consumer would be willing to pay more for domestic malleable pipe fittings than Korean produced malleable pipe iron fittings are the same as for Thailand and Taiwan. Purchasers often give preference to distributors or producers who offer complete product lines, in their buying decisions.

V. Position of interested parties

Petitioner.—The American Pipe Fittings Association Iron Pipe Fittings and Unions Product group (APFA). The petitioner feels that recent import trends, price information obtained by the ITC, and unit value import data indicates that GSP imports, especially those from Thailand, Mexico, and Brazil, are competitive with imports from other foreign sources and U.S. produced fittings. GSP imports are likely to continue to increase as importers of fittings from producers in countries subject to high dumping duties shift to sources in GSP countries. Therefore the petitioner feels that malleable iron pipe fittings should be removed from GSP treatment.

Support.—In addition to the APFA member firms, U-Brand Corporation of Ashland Ohio supports the petition.

Oppose.—Tupy American Foundry Corporation opposes the withdrawal of GSP treatment for malleable cast iron pipe fittings from Brazil. The company feels that the International Trade Commission (ITC) should advise the U.S. Trade Representative that (i) the continuation of GSP treatment for malleable cast-iron pipe fittings imported from Brazil would have no economic effect on U.S. producers of pipe fittings, but (ii) the removal of GSP treatment for malleable cast-iron pipe fittings imported from Brazil would have adverse economic effects on U.S. purchasers and consumers of this Brazilian merchandise.

- CIFUNSA; a Mexican producer of malleable iron pipe fittings, opposes the withdrawal of GSP treatment for pipe fittings from Mexico. The company feels that the withdrawal of GSP benefits from malleable cast iron fittings produced in Mexico will have a very detrimental effect on CIFUNSA's continued ability to export pipe fittings to the U.S. market, but a negligible impact on the U.S. producers.

- Three Thai manufacturers of malleable iron pipe fittings, Siam Fittings Co., Ltd., Thai Malleable Iron and Steel Co., Ltd. and BIS Pipe Fittings Industry Co., Ltd., as well as the following U.S. importers of pipe fittings from Thailand; Calsak Corp., of Los Angeles, CA, Mundo Corp., of San Francisco, CA, Barnett Brass and Copper, of Jacksonville, FL., and Norca Corp., of Raleigh, NC, all oppose the withdrawal of GSP treatment for malleable iron pipe fittings from Thailand. These companies feel that the withdrawal of GSP treatment for malleable iron pipe fittings from all countries would hurt U.S. consumers because without alternative import sources, the U.S. pipe fittings producers would have an effective oligopoly resulting in higher prices, limited selection, and poor service to U.S. consumers of malleable iron pipe fittings.

[Probable economic effects advice deleted]

[redacted]

[redacted]

Product: Cast iron pipe and tube fittings

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds)				
Japan.....	18,765,921	17,431,118	14,094,903	13,838,922
Thailand.....	644,225	1,338,619	5,587,816	9,262,362
Taiwan.....	6,014,764	7,418,853	11,032,448	3,809,129
India.....	1,936,408	3,145,506	2,447,033	2,699,882
Kor Rep.....	1,053,613	2,879,313	10,095,477	2,665,932
China.P.....		353,644	432,830	1,194,579
Mexico.....		39,942		841,043
Brazil.....	475,516	1,395,826	475,574	816,312
Singapr.....		115,971	237,739	694,743
Venez.....				673,030
U King.....	358,627	431,343	491,606	478,192
France.....	363,092	12,864	409,033	329,715
Canada.....	248,661	126,594	24,483	94,508
FR Germ.....	159,165	50,038	91,982	70,607
All other total..	1,273,306	623,990	221,676	37,918
Total.....	31,293,298	35,363,621	45,642,600	37,506,874
GSP total....	11,358,176	16,909,071	29,959,888	21,495,059

Percent				
Japan.....	60.0	49.3	30.9	36.9
Thailand.....	2.1	3.8	12.2	24.7
Taiwan.....	19.2	21.0	24.2	10.2
India.....	6.2	8.9	5.4	7.2
Kor Rep.....	3.4	8.1	22.1	7.1
China.P.....	0.0	1.0	0.9	3.2
Mexico.....	0.0	0.1	0.0	2.2
Brazil.....	1.5	3.9	1.0	2.2
Singapr.....	0.0	0.3	0.5	1.9
Venez.....	0.0	0.0	0.0	1.8
U King.....	1.1	1.2	1.1	1.3
France.....	1.2	0.0	0.9	0.9
Canada.....	0.8	0.4	0.1	0.3
FR Germ.....	0.5	0.1	0.2	0.2
All other total..	4.1	1.8	0.5	0.1
Total.....	100.0	100.0	100.0	100.0
GSP total....	36.3	47.8	65.6	57.3

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

Product: Cast iron pipe and tube fittings

TSUS item No.
610.74--Con.

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Japan.....	11,769	11,024	9,478	10,189
Thailand.....	313	756	3,114	5,074
Taiwan.....	3,984	4,946	7,345	2,593
Kor Rep.....	556	1,465	4,869	1,373
India.....	484	769	736	777
U King.....	501	498	584	638
Brazil.....	289	794	249	480
Mexico.....		25		393
Singapr.....		106	127	356
FR Germ.....	270	79	376	227
France.....	259	7	287	226
China P.....		100	85	224
Venez.....				162
Canada.....	261	116	14	28
All other total..	613	471	150	25
Total.....	19,305	21,163	27,420	22,771
GSP total....	6,208	9,294	16,475	11,229

Percent				
Japan.....	61.0	52.1	34.6	44.7
Thailand.....	1.6	3.6	11.4	22.3
Taiwan.....	20.6	23.4	26.8	11.4
Kor Rep.....	2.9	6.9	17.8	6.0
India.....	2.5	3.6	2.7	3.4
U King.....	2.6	2.4	2.1	2.8
Brazil.....	1.5	3.8	0.9	2.1
Mexico.....	0.0	0.1	0.0	1.7
Singapr.....	0.0	0.5	0.5	1.6
FR Germ.....	1.4	0.4	1.4	1.0
France.....	1.3	0.0	1.0	1.0
China P.....	0.0	0.5	0.3	1.0
Venez.....	0.0	0.0	0.0	0.7
Canada.....	1.4	0.6	0.1	0.1
All other total..	3.2	2.2	0.5	0.1
Total.....	100.0	100.0	100.0	100.0
GSP total....	32.2	43.9	60.1	49.3

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

Product: UNIONS CST IR FITTGS MALEABL

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds)				
Canada.....	5,287,423	3,098,714	3,509,436	3,564,755
Panama.....	61,832	7,816	6,631	495,625
Mexico.....	1,628,636	807,456	233,076	439,649
S Arab.....	2,836,415	1,604,389	98,829	175,244
Arab Em.....	25,565	198,641		125,179
Japan.....	14,373	214,474	100,926	93,075
Kor Rep.....	35,378	331,197	96,299	90,771
Trinid.....	93,306	32,731	60,342	56,390
Colomb.....	94,817	91,507	49,902	46,576
Guatmal.....	35,958	42,516	57,045	44,108
Egypt.....	39,774	51,281	24,866	30,931
U King.....	36,843	31,950	38,438	26,098
Venez.....	510,803	33,440	98,102	22,299
C Rica.....	20,246	7,807	11,254	21,859
All other total..	2,309,511	1,059,606	438,964	254,696
Total.....	13,030,880	7,613,525	4,824,110	5,487,255
GSP total....	3,806,875	2,135,610	1,004,781	1,375,462

Percent				
Canada.....	40.6	40.7	72.7	65.0
Panama.....	0.5	0.1	0.1	9.0
Mexico.....	12.5	10.6	4.8	8.0
S Arab.....	21.8	21.1	2.0	3.2
Arab Em.....	0.2	2.6	0.0	2.3
Japan.....	0.1	2.8	2.1	1.7
Kor Rep.....	0.3	4.4	2.0	1.7
Trinid.....	0.7	0.4	1.3	1.0
Colomb.....	0.7	1.2	1.0	0.8
Guatmal.....	0.3	0.6	1.2	0.8
Egypt.....	0.3	0.7	0.5	0.6
U King.....	0.3	0.4	0.8	0.5
Venez.....	3.9	0.4	2.0	0.4
C Rica.....	0.2	0.1	0.2	0.4
All other total..	17.7	13.9	9.1	4.6
Total.....	100.0	100.0	100.0	100.0
GSP total....	29.2	28.1	20.8	25.1

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

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	6,154	3,893	4,585	3,944
Mexico.....	3,033	1,556	652	1,178
India.....	5	5	83	805
Kor Rep.....	74	576	592	643
S Arab.....	4,570	2,479	295	490
Panama.....	108	23	20	281
Trinid.....	136	121	92	238
Japan.....	27	558	145	235
Arab Em.....	78	380		192
Colomb.....	434	354	224	120
U King.....	272	79	84	105
France.....	13	36	17	72
Venez.....	953	89	229	64
Kuwait.....	44	17	21	45
All other total..	6,292	3,413	946	709
Total.....	20,201	13,587	7,991	9,126
GSP total....	7,419	5,213	2,630	3,774

Percent				
Canada.....	30.5	28.7	57.4	43.2
Mexico.....	15.0	11.5	8.2	12.9
India.....	0.0	0.0	1.0	8.8
Kor Rep.....	0.4	4.2	7.4	7.1
S Arab.....	22.6	18.3	3.7	5.4
Panama.....	0.5	0.2	0.3	3.1
Trinid.....	0.7	0.9	1.2	2.6
Japan.....	0.1	4.1	1.8	2.6
Arab Em.....	0.4	2.8	0.0	2.1
Colomb.....	2.2	2.6	2.8	1.3
U King.....	1.4	0.6	1.1	1.2
France.....	0.1	0.3	0.2	0.8
Venez.....	4.7	0.7	2.9	0.7
Kuwait.....	0.2	0.1	0.3	0.5
All other total..	21.2	25.1	11.8	7.8
Total.....	100.0	100.0	100.0	100.0
GSP total....	36.7	38.4	32.9	41.4

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

Annual Review of the Generalized System of Preferences (GSP)
U.S. Imports for consumption under the GSP, by principal source, 1981, 1983, 1985, and 1986
Flow: Imports for consumption
TBSA commodity: 61074--Cast iron pipe and tube fittings

(Quantity in thousands of pounds; value in thousands of dollars)

Type	Time period:	1981	1983	1985	1986
Cty subcode					
Partner					
First unit of quantity					
Duty-free items under GSP provisions:					
Belize.....		30	0	0	0
Brazil.....		473	1,396	476	816
Hong Kong.....		0	0	38	33
India.....		1,936	3,146	2,447	2,692
Israel.....		0	70	7	0
Korea, South.....		1,054	2,879	188	46
Malaysia.....		1,204	505	0	0
Mexico.....		0	40	0	841
Philippines.....		0	0	39	0
Portugal.....		18	0	0	0
Singapore.....		0	102	238	478
Taiwan.....		5,949	7,291	243	211
Thailand.....		644	1,339	5,478	9,048
Venezuela.....		0	0	0	473
World.....		11,328	16,767	9,153	15,057
Customs value					
Duty-free items under GSP provisions:					
Belize.....		13	0	0	0
Brazil.....		288	794	249	481
Hong Kong.....		0	0	21	17
India.....		484	769	736	776
Israel.....		0	51	5	0
Korea, South.....		557	1,466	94	18
Malaysia.....		567	378	0	0
Mexico.....		0	26	0	393
Philippines.....		0	0	7	0
Portugal.....		9	0	0	0
Singapore.....		0	100	128	335
Taiwan.....		3,959	4,865	126	110
Thailand.....		313	757	3,053	4,961
Venezuela.....		0	0	0	162
World.....		4,191	9,206	4,419	7,251
Unit value					
Duty-free items under GSP provisions:					
Belize.....		0.45	0	0	0
Brazil.....		0.61	0.57	0.52	0.59
Hong Kong.....		0	0	0.55	0.53
India.....		0.25	0.24	0.30	0.29
Israel.....		0	0.73	0.75	0
Korea, South.....		0.53	0.51	0.50	0.40
Malaysia.....		0.47	0.73	0	0
Mexico.....		0	0.64	0	0.47
Philippines.....		0	0	0.17	0
Portugal.....		0.48	0	0	0
Singapore.....		0	0.98	0.54	0.49
Taiwan.....		0.46	0.57	0.52	0.52
Thailand.....		0.49	0.57	0.56	0.55
Venezuela.....		0	0	0	0.24
World.....		0.55	0.55	0.48	0.48

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

Aluminum Rods

I. Introduction

Col. 1 rate of duty: 2.6%

Type of action proposed (check one):

Addition of GSP:

Removal from GSP:

Country graduation: X (Countries—Argentina, Brazil, Mexico, Taiwan, Venezuela, 2/ Yugoslavia)

Competitive-need-limit waiver:

Non-eligible GSP countries: Venezuela

Current competitive-need-limit waivers: None.

Current "sufficiently competitive" designation: None.

U.S. production on Jan. 3, 1985? Yes X No

Description and uses: Aluminum rods, classified in SIC 3355, Aluminum Rolling and Drawing, N.E.C., are generally drawn into wire for use in fencing or machine stock (mechanical) or for use in cable for electrical transmission purposes (electrical conductor).

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms) <u>3/..</u>	**22	**22	**18	**18	-18
Total U.S. employment (thousand employees).....	<u>4/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	-
U.S. shipments (thousand dollars).....	<u>4/</u>	<u>4/</u>	**357,439	**345,579	-
U.S. exports (thousand dollars).....	62,868	17,321	20,256	14,362	-77
U.S. imports (thousand dollars).....	54,719	22,823	80,241	79,081	45
U.S. consumption (thousand dollars).....	<u>4/</u>	<u>4/</u>	**417,424	**410,298	-
Import to consumption ratio (percent).....	<u>4/</u>	<u>4/</u>	**19	**19	-
Capacity utilization (nearest 10 percent).....	<u>4/</u>	<u>4/</u>	*60	*60	-

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item Nos. 7604.10.30 and 7604.29.30.

2/ Advice is requested on the probable economic effect of redesignation of Venezuela as eligible under the GSP.

3/ These figures represent the number of plants.

4/ Not available.

TSUS item No.
618.15—Con.

Comment: Fewer than 18 plants manufactured aluminum rod in 1986, with more than **\$345.6 million of rod produced. Most aluminum rod is produced for captive consumption and manufactured into wire and cable. Price is the principal purchasing factor when determining to buy rod from domestic or foreign sources when sold on the open market, providing customer specifications have been met. The principal market for rod, electrical cable, is relatively mature due to the nearly complete electrification of the United States. The price is directly affected by the cost of primary aluminum, which represents over 85 percent of the cost of rod. For this reason, low-cost energy companies or countries have a cost advantage in rod production. This product was recently the subject of countervailing duty and antidumping investigations, with the USITC issuing affirmative preliminary determinations against imports from Venezuela.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (1,000 pounds)</u>				
Total.....	133,632	100	-	-
Imports from GSP countries:				
Total.....	123,426	92	100	-
Venezuela.....	100,044	75	81	-
Argentina.....	5,091	4	5	-
Yugoslavia.....	2,936	2	2	-
Brazil.....	1,241	1	1	1/
Taiwan.....	846	1	1	1/
Mexico.....	46	1/	1/	1/
<u>Value (thousands)</u>				
Total.....	79,081	100	-	**19
Imports from GSP countries:				
Total.....	67,699	86	100	**16
Venezuela.....	58,803	74	87	**14
Argentina.....	4,190	5	6	**1
Yugoslavia.....	2,980	4	4	**1
Brazil.....	966	1	1	1/
Taiwan.....	699	1	1	1/
Mexico.....	12	1/	1/	1/

1/ Less than 0.5 percent.

Note.—The countries shown in the table include the top four GSP suppliers in 1986 and any additional countries proposed for "graduation" or "waiver."

IV. Competitiveness profiles, GSP suppliersCompetitiveness of Venezuela for all digest productsRanking as a U.S. import supplier, 1986..... 1

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Comment: Information collected in the course of the USITC's aforementioned investigations indicate that Venezuela plans wire and rod capacity expansions of 60,000 metric tons per year by Sural to be completed in 3 years. Primary aluminum capacity expansion will likely contribute to increased rod production since Venezuelan rod producers have had trouble purchasing as much aluminum as they would like from Venezuelan smelters. Current capacity utilization is [* * *] percent. Venezuela's longer-term plan includes additional fabricating capacity for basic forms such as bar, rod, and extrusion billet, with primary export markets being the United States, Europe, and Asia. [* * *.]

Competitiveness of Argentina for all digest productsRanking as a U.S. import supplier, 1986..... 3

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Competitiveness of Yugoslavia for all digest productsRanking as a U.S. import supplier, 1986..... 4

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Comment: Imports from Yugoslavia have reportedly been driven by the fluctuating needs of the country for hard currencies.

Competitiveness of Brazil for all digest productsRanking as a U.S. import supplier, 1986..... 6

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Competitiveness of Taiwan for all digest productsRanking as a U.S. import supplier, 1986..... 12

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Competitiveness of Mexico for all digest productsRanking as a U.S. import supplier, 1986..... 17

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

TSUS item No.
618.15—Con.

V. Position of interested parties

Petitioner.—Southwire Company (Carrollton, GA) claims that GSP imports of aluminum rod are adversely affecting the U.S. industry and that the specified countries are highly competitive in the U.S. market, no longer justifying the granting of GSP treatment.

Opposition.—Camara Argentina de la Industria del Alumino y Metales Afines, an Argentine association including producers of aluminum rod, states that the U.S. aluminum rod industry is not adversely affected by GSP imports from Argentina (which account for 4 percent of total imports) and that the Argentine industry would be adversely impacted by the loss of GSP benefits through graduation.

Impol Aluminum Mill, a Yugoslavian rod producer, opposes Yugoslavia's graduation for this item citing the low level of U.S. rod imports from Yugoslavia (which account for 2 percent of total imports) and Yugoslavia's relatively poor economic development that warrants GSP status.

[Probable economic effects advice deleted]

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Product: Wrought rods of aluminum

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds)				
Venez.....	24,947,345	13,672,155	112,954,750	100,044,075
Argent.....		1,465,921	2,700,645	5,890,930
Yugoslvs.....	4,841,133	5,861,869	4,525,096	2,935,631
U King.....	50,370	486,886	1,457,012	2,783,623
Belgium.....	804,716	1,763,245	3,106,289	2,305,312
Brazil.....		762,909	2,719,252	1,240,847
Taiwan.....			262,725	896,308
France.....	647,059	257,394	1,292,568	890,231
Spain.....		15,119	977,654	730,555
Italy.....	1,287,190	1,569,206	1,095,332	725,378
Canada.....	15,728	131,298	563,637	656,346
Japan.....	168,319	114,855	1,471,179	472,208
FR Germ.....	63,130	119,241	58,228	61,759
Mexico.....	1,892			45,746
All other total..	220,829	334,028	447,574	82,842
Total.....	33,047,711	26,554,126	133,631,941	119,761,791
GSP total.....	29,790,370	21,762,854	123,426,202	111,101,943
Percent				
Venez.....	75.5	51.5	84.5	83.5
Argent.....	0.0	5.5	2.0	4.9
Yugoslvs.....	14.6	22.1	3.4	2.5
U King.....	0.2	1.8	1.1	2.3
Belgium.....	2.4	6.6	2.3	1.9
Brazil.....	0.0	2.9	2.0	1.0
Taiwan.....	0.0	0.0	0.2	0.7
France.....	2.0	1.0	1.0	0.7
Spain.....	0.0	0.1	0.7	0.6
Italy.....	3.9	5.9	0.8	0.6
Canada.....	0.0	0.5	0.4	0.5
Japan.....	0.5	0.4	1.1	0.4
FR Germ.....	0.2	0.4	0.0	0.1
Mexico.....	0.0	0.0	0.0	0.0
All other total..	0.7	1.3	0.3	0.1
Total.....	100.0	100.0	100.0	100.0
GSP total.....	90.1	82.0	92.4	92.8

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

Product: Wrought rods of aluminum

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Venez.....	45,443	9,966	59,321	58,803
U King.....	89	791	2,369	5,181
Argent.....		1,113	2,377	4,190
Yugosl v.....	5,671	5,466	4,735	2,980
Belgium.....	882	1,543	2,721	2,082
Brazil.....		604	1,884	966
Canada.....	17	163	616	941
France.....	739	258	1,141	853
Italy.....	1,237	1,252	1,155	832
Spain.....		6	1,006	763
Taiwan.....			215	699
Japan.....	181	168	1,569	543
FR Germ.....	201	1,235	567	145
Antigua.....				34
All other total..	255	253	560	61
Total.....	54,719	22,823	80,241	79,081
GSP total....	51,119	17,150	68,886	67,699
Percent				
Venez.....	83.0	43.7	73.9	74.4
U King.....	0.2	3.5	3.0	6.6
Argent.....	0.0	4.9	3.0	5.3
Yugosl v.....	10.4	23.9	5.9	3.8
Belgium.....	1.6	6.8	3.4	2.6
Brazil.....	0.0	2.6	2.3	1.2
Canada.....	0.0	0.7	0.8	1.2
France.....	1.4	1.1	1.4	1.1
Italy.....	2.3	5.5	1.4	1.1
Spain.....	0.0	0.0	1.3	1.0
Taiwan.....	0.0	0.0	0.3	0.9
Japan.....	0.3	0.7	2.0	0.7
FR Germ.....	0.4	5.4	0.7	0.2
All other total..	0.5	1.1	0.7	0.1
Total.....	100.0	100.0	100.0	100.0
GSP total....	93.4	75.1	85.8	85.6

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

Product: WRT RDS ALUM UN .375 IN DIAM

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds)				
Canada.....	1,050,046	1,265,620	4,848,873	4,973,868
Italy.....	991,001	1,839,736	1,920,591	2,439,672
Cocos I.....	1,943,341	1,609,942	972,048	1,076,983
Israel.....	5,572,154	3,300,924	2,600,962	679,437
Thailand.....	35,249	775,420	1,102,753	634,430
Mexico.....	43,824,733	3,645,881	4,431,928	553,561
Japan.....	678,638	2,645,559	536,221	534,470
Salvadr.....	440,831	84	67,739	477,622
Nigeria.....	224,856			389,655
Ghana.....			62,470	204,199
U King.....	1,635,027	50,980	1,030,259	197,021
France.....	3,716	8,321		158,857
FR Germ.....	75,738	644	264,780	147,684
Phil.R.....	37	186,908	1,004	97,446
All other total..	8,002,775	817,090	720,448	328,973
Total.....	64,478,142	16,147,109	18,560,076	12,893,878
GSP total....	58,683,070	10,024,427	9,934,815	4,019,631

Percent				
Canada.....	1.6	7.8	26.1	38.6
Italy.....	1.5	11.4	10.3	18.9
Cocos I.....	3.0	10.0	5.2	8.4
Israel.....	8.6	20.4	14.0	5.3
Thailand.....	0.1	4.8	5.9	4.9
Mexico.....	68.0	22.6	23.9	4.3
Japan.....	1.1	16.4	2.9	4.1
Salvadr.....	0.7	0.0	0.4	3.7
Nigeria.....	0.3	0.0	0.0	3.0
Ghana.....	0.0	0.0	0.3	1.6
U King.....	2.5	0.3	5.6	1.5
France.....	0.0	0.1	0.0	1.2
FR Germ.....	0.1	0.0	1.4	1.1
Phil.R.....	0.0	1.2	0.0	0.8
All other total..	12.4	5.1	3.9	2.6
Total.....	100.0	100.0	100.0	100.0
GSP total....	91.0	62.1	53.5	31.2

Source: Compiled from official statistics of the U.S. Department of Commerce 16

Product: WRT RDS ALUM UN .375 IN DIAM

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	1,281	1,421	5,425	5,197
Italy.....	1,259	2,017	2,129	2,480
Cocos I.....	2,296	1,914	1,114	1,234
Thailand.....	30	1,023	1,623	909
Japan.....	933	2,289	902	908
Israel.....	9,320	3,924	3,245	864
Mexico.....	37,744	3,011	3,517	662
Salvadr.....	330		99	330
Nigeria.....	185			280
U King.....	1,702	68	1,067	241
France.....	6	11		220
Ghana.....			64	208
FR Germ.....	95		294	192
Phil.R.....	1	291	5	157
All other total..	7,679	1,347	767	472
Total.....	62,868	17,321	20,256	14,362
GSP total....	55,903	10,947	10,402	4,760

	Percent			
Canada.....	2.0	8.2	26.8	36.2
Italy.....	2.0	11.6	10.5	17.3
Cocos I.....	3.7	11.1	5.5	8.6
Thailand.....	0.0	5.9	8.0	6.3
Japan.....	1.5	13.2	4.5	6.3
Israel.....	14.8	22.7	16.0	6.0
Mexico.....	60.0	17.4	17.4	4.6
Salvadr.....	0.5	0.0	0.5	2.3
Nigeria.....	0.3	0.0	0.0	2.0
U King.....	2.7	0.4	5.3	1.7
France.....	0.0	0.1	0.0	1.5
Ghana.....	0.0	0.0	0.3	1.5
FR Germ.....	0.2	0.0	1.5	1.3
Phil.R.....	0.0	1.7	0.0	1.1
All other total..	12.2	7.8	3.8	3.3
Total.....	100.0	100.0	100.0	100.0
GSP total....	88.9	63.2	51.4	33.1

Source: Compiled from official statistics of the U.S. Department of Commerce 17

Aluminum Wire Not Coated or Plated

I. Introduction

Col. 1 rate of duty: 4.2%

Type of action proposed (check one):

Addition of GSP:

Removal from GSP:

Country graduation: (Countries—Argentina, Brazil, Venezuela)

Competitive-need-limit waiver

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes No

Description and uses: Aluminum wire, classified in SIC 3355, Aluminum Rolling and Drawing, M.E.C., is used for mechanical purposes (fencing or screw machine stock) or electrical purposes (transmission cables). The wire is drawn from aluminum rod or bar into a square, round, rectangular, hexagonal, or octagonal shape, with a diameter less than 0.375 inch.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms) ^{2/} ..	**69	**69	**61	**61	-12
Total U.S. employment (thousand employees).....	3/	3/	3/	3/	-
U.S. shipments (thousand dollars).....	3/	3/	3/	3/	-
U.S. exports (thousand dollars).....	18,742	6,756	7,574	8,870	-53
U.S. imports (thousand dollars).....	2,682	3,417	7,813	8,799	288
U.S. consumption (thousand dollars).....	3/	3/	3/	3/	-
Import to consumption ratio (percent).....	3/	3/	3/	3/	-
Capacity utilization (nearest 10 percent).....	3/	3/	3/	3/	-

Comment: Fewer than **61 plants produced bare wire in 1986. Wire is an intermediate product in the manufacture of transmission cable, fencing, screws, and so forth. Wire is a product made to specific customer requirements on a contract basis, not generally manufactured and sold on a free market basis. When sold on the merchant market, price is the principal competitive factor between domestic and foreign sources within wire types (mechanical and electrical). Most wire is for captive consumption for the manufacture of the aforementioned items. Wire facilities are often located in proximity to rod/bar facilities due to the integral nature of their production processes. The major integrated aluminum producers have traditionally dominated the market, but several of these producers have closed or have announced plans to close electrical wire (and cable) facilities due to the low valued-added nature of the product and plans to emphasize production of higher value products.

^{1/} Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item Nos. 7605.11.00, 7605.19.00, 7605.21.00, and 7605.29.00.

^{2/} These figures represent the number of plants.

^{3/} Not available.

TSUS item No. -
618.20—Con.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (1,000 pounds)</u>				
Total.....	6,152	100	-	-
Imports from GSP countries:				
Total.....	1,109	13	100	-
Yugoslavia.....	492	8	44	-
Venezuela.....	539	9	49	-
Taiwan.....	78	1	7	1/
Korea.....	1	1/	1/	1/
Argentina.....	0	0	0	0
Brazil.....	0	0	0	0
<u>Value (thousands)</u>				
Total.....	8,799	100	-	-
Imports from GSP countries:				
Total.....	1,106	13	100	-
Yugoslavia.....	773	9	70	-
Venezuela.....	265	3	24	-
Taiwan.....	59	1	5	1/
Korea.....	3	1/	1/	1/
Argentina.....	-	0	0	0
Brazil.....	-	0	0	0

Note.—The countries shown in the table include the top four GSP suppliers in 1986 and any additional countries proposed for "graduation" or "waiver."

1/ Less than 0.5 percent.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Yugoslavia for all digest products

Ranking as a U.S. import supplier, 1986..... 3

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Competitiveness of Venezuela for all digest products

Ranking as a U.S. import supplier, 1986..... 7

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Comment: Information collected in the course of the USITC's countervailing and antidumping investigations on electrical conductor rod from Venezuela indicate that Venezuela plans wire and rod capacity expansions of 60,000 metric tons per year by Sural to be completed in 3 years. [* * *.]

Competitiveness of Argentina for all digest products

Ranking as a U.S. import supplier, 1986..... -

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above Equivalent Below
- Other foreign products..... Above Equivalent Below

Quality compared with:

- U.S. products..... Above Equivalent Below
- Other foreign products..... Above Equivalent Below

Comment: There were no imports of aluminum wire from Argentina in 1986. Three Argentina wire producers account for about 49 percent of wire and cable capacity.

Competitiveness of Brazil for all digest products

Ranking as a U.S. import supplier, 1986..... -

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above Equivalent Below
- Other foreign products..... Above Equivalent Below

Quality compared with:

- U.S. products..... Above Equivalent Below
- Other foreign products..... Above Equivalent Below

Comment: There were no imports of aluminum wire from Mexico in 1986. The three principal Brazilian producers of wire accounted for 57 percent of wire and cable capacity.

V. Position of interested parties

Petitioner.—Southwire Company (Carrollton, GA) included aluminum wire in the petition to prevent any diversion of aluminum rod production to wire production if GSP treatment was withdrawn from those countries being considered for graduation.

Opposition.—Camara Argentina de la Industria del Alumino y Metales Afines, an Argentine association including producers of aluminum wire, states that the U.S. aluminum wire industry is not adversely affected by GSP imports from Argentina (of which there were none in 1986) and that the Argentine industry would be adversely impacted by the loss of GSP benefits through graduation.

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Product: Aluminum wire, not plated or coated

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds)				
Canada.....	174,316	2,118,806	1,865,427	2,801,825
U King.....	307	264,949	686,230	1,132,851
Venez.....			4,160,407	538,500
Yugosl.....	224,297	85,367	235,800	492,366
Japan.....	1,533,082	427,421	174,271	389,065
FR Germ.....	56,147	126,953	171,818	251,461
France.....	21,862	206,496	684,006	227,113
Belgium.....		37,148	367,107	219,149
Taiwan.....	30	1,877		78,175
Italy.....		128	4,461	19,840
Nethlds.....			21,389	1,466
Spain.....			276	66
Thailnd.....				34
Hg Kong.....	10	1,372	26	26
All other total..	39,783	11,519	810,762	44
Total.....	2,049,834	3,282,036	9,181,980	6,151,981
GSP total....	263,612	88,616	5,206,995	1,109,145

Percent				
Canada.....	8.5	64.6	20.3	45.5
U King.....	0.0	8.1	7.5	18.4
Venez.....	0.0	0.0	45.3	8.8
Yugosl.....	10.9	2.6	2.6	8.0
Japan.....	74.8	13.0	1.9	6.3
FR Germ.....	2.7	3.9	1.9	4.1
France.....	1.1	6.3	7.4	3.7
Belgium.....	0.0	1.1	4.0	3.6
Taiwan.....	0.0	0.1	0.0	1.3
Italy.....	0.0	0.0	0.0	0.3
Nethlds.....	0.0	0.0	0.2	0.0
Spain.....	0.0	0.0	0.0	0.0
Thailnd.....	0.0	0.0	0.0	0.0
Hg Kong.....	0.0	0.0	0.0	0.0
All other total..	1.9	0.4	8.8	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	12.9	2.7	56.7	18.0

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

Product: Aluminum wire, not plated or coated

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	198	1,712	2,237	3,995
U King.....	12	342	1,021	2,182
Yugosl v.....	239	96	408	773
FR Germ.....	87	243	242	502
Japan.....	2,057	719	428	493
France.....	42	243	762	265
Venez.....			1,760	265
Belgium.....		33	322	213
Taiwan.....	1	5		59
Italy.....			8	34
Kor Rep.....			13	3
Spain.....			12	3
Nethl ds.....			45	2
Hg Kong.....		4	1	1
All other total..	43	15	547	2
Total.....	2,682	3,417	7,813	8,799
GSP total....	282	106	2,731	1,106

Percent				
Canada.....	7.4	50.1	28.6	45.4
U King.....	0.5	10.0	13.1	24.8
Yugosl v.....	8.9	2.8	5.2	8.8
FR Germ.....	3.2	7.1	3.1	5.7
Japan.....	76.7	21.0	5.5	5.6
France.....	1.6	7.1	9.8	3.0
Venez.....	0.0	0.0	22.5	3.0
Belgium.....	0.0	1.0	4.1	2.4
Taiwan.....	0.1	0.2	0.0	0.7
Italy.....	0.0	0.0	0.1	0.4
Kor Rep.....	0.0	0.0	0.2	0.0
Spain.....	0.0	0.0	0.2	0.0
Nethl ds.....	0.0	0.0	0.6	0.0
Hg Kong.....	0.0	0.1	0.0	0.0
All other total..	1.6	0.5	7.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	10.5	3.1	35.0	12.6

Product: ALUMINUM WIRE

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (pounds)				
Canada.....	2,518,423	1,407,702	1,487,424	1,895,410
Mexico.....	4,427,526	268,577	909,999	944,810
Haiti.....	3,914	77,807	52,687	462,670
Iran.....				321,726
FR Germ.....	216,546	95,440	47,203	128,595
Kor Rep.....	458,795	24,376	364,021	93,960
Taiwan	218,345	49,549	19,854	75,938
Argent.....	28,847	2,675	44,522	74,122
Hondura.....	5,219	11,446	19,874	68,234
U.King.....	251,913	59,844	51,651	67,950
Cocos.I.....	111,009	34,076	43,452	64,048
Panama.....	13,649	4,971	83,738	62,263
Nethlds.....	155,673	50,922	33,280	61,922
Ecuador.....	47,469	82,083	72,681	59,807
All other total..	7,273,629	2,253,083	2,116,337	754,555
Total.....	15,730,957	4,422,551	5,346,723	5,136,010
GSP total....	9,945,774	1,372,114	2,449,284	2,435,928

Percent				
Canada.....	16.0	31.8	27.8	36.9
Mexico.....	28.1	6.1	17.0	18.4
Haiti.....	0.0	1.8	1.0	9.0
Iran.....	0.0	0.0	0.0	6.3
FR Germ.....	1.4	2.2	0.9	2.5
Kor Rep.....	2.9	0.6	6.8	1.8
Taiwan	1.4	1.1	0.4	1.5
Argent.....	0.2	0.1	0.8	1.4
Hondura.....	0.0	0.3	0.4	1.3
U.King.....	1.6	1.4	1.0	1.3
Cocos.I.....	0.7	0.8	0.8	1.2
Panama.....	0.1	0.1	1.6	1.2
Nethlds.....	1.0	1.2	0.6	1.2
Ecuador.....	0.3	1.9	1.4	1.2
All other total..	46.2	50.9	39.6	14.7
Total.....	100.0	100.0	100.0	100.0
GSP total....	63.2	31.0	45.8	47.4

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

Product: ALUMINUM WIRE

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	3,386	1,849	1,711	2,802
Mexico.....	4,701	368	1,339	1,548
Haiti.....	9	100	58	437
U.King.....	462	168	100	309
Nethlds.....	145	235	228	274
FR Germ.....	292	123	146	240
Hg Kong.....	193	368	248	229
Iran.....				228
Argent.....	61	11	90	215
Phil.R.....	405	226	78	205
Kor Rep.....	406	50	111	196
Malaysa.....	109	26	145	180
Venez.....	432	65	174	148
Cocos.I.....	218	86	88	144
All other total..	7,917	3,075	3,052	1,707
Total.....	18,742	6,756	7,574	8,870
GSP total....	11,237	2,525	3,967	4,450
Percent				
Canada.....	18.1	27.4	22.6	31.6
Mexico.....	25.1	5.5	17.7	17.5
Haiti.....	0.0	1.5	0.8	4.9
U.King.....	2.5	2.5	1.3	3.5
Nethlds.....	0.8	3.5	3.0	3.1
FR Germ.....	1.6	1.8	1.9	2.7
Hg Kong.....	1.0	5.5	3.3	2.6
Iran.....	0.0	0.0	0.0	2.6
Argent.....	0.3	0.2	1.2	2.4
Phil.R.....	2.2	3.4	1.0	2.3
Kor Rep.....	2.2	0.7	1.5	2.2
Malaysa.....	0.6	0.4	1.9	2.0
Venez.....	2.3	1.0	2.3	1.7
Cocos.I.....	1.2	1.3	1.2	1.6
All other total..	42.2	45.5	40.3	19.3
Total.....	100.0	100.0	100.0	100.0
GSP total....	60.0	37.4	52.4	50.2

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

Ropes, Cables, or Cordage Fitted With Fittings

I. Introduction

Col. 1 rate of duty: 5.7%

Type of action proposed (check one):

Addition of GSP:

Removal from GSP:

Country graduation: X (Countries— Korea)

Competitive-need-limit waiver

Non-eligible GSP countries: None

Current competitive-need-limit waivers: None

Current "sufficiently competitive" designation: None

U.S. production on Jan. 3, 1985? Yes X No

Description and uses: The products included in this digest consist of slings, strands, ropes, cables and cordage of wire, fitted with fittings or made up into articles. Wire ropes are used in oil and gas drilling, mining, elevators, industrial cranes and hoists, maritime industry application and general construction. Specialty cables are used in aircraft, automobiles, pleasure craft and many other varied applications.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	*12	*12	*11	*9	-25
Total U.S. employment (thousand employees).....	2/	2/	2/	2/	
U.S. shipments (thousand dollars).....	**22,440	**14,000	**13,362	**11,322	-50
U.S. exports (thousand dollars)3/.....	**5,596	**2,768	**2,824	**3,302	-41
U.S. imports (thousand dollars) 4/.....	**10,345	**12,781	**16,476	**23,608	128
U.S. consumption (thousand dollars).....	**27,189	**24,013	**27,014	**31,628	16
Import to consumption ratio (percent).....	38	53	61	75	97
Capacity utilization (nearest 10 percent).....	**70	**54	**62	**47	-33

Comment: U.S. shipments are down 50 percent, while imports increased 128 percent between 1981 and 1986. The strength of the U.S. industry has declined over the period. Domestic production and capacity utilization have decreased, facilities have been were shut down, and the number of production workers has decreased. The U.S. industry's strength is in its quick response time to orders, long standing customer relations, and the technical services offered. Imports offered a price advantage over the domestic product.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 7312.10.50 and 7312.10.70.

2/ Less than 500.

3/ Estimated to represent 60 percent of U.S. exports of schedule B., No. 642.000.

4/ TSUS item 642.2010—ropes, cables or cordage fitted with fittings came into existence on January 1, 1987, and did not exist before that date. Import values for item 642.2010 for the period 1981-1986 are estimated to represent 60 percent or more of the import values of TSUS item 642.2000.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
Total.....	18,453	100	-	73
Imports from GSP countries:				
Total.....	6,490	35	100	26
Taiwan.....	1,721	9	27	7
Singapore.....	897	5	14	4
Korea.....	2,147	12	33	8
Yugoslavia.....	373	2	6	1
Value (thousand dollars) ^{2/}				
Total.....	23,608	100	-	75
Imports from GSP countries:				
Total.....	8,014	34	100	25
Taiwan.....	3,160	13	39	10
Singapore.....	1,889	8	24	6
Korea.....	1,279	5	16	4
Yugoslavia.....	280	1	3	1

Note.—The countries shown in the table include the top four GSP suppliers in 1986.

IV. Competitiveness profiles, GSP suppliers:Competitiveness of Korea for all digest products

Ranking as a U.S. import supplier, 1986..... 6

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High X Moderate ___ Low ___

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

Price sensitivity of U.S. demand..... High X Moderate ___ Low ___

Price level compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

Quality compared with:

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

Other foreign products..... Above ___ Equivalent X Below ___

^{1/} TSUS item 642.2010—ropes, cables or cordage fitted with fittings came into existence on January 1, 1987 and did not exist before that date.

^{2/} Quantities and values for item 642.2010 is estimated to comprise 60 percent or more of item 642.2000—strands, ropes, cables, or made up into articles.

TSUSA item No.
642.2010—Con.

Comment: Although imports are generally priced lower than domestic products, U.S. producers maintain an advantage in shorter delivery time and technical services.

V. Position of interested parties

Petitioner.—The Committee of Domestic Steel Wire Rope and Specialty Steel Manufacturers, (the "Committee") request that TSUS item 642.2010 imported from Korea be removed from duty free treatment under the GSP.

The Committee's request is based on the contention that, (1) the steel wire rope industry is no longer a developing industry in Korea; (2) TSUS item 642.2010 is not included under the country's voluntary restraint agreement (which limits certain steel imports) and therefore may be used to circumvent the VRA; and (3) steel wire rope is import sensitive. Steel wire rope (TSUS item 642.14 and 642.16) was removed from GSP eligibility in 1981. To make that decision all inclusive the industry agrees that it is essential to remove GSP treatment for all wire ropes including those under item 642.2010.

Opposition.—The Korean Trade Center (Center) opposes the removal of TSUSA item 642.2010 from duty-free treatment under the Generalized System of Preferences (GSP).

The Center's opposition is based on the contention that, (1) the manufacturers of fittings are small companies with old facilities and are separate entities from the steel wire rope makers (2) the granting or withdrawal of GSP status is governed by the Title V of the Trade Act of 1974 and Voluntary Restraint Agreements do not enter into the issue, and (3) since the fitting accessory industry is a developing industry the import sensitivity is not a justifiable issue.

[Probable economic effects advice deleted]

TSUSA number: 642.2010 1/

Product: Ropes, cables and cordage fitted with fittings

U.S. imports for consumption, by principal sources, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (1,000 pounds) 2/				
Japan.....	1,720	1,655	2,364	2,065
Canada.....	3,875	4,214	5,744	6,740
FR. Germ.....	766	940	1,874	6,697
Taiwan.....	1,065	1,348	2,343	2,868
Singapore.....	282	180	1,673	1,495
Kor. Rep.....	260	319	1,388	3,578
Peru.....			120	1,400
France.....	48	52	99	394
Mexico.....		235	65	80
United Kingdom.....	296	4,997	145	325
Italy.....	88	172	293	379
Belgium.....	4	44	38	1,101
Netherlands.....	66	371	4	542
Yugoslavia.....				622
All other total.....	433	319	871	2,502
Total.....	8,903	14,846	17,021	30,788
GSP total.....	1,916	2,307	5,893	10,817

Percent				
Japan.....	19.3	11.2	13.9	6.7
Canada.....	43.5	28.4	33.8	21.9
FR. Germ.....	8.6	6.3	11.0	21.8
Taiwan.....	12.0	9.1	13.8	9.3
Singapore.....	3.3	1.2	9.8	4.9
Kor. Rep.....	2.9	2.2	8.2	11.6
Peru.....			.0.7	4.6
France.....	0.5	0.4	0.6	1.3
Mexico.....		1.6	0.4	0.3
United Kingdom.....	3.3	33.7	0.9	1.1
Italy.....	1.1	1.2	1.73	1.2
Belgium.....	0.1	0.3	0.2	3.6
Netherlands.....	0.8	2.5	0.1	1.8
Yugoslavia.....	0.0	0.0	0.0	2.0
All other total.....	4.9	2.6	5.1	8.1
Total.....	100.0	100.0	100.0	100.0
GSP total.....	21.5	15.5	5.1	35.1

1/ TSUS item 642.2010--ropes, cables or cordage fitted with fittings came into existence on January 1, 1987 and did not exist before that date.

2/ Quantities are for U.S. imports of TSUS item 642.2000--strands, ropes, cables, or made up into articles. Item 642.2010 is estimated to comprise 60 percent or more of item 642.2000.

TSUSA number: 642.2010 1/

Product: Ropes, cables and cordage fitted with fittings

U.S. imports for consumption, by principal sources, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars) 2/				
Japan.....	4,510	4,924	7,201	7,559
Canada.....	3,751	4,545	5,411	6,938
FR. Germ.....	3,749	2,655	4,125	6,481
Taiwan.....	1,320	1,574	3,858	5,270
Singapore.....	1,038	316	3,156	3,047
Kor. Rep.....	124	259	786	2,132
Peru.....			991	1,064
France.....	197	199	230	911
Mexico.....		59	295	655
United Kingdom.....	716	5,369	616	641
Italy.....	368	342	416	603
Belgium and Luxembourg...	16	19	33	577
Netherlands.....	205	255	11	534
Yugoslavia.....				466
All other total.....	960	783	12	24
Total.....	16,959	21,302	27,460	39,347
GSP total.....	3,081	2,731	8,694	13,358

Percent				
Japan.....	26.6	23.1	26.2	19.2
Canada.....	22.1	21.3	19.7	17.6
FR. Germ.....	22.1	12.5	15.0	16.4
Taiwan.....	7.8	7.4	14.0	13.4
Singapore.....	6.1	1.5	11.5	7.7
Kor. Rep.....	0.7	1.2	2.9	5.4
Peru.....	0.0	0.0	0.3	2.7
France.....	1.2	0.9	0.8	2.3
Mexico.....	0.0	0.3	1.1	1.7
United Kingdom.....	4.2	25.2	2.2	1.6
Italy.....	2.2	1.6	1.5	1.5
Belgium and Luxembourg...	0.1	0.1	0.1	1.5
Netherlands.....	1.2	1.2	0.0	1.4
Yugoslavia.....				1.3
All other total.....	5.7	3.7	4.5	6.3
Total.....	100.0	100.0	100.0	100.0
GSP total.....	18.2	12.8	31.7	34.0

1/ TSUS item 642.2010--ropes, cables or cordage fitted with fittings came into existence on January 1, 1987 and did not exist before that date.

2/ Values are for U.S. imports of TSUS item 642.2000--strands, ropes, cables, and cordage, fitted with fittings, or made up into articles. Item 642.2010 is estimated to comprise 60 percent or more of item 642.2000.

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

TSUSA number: 642.2000

Product: Ropes, cables ad cordage fitted with fittings

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985,
and 1986

Source	1981	1983	1985	1986
Quantity (1,000 pounds)				
Canada.....	754	260	523	590
Mexico.....	211	79	75	161
Japan.....	87	40	59	173
Singapore.....	6	12	111	435
West Germany.....	15	2	1	20
United Kingdom.....	40	35	15	89
Costa Rica.....	1	0	78	147
Australia.....	185	14	23	18
Guyana.....	0	37	8	57
Taiwan.....	45	18	47	7
Italy.....	9	0	72	54
Saudi Arabia.....	423	287	79	19
Israel.....	14	4	15	41
Denmark.....	21	35	2	13
All other total.....	1,811	547	546	239
Total.....	3,191	1,330	1,657	2,063
GSP total.....	1,116	519	746	961
Percent				
Canada.....	23.6	19.6	31.6	28.6
Mexico.....	6.6	5.9	4.5	7.8
Japan.....	2.7	3.0	3.7	8.4
Singapore.....	0.2	0.9	6.7	21.1
West Germany.....	0.5	0.2	0.1	1.0
United Kingdom.....	1.3	2.6	0.9	4.3
Costa Rica.....	0.1	0	4.7	7.1
Australia.....	5.8	1.1	1.4	0.9
Guyana.....	0.0	2.8	5.0	2.8
Taiwan.....	1.4	1.4	2.8	0.3
Italy.....	0.3	0	4.4	2.6
Saudi Arabia.....	13.3	21.6	4.8	0.9
Israel.....	0.4	0.3	0.9	2.0
Denmark.....	0.7	2.6	0.1	-0.6
All other total.....	56.8	41.1	33.0	-11.6
Total.....	100.0	100.0	100.0	100.0
GSP total.....	35.0	39.0	45.0	46.6

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

TSUSA number: 642.2000

Product: Ropes, cables and cordage fitted with fittings

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985,
and 1986

Source	1981	1983	1985	1986
<u>Value (1,000 dollars)</u>				
Canada.....	1,875	1,217	1,620	1,768
Mexico.....	460	385	400	724
Japan.....	338	144	245	537
Singapore.....	48	50	106	474
West Germany.....	102	236	138	322
United Kingdom.....	220	265	65	298
Costa Rica.....	3	8	108	264
Australia.....	249	51	115	98
Guyana.....	0	36	25	85
Taiwan.....	116	66	462	76
Italy.....	50	5	66	65
Saudi Arabia.....	816	752	254	51
Israel.....	53	10	29	46
Denmark.....	96	182	30	42
All other total.....	4,901	1,216	1,044	653
Total.....	9,327	4,613	4,707	5,503
GSP total.....	2,240	1,356	1,869	2,043
<u>Percent</u>				
Canada.....	20.1	26.4	34.4	32.1
Mexico.....	4.9	8.4	8.5	13.2
Japan.....	3.6	3.1	5.2	11.4
Singapore.....	0.5	1.1	2.3	8.6
West Germany.....	1.1	5.1	2.9	6.8
United Kingdom.....	2.4	5.8	1.4	6.3
Costa Rica.....	0.1	0.2	2.3	5.6
Australia.....	2.7	1.1	2.4	1.8
Guyana.....	0	2.2	0.5	1.5
Taiwan.....	1.3	1.4	9.8	1.4
Italy.....	0.5	0.1	1.4	1.2
Saudi Arabia.....	8.8	16.1	5.4	0.9
Israel.....	0.6	0.2	0.6	0.8
Denmark.....	1.0	4.0	-0.6	-0.7
All other total.....	52.6	26.4	22.2	11.9
Total.....	100.0	100.0	100.0	100.0
GSP total.....	24.0	29.4	39.7	37.1

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

09/14/87

Annual Review of the Generalized System of Preferences (GSP)
U.S. imports for consumption under the GSP, by principal source, 1981, 1983, 1985, and 1986
Flow: General imports
TSUSA commodity: 6422000--Wir strnd,rpe,etc fit or art

(Quantity in thousands of pounds; value in thousands of dollars)

Type	Time period:	1981	1983	1985	1986
Cty subcode					
Partner					
Customs value					
Duty-free items under GSP provisions:					
Belize.....		0	0	7	3
Brazil.....		166	0	263	274
Chile.....		0	0	44	163
Colombia.....		46	0	0	0
Dominican Republic.....		0	0	7	0
Hong Kong.....		47	0	14	79
India.....		16	0	2	0
Israel.....		65	0	123	77
Korea, South.....		60	0	627	1,428
Neth Antilles.....		22	0	0	0
Peru.....		0	0	91	1,064
Philippines.....		0	0	0	1
Romania.....		0	0	0	3
Singapore.....		663	0	3,150	2,836
Taiwan.....		936	0	3,721	5,026
Thailand.....		0	0	0	0
Venezuela.....		49	0	0	24
Yugoslavia.....		0	0	0	466
World.....		2,069	0	8,049	11,445
First unit of quantity					
Duty-free items under GSP provisions:					
Belize.....		0	0	300	792
Brazil.....		74,714	0	126,935	164,364
Chile.....		0	0	109,827	436,556
Colombia.....		56,901	0	0	0
Dominican Republic.....		0	0	17,000	0
Hong Kong.....		30,132	0	6,258	46,086
India.....		6,533	0	45	0
Israel.....		22,709	0	33,038	14,366
Korea, South.....		46,300	0	964,600	3,086,144
Neth Antilles.....		854	0	0	0
Peru.....		0	0	119,645	1,399,884
Philippines.....		0	0	0	66
Romania.....		0	0	0	1,515
Singapore.....		178,589	0	1,670,033	1,219,866
Taiwan.....		778,700	0	2,257,773	2,751,921
Thailand.....		308	0	0	0
Venezuela.....		33,763	0	0	1,543
Yugoslavia.....		0	0	0	621,513
World.....		1,229,503	0	5,305,454	9,744,616
Unit value					
Duty-free items under GSP provisions:					
Belize.....		0	0	23.09	3.35
Brazil.....		2.22	0	2.07	1.66
Chile.....		0	0	0.40	0.37
Colombia.....		0.81	0	0	0
Dominican Republic.....		0	0	0.41	0
Hong Kong.....		1.56	0	2.23	1.71
India.....		2.38	0	34.00	0
Israel.....		2.86	0	3.71	5.38
Korea, South.....		1.30	0	0.65	0.46

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

09/14/87

Annual Review of the Generalized System of Preferences (GSP)
U.S. imports for consumption under the GSP, by principal source, 1981, 1983, 1985, and 1986
Flow: General imports
TSUSA commodity: 6422000--Wtr strnd,rpe,etc fit or art
(1b)

(Quantity in thousands of pounds; value in thousands of dollars)

Type	Time periods:	1981	1983	1985	1986
Cty subcode					
Partner					
Unit value					
Duty-free items under GSP provisions:					
Neth Antilles.....		25.34	0	0	0
Peru.....		0	0	0.76	0.76
Philippines.....		0	0	0	18.56
Romania.....		0	0	0	2.00
Singapore.....		3.71	0	1.89	2.33
Taiwan.....		1.20	0	1.65	1.83
Thailand.....		1.09	0	0	0
Venezuela.....		1.45	0	0	15.41
Yugoslavia.....		0	0	0	0.75
World.....		1.68	0	1.52	1.17

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

Expanded Metal of Base Metal

I. Introduction

Col. 1 rate of duty: 3.8% ad valorem

Type of action proposed (check one):

Addition of GSP:

Removal from GSP:

Country graduation: X (Countries— Mexico, Korea,)

Competitive-need-limit waiver

Non-eligible GSP countries: None.

Current competitive-need-limit waivers: None.

Current "sufficiently competitive" designation: None.

U.S. production on Jan. 3, 1985? Yes X No

Description and uses: Expanded metal is a net-like product which is formed from metal plates or sheets that are perforated by automatic metal-cutting dies. Expanded metal is made in a variety of sizes and thicknesses and used for partitions, machine guards, shelving, satellite antennas, walkways, lawn furniture, and in numerous other applications.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	*15	*15	*16	*14	-7
Total U.S. employment (thousand employees).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
U.S. shipments (thousand dollars).....	<u>2/</u>	<u>3/</u>	80,217	64,372	<u>3/</u>
U.S. exports (thousand dollars) <u>2/</u>	4,535	3,073	1,550	1,004	-78
U.S. imports (thousand dollars).....	1,324	1,563	2,810	3,950	198
U.S. consumption (thousand dollars).....	<u>3/</u>	<u>3/</u>	81,377	67,318	<u>3/</u>
Import to consumption ratio (percent).....	<u>3/</u>	<u>3/</u>	3	6	<u>3/</u>
Capacity utilization (nearest 10 percent).....	<u>3/</u>	<u>3/</u>	*50	*45	<u>3/</u>

Comment: The domestic expanded metal industry, although relatively small, has sought to improve its competitiveness amid increasing import competition largely through changes of ownership and the acquisition of assets. Imports from Mexico and Korea (the principal GSP supplying countries) increased significantly during 1981-86, reportedly due to advantages in price and more favorable purchasing terms. Although there are no distinct differences in the methods used to distribute imported expanded metal (or that which is produced domestically) in the U.S. market, U.S. producers generally have advantages in shorter delivery time, product availability, and historical supplier relationship.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the digests for HS item Nos. 7314.50.00 and 7414.90.00.

2/ Less than 500.

3/ Not available.

TSUS item No.
652.80 —Con.

III. GSP import situation, 1986

Item	Imports	Percent of total imports	Percent of GSP imports	Percent of U.S. consumption
<u>Quantity (square feet)</u>				
Total.....	10,282,273	100	-	5
Imports from GSP countries:				
Total.....	1,880,962	18	100	1
Mexico.....	1,252,546	12	67	1/
Korea.....	448,980	4	24	1/
Venezuela.....	151,687	1	8	1/
Taiwan.....	27,749	1/	1	1/
<u>Value (thousands)</u>				
Total.....	3,950	100	-	6
Imports from GSP countries:				
Total.....	951	24	100	1
Mexico.....	711	18	75	1
Korea.....	122	3	13	1/
Venezuela.....	86	2	9	1/
Taiwan.....	31	1	3	1/

Note.—The countries shown in the table include the top four GSP suppliers in 1986.

1/ Less than 0.5 percent.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Mexico for all digest products

Ranking as a U.S. import supplier, 1986..... 3

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above ___ Equivalent ___ Below X
- Other foreign products..... Above ___ Equivalent ___ Below X

Quality compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Comment: Imports of expanded metal from Mexico are generally priced lower than imports from developed countries and expanded metal produced in the United States. There are no major quality differences with respect to imports from Mexico, the United States, and other countries. In many instances, the purchaser in the U.S. market will pay a higher price for domestically produced expanded metal because of product warranties and other services rendered by the U.S. producer.

Competitiveness of Korea for all digest products

Ranking as a U.S. import supplier, 1986..... 5

Price sensitivity:

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

Price level compared with:

- U.S. products..... Above ___ Equivalent ___ Below X
- Other foreign products..... Above ___ Equivalent ___ Below X

Quality compared with:

- U.S. products..... Above ___ Equivalent X Below ___
- Other foreign products..... Above ___ Equivalent X Below ___

Comment: Imports of expanded metal from Korea are generally priced lower than imports from developed countries and expanded metal produced in the United States. There are no major quality differences with respect to imports from Korea, the United States, and other countries. In the U.S. market, the purchaser will sometimes pay a higher price for domestically produced expanded metal because of product warranties and other services rendered by the U.S. producer.

V. Position of interested parties

Petitioner.—The Expanded Metal Fair Trade Coalition (EMFTC) has requested that Mexico and Korea, which the Coalition maintains are two relatively advanced GSP supplying countries, should be graduated from the Generalized System of Preferences. According to EMFTC, Mexico and Korea have exhibited an ability to compete very effectively in the U.S. market at a time when the number of U.S. firms is declining, profitability is low or negative, and prices are weakening.

Support.— Congressman James A. Traficant, Jr., of Ohio and Senator David L. Boren of Oklahoma have expressed support for the petition filed by EMFTC. In addition, Mr. Rock Logiodice, President of Central Expanded Metal Inc., requests that normal tariffs be reimposed on expanded metal from Mexico and Korea.

Opposition.—Maintaining that imports from Korea have an insignificant place in the U.S. market and have no impact on market conditions in the U.S. industry, Dong Sung Steel Ind. Co., Ltd., opposes the petition to graduate Korea from GSP eligibility with respect to expanded metal of base metal.

Counsel for Larmina Desplegada, S.A., asserts that removal of Mexico from GSP eligibility will not provide any appreciable benefit or have any impact upon the domestic expanded metal industry.

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

[Probable economic effects advice deleted]

Product: Expanded metal, of base metal

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (square feet)				
Canada.....	1,600,362	1,700,424	3,688,377	5,962,921
Japan.....	1,054,161	1,355,096	2,539,682	1,868,084
Mexico.....			214,831	1,252,546
U King.....	96,298	296,221	122,531	482,283
Kor Rep.....	68,352			448,980
Venez.....		20,000	175,742	151,687
Italy.....		19	77,032	88,284
Taiwan.....	682		164,933	27,749
FR Germ.....	132	2,120	45	739
Brazil.....	640	3	45	
Ireland.....		21		
Denmark.....		325		
Sweden.....		15,365		
Spain.....		205		
All other total..			165	
Total.....	2,820,627	3,389,799	6,983,383	10,283,273
GSP total....	69,674	20,003	555,716	1,880,962

Percent				
Canada.....	56.7	50.2	52.8	58.0
Japan.....	37.4	40.0	36.4	18.2
Mexico.....	0.0	0.0	3.1	12.2
U King.....	3.4	8.7	1.8	4.7
Kor Rep.....	2.4	0.0	0.0	4.4
Venez.....	0.0	0.6	2.5	1.5
Italy.....	0.0	0.0	1.1	0.9
Taiwan.....	0.0	0.0	2.4	0.3
FR Germ.....	0.0	0.1	0.0	0.0
Brazil.....	0.0	0.0	0.0	0.0
Ireland.....	0.0	0.0	0.0	0.0
Denmark.....	0.0	0.0	0.0	0.0
Sweden.....	0.0	0.5	0.0	0.0
Spain.....	0.0	0.0	0.0	0.0
All other total..	0.0	0.0	0.0	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	2.5	0.6	8.0	18.3

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

TS number: 65280

Product: Expanded metal, of base metal

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	672	644	1,392	1,988
Japan.....	568	524	1,072	795
Mexico.....			68	711
U King.....	56	121	147	189
Kor Rep.....	24			122
Venez.....		10	65	86
Taiwan.....	1		38	31
Italy.....		1	19	14
FR Germ.....	1	51	1	12
Brazil.....			2	
Ireland.....		1		
Denmark.....		2		
Sweden.....		205		
All other total..			2	
Total.....	1,324	1,563	2,810	3,950
GSP total....	26	11	177	951
Percent				
Canada.....	50.7	41.2	49.5	50.3
Japan.....	42.9	33.5	38.1	20.1
Mexico.....	0.0	0.0	2.4	18.0
U King.....	4.3	7.8	5.3	4.8
Kor Rep.....	1.9	0.0	0.0	3.1
Venez.....	0.0	0.7	2.3	2.2
Taiwan.....	0.1	0.0	1.4	0.8
Italy.....	0.0	0.1	0.7	0.4
FR Germ.....	0.1	3.3	0.0	0.3
Brazil.....	0.0	0.0	0.1	0.0
Ireland.....	0.0	0.1	0.0	0.0
Denmark.....	0.0	0.1	0.0	0.0
Sweden.....	0.0	13.1	0.0	0.0
All other total..	0.0	0.0	0.1	0.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	2.0	0.7	6.3	24.1

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

SCH B no. 6528000

Product: EXPANDED METAL, OF BASE METL

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Quantity (square feet)				
Panama.....	7,764	220		114,468
Trinid.....	25,702	12,012	10,780	113,216
Canada.....	1,079,069	407,423	364,280	107,287
U.King.....	30,253	26,398	183,294	70,612
Dom Rep.....	6,760	11,491		59,616
Kor Rep.....	178	9,015		47,951
Mexico.....	84,895	10,090	50,180	30,627
Japan.....	11,392	5,713	11,317	20,056
Indnsia.....		300		18,215
Italy.....	19,249		3,340	14,795
Phil.R.....	612	4,813	4,355	9,197
France.....		410	5,394	6,540
Guatmal.....	5,787		1,831	6,000
Colomb.....	17,400	116,590	621	4,475
All other total..	1,566,528	1,066,963	340,233	33,070
Total.....	2,855,589	1,671,438	975,625	656,125
GSP total....	1,136,161	605,996	185,303	430,618

Percent				
Panama.....	0.3	0.0	0.0	17.4
Trinid.....	0.9	0.7	1.1	17.3
Canada.....	37.8	24.4	37.3	16.4
U.King.....	1.1	1.6	18.8	10.8
Dom Rep.....	0.2	0.7	0.0	9.1
Kor Rep.....	0.0	0.5	0.0	7.3
Mexico.....	3.0	0.6	5.1	4.7
Japan.....	0.4	0.3	1.2	3.1
Indnsia.....	0.0	0.0	0.0	2.8
Italy.....	0.7	0.0	0.3	2.3
Phil.R.....	0.0	0.3	0.4	1.4
France.....	0.0	0.0	0.6	1.0
Guatmal.....	0.2	0.0	0.2	0.9
Colomb.....	0.6	7.0	0.1	0.7
All other total..	54.9	63.8	34.9	5.0
Total.....	100.0	100.0	100.0	100.0
GSP total....	39.8	36.3	19.0	65.6

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

Product: EXPANDED METAL, OF BASE METL

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	1,433	607	463	154
U.King.....	68	67	268	139
Trinid.....	72	76	8	110
Kor Rep.....	1	43		109
Mexico.....	137	25	35	84
Japan.....	62	37	32	60
Panama.....	18	1		48
Indnsia.....		2		46
France.....		5	38	38
Italy.....	38		22	36
Dom.Rep.....	1	6		26
Phil.R.....	6	5	13	23
FR Germ.....	732	157	38	14
Ireland.....	3		125	13
All other total..	1,957	2,033	504	97
Total.....	4,535	3,073	1,550	1,004
GSP total....	1,665	756	216	528
Percent				
Canada.....	31.6	19.8	29.9	15.4
U.King.....	1.5	2.2	17.3	13.9
Trinid.....	1.6	2.5	0.6	11.0
Kor Rep.....	0.0	1.4	0.0	10.9
Mexico.....	3.0	0.8	2.3	8.4
Japan.....	1.4	1.2	2.1	6.0
Panama.....	0.4	0.0	0.0	4.9
Indnsia.....	0.0	0.1	0.0	4.6
France.....	0.0	0.2	2.5	3.8
Italy.....	0.8	0.0	1.4	3.7
Dom.Rep.....	0.0	0.2	0.0	2.7
Phil.R.....	0.1	0.2	0.9	2.3
FR Germ.....	16.1	5.1	2.5	1.4
Ireland.....	0.1	0.0	8.1	1.3
All other total..	43.2	66.2	32.5	9.7
Total.....	100.0	100.0	100.0	100.0
GSP total....	36.7	24.6	14.0	52.6

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

Annual Review of the Generalized System of Preferences (GSP)
 U.S. imports for consumption under the GSP, by principal source, 1981, 1983, 1985, and 1986
 Flow: Imports for consumption
 TSUSA commodity: 65280--Expanded metal, of base metal

(Quantity in thousands of square feet; Value in thousands of dollars)

Type	Time period:	1981	1983	1985	1986
Cty subcode					
Partner					
First unit of quantity					
Duty-free items under GSP provisions:					
Brazil.....		0	0	0	0
India.....		0	0	0	0
Korea, South.....		31	0	0	449
Mexico.....		0	0	215	1,238
Taiwan.....		1	0	165	12
Venezuela.....		0	20	176	152
World.....		31	20	556	1,850
Customs value					
Duty-free items under GSP provisions:					
Brazil.....		0	0	3	0
India.....		0	0	3	0
Korea, South.....		14	0	0	122
Mexico.....		0	0	69	630
Taiwan.....		2	0	38	29
Venezuela.....		0	11	66	86
World.....		16	11	178	867
Unit value					
Duty-free items under GSP provisions:					
Brazil.....		0	0	55.56	0
India.....		0	0	16.38	0
Korea, South.....		0.46	0	0	0.27
Mexico.....		0	0	0.32	0.51
Taiwan.....		2.60	0	0.23	2.46
Venezuela.....		0	0.54	0.37	0.57
World.....		0.50	0.54	0.32	0.47

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

Aluminum Luggage Frames

I. Introduction

Col. 1 rate of duty: 5.7%

Type of action proposed (check one):

Addition of GSP:

Removal from GSP:

Country graduation:

Competitive-need-limit waiver X (Countries— Taiwan)

Non-eligible GSP countries: Taiwan

Current competitive-need-limit waivers: None.

Current "sufficiently competitive" designation: Taiwan

U.S. production on Jan. 3, 1985? Yes X No .

Description and uses: Aluminum luggage frames are the skeletons of luggage, providing its shape and supporting the textiles, locks, plywood, and so forth used to manufacture pieces of luggage. The aluminum frame is extruded and bent to the desired shape.

II. U.S. market profile

Item	1981	1983	1985	1986	Percentage change, 1986 versus 1981
Number of U.S. producers (number of firms).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
Total U.S. employment (thousand employees).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
U.S. shipments (thousand dollars).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
U.S. exports (thousand dollars).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-
U.S. imports (thousand dollars).....	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	-
U.S. consumption (thousand dollars).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
Import to consumption ratio (percent).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-
Capacity utilization (nearest 10 percent).....	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	-

Comment: There are believed to be fewer than 5 companies that manufacture aluminum luggage frames in addition to a wide variety of other aluminum extrusions. Such frames are manufactured to exact customer specifications, often involving extrusion of the frame by an aluminum extruder and its bending and ancillary operations completed by a different facility. [* * *] It should be noted that the decline of the U.S. luggage industry and its movement offshore has adversely impacted the frame industry.

1/ Probable effects advice for these or closely related products on the basis of the HS nomenclature is contained in the Digest for HS item No. 7616.90.00(pt.).

2/ Not available.

3/ Aggregate data for TSUS item 657.40, miscellaneous aluminum articles, n.s.p.f., are provided in attached tables. Import and export data specific to aluminum luggage frames are not available.

TSUS item No.
657.40(pt.)—Con.

III. GSP import situation, 1986

Aggregate data for TSUS item 657.40, miscellaneous aluminum articles, n.s.p.f., are provided in attached tables. Import and export data specific to aluminum luggage frames are not available.

IV. Competitiveness profiles, GSP suppliers

Competitiveness of Taiwan for all digest products

Ranking as a U.S. import supplier, 1986..... 1

Price sensitivity:

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

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

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

Price sensitivity of import supply..... High Moderate X Low

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

Price sensitivity of U.S. demand..... High Moderate X Low

Price level compared with:

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

Other foreign products..... Above Equivalent X Below

Quality compared with:

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

Other foreign products..... Above Equivalent X Below

TSUS item No.
657.40(pt.)—Con.

V. Position of interested parties

Petitioner.—Skyway Luggage Company (Seattle, WA) requests a waiver for Taiwan applicable to aluminum luggage frames (part of item 657.40) to obtain the lowest possible cost for the frames to remain competitive in the U.S. luggage market. The company alleges that [* * *.]

[Probable economic effects advice deleted]

Product: Aluminum articles, not specifically

U.S. imports for consumption, by principal sources 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Taiwan.....	4,421	11,412	28,582	36,658
FR Germ.....	6,665	10,676	16,268	27,701
Canada.....	24,699	19,915	27,566	27,573
Japan.....	21,401	12,552	17,430	18,238
Mexico.....	5,353	4,129	8,446	14,880
U King.....	2,326	1,813	4,180	7,380
Italy.....	1,914	4,368	5,055	6,552
France.....	2,138	1,299	5,110	5,260
Kor Rep.....	536	689	2,978	5,072
Brazil.....	190	999	8,104	4,488
Ireland.....	47	332	3,414	4,215
Hg Kong.....	1,179	1,112	1,248	3,388
Israel.....	458	621	1,438	2,438
Nethlds.....	468	718	1,250	2,052
All other total..	4,682	4,900	10,188	13,001
Total.....	76,483	75,542	141,263	178,903
GSP total....	12,485	19,374	53,953	71,694

Percent				
Taiwan.....	5.8	15.1	20.2	20.5
FR Germ.....	8.7	14.1	11.5	15.5
Canada.....	32.3	26.4	19.5	15.4
Japan.....	28.0	16.6	12.3	10.2
Mexico.....	7.0	5.5	6.0	8.3
U King.....	3.0	2.4	3.0	4.1
Italy.....	2.5	5.8	3.6	3.7
France.....	2.8	1.7	3.6	2.9
Kor Rep.....	0.7	0.9	2.1	2.8
Brazil.....	0.2	1.3	5.7	2.5
Ireland.....	0.1	0.4	2.4	2.4
Hg Kong.....	1.5	1.5	0.9	1.9
Israel.....	0.6	0.8	1.0	1.4
Nethlds.....	0.6	1.0	0.9	1.1
All other total..	6.1	6.5	7.2	7.3
Total.....	100.0	100.0	100.0	100.0
GSP total....	16.3	25.6	38.2	40.1

Product: ARTICLES OF ALUMINUM, NSPF

U.S. exports of domestic merchandise, by principal markets, 1981, 1983, 1985, and 1986

Source	1981	1983	1985	1986
Value (1,000 dollars)				
Canada.....	162	225	306	283
Mexico.....	133	212	58	39
U.King.....	61	36	15	31
Japan.....	15	25	30	28
S Arab.....	153	48	18	22
Hg Kong.....	76	61	12	19
Kor Rep.....	10	12	4	16
FR Germ.....	17	10	7	14
Colomb.....	14	22	1	12
Bahamas.....	1	3	8	9
Barbado.....	4	23		8
Singapr.....	6	15	2	7
Trinid.....	21	49	23	7
France.....	20	11	5	5
All other total..	386	239	97	73
Total.....	1,087	997	592	579
GSP total....	446	487	186	170
Percent				
Canada.....	14.9	22.6	51.7	48.9
Mexico.....	12.3	21.3	9.8	6.8
U.King.....	5.6	3.7	2.7	5.3
Japan.....	1.5	2.6	5.1	4.9
S Arab.....	14.1	4.9	3.2	3.9
Hg Kong.....	7.0	6.2	2.2	3.3
Kor Rep.....	1.0	1.2	0.7	2.9
FR Germ.....	1.6	1.0	1.2	2.5
Colomb.....	1.4	2.3	0.2	2.1
Bahamas.....	0.2	0.3	1.4	1.6
Barbado.....	0.4	2.3	0.1	1.4
Singapr.....	0.6	1.6	0.5	1.3
Trinid.....	2.0	5.0	3.9	1.3
France.....	1.8	1.1	0.9	1.0
All other total..	35.5	24.0	16.4	12.7
Total.....	100.0	100.0	100.0	100.0
GSP total....	41.1	48.9	31.5	29.3

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