PRODUCTION SHARING: U.S. IMPORTS UNDER HARMONIZED TARIFF SCHEDULE SUBHEADINGS 9802.00.60 AND 9802.00.80, 1985–1988

Formerly Imports Under Items 806.30 and 807.00 of the Tariff Schedules of the United States

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PREFACE

On May 22, 1989, on its own motion and in accordance with section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)), the U.S. International Trade Commission authorized continuation of investigation No. 332-237 (originally instituted on August 19, 1986) to present and analyze statistical data on imports under Harmonized Tariff Schedule (HTS) subheadings 9802.00.60 (metal of U.S. origin processed in a foreign location and returned for further U.S. processing) and 9802.00.80 (goods containing U.S.-made components), 1985-88 (formerly imports under items 806.30 and 807.00 of the Tariff Schedules of the United States (TSUS)). The current report presents historical import data (1970-88) under these HTS subheadings and evaluates the most current 4-year period (1985-88) on a commodity specific and sector-by-sector basis.

The Harmonized System, an international standard for trade and tariff nomenclature, was implemented on January 1, 1989. Implementation, which was authorized in the Omnibus Trade and Competitiveness Act of 1988, required conversion of the TSUS to the HTS. In this conversion, the nomenclature for TSUS items 806.30 and 807.00 was changed to HTS subheadings 9802.00.60 and 9802.00.80, respectively. The purpose and effect of these tariff provisions remain the same despite the change in nomenclature. Therefore, reference to these provisions in this report will be in terms of the HTS subheadings.

The study also includes two special chapters. The first of these, "Impact of the Customs User Fee on the Use of Subheadings 9802.00.60 and 9802.00.80," analyzes the effect of the fee established in December 1986 on imports under these HTS subheadings. The second special chapter, "Production Sharing in the European Community," presents and analyzes production-sharing activities of the European Community (EC). Production sharing encompasses a number of activities whereby certain aspects of production of an article take place in different countries.[1] The use of HTS subheadings 9802.00.60 and 9802.00.80 by U.S. importers and of "outward processing" provisions by EC importers is an integral part of production sharing.

[1] Peter F. Drucker, "The Rise in Production Sharing," The Wall Street Journal (Mar. 15, 1977), sec. 1, p. A 1.

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EXECUTIVE SUMMARY

In this annual report, the Commission conveys the findings of its investigation of recent developments in trade under subheadings 9802.00.60 and 9802.00.80 of the Harmonized Tariff Schedule of the United States (HTS) and analyzes trends in imports by commodity groups and sources during 1985–88. Subheading 9802.00.60 sets forth tariff treatment for certain metal of U.S. origin processed in a foreign location and returned to the United States for further processing; subheading 9802.00.80 provides tariff treatment for eligible imported goods that contain U.S.-made components.[1] The use of both of these tariff provisions are integral activities for companies involved in production sharing. This study also examines the use of similar "outward processing" provisions in the European Community (EC) by European firms engaged in production sharing. The principal findings and conclusions of the Commission's investigation are summarized below.

- *During 1985–88, U.S. imports under subheadings 9802.00.60 and 9802.00.80 increased by 142 percent to $73.7 billion, at a faster pace than total U.S. imports which rose by 27 percent to $437 billion, as shown in table A. Imports under subheadings 9802.00.60 and 9802.00.80 accounted for 17 percent of*

Table A
U.S. Imports under HTS subheadings 9802.00.60 and 9802.00.80 and total imports, 1985 and 1988

Subheading	*1985*	*1988*	*Change, 1988 from 1985*	*Share of total imports under 9802.00.60 and 9802.00.80, 1988*
	Million dollars		*Percent*	
Imports under subheading 9802.00.60:				
Dutiable[1]	145	459	217	1
Nondutiable[1]	275	470	71	1
Total	420	929	121	1
Imports under subheading 9802.00.80:				
Dutiable[2]	24,566	56,449	130	77
Nondutiable[2]	5,550	16,354	198	22
Total	30,115	72,804	142	99
Imports under subheading 9802.00.60 and 9802.00.80:				
Dutiable[3]	24,710	56,909	130	77
Nondutiable	5,825	16,824	189	23
Total	30,535	73,733	142	100
Grand total U.S. imports	345,553	437,140	27	(4)

[1] The dutiable portion of imports under subheading 9802.00.60 is the value added to the imported product by processing in the foreign country. The nondutiable portion is the value of the U.S.-origin metal less the value added resulting from foreign processing.
[2] The nondutiable portion of imports under subheading 9802.00.80 is the value of U.S.-made components contained in the imported product. The dutiable portion is the total value of the imported product less the value of the U.S.-made components.
[3] For products entered under subheading 9802.00.60 and 9802.00.80 solely to avoid the Customs User Fee, the rate of duty applied to the "dutiable" (or foreign value added) portion is zero because the MFN rate of duty for the product is "Free."
[4] Not applicable.

Note.—Because of rounding, figures may not add to the totals shown.
Source: Compiled from official statistics of the U.S. Department of Commerce.

[1] Throughout this report, the term "nondutiable" imports will be used interchangeably with "U.S. content," "U.S.-origin content," "U.S.-origin metal," and "U.S.-made components."

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total U.S. imports in 1988 compared with 9 percent in 1985. The principal supplying countries were Canada, Japan, and Mexico, accounting for 70 percent of total imports under these provisions in 1988.

- *The establishment of the Customs User Fee on imported merchandise in December 1986 motivated many importers of goods covered by duty-free subheadings to claim eligibility under HTS subheadings 9802.00.60 and 9802.00.80 to avoid the fee—articles imported under chapter 98 of the HTS are exempt from the fee. Before the user fee was imposed, there had been no incentive for these importers to use these provisions even though they had been eligible. Products so imported in response to the user fee accounted for 70 percent of the 142 percent rise in imports under subheadings 9802.00.60 and 9802.00.80 between 1985 and 1988.*

Subtracting imports with an unconditionally "free" most-favored-nation rate of duty from official statistics reveals what the trend in imports under HTS subheadings 9802.00.60 and 9802.00.80 would have been if the user fee had not been imposed.[2] In 1988, imports of products with a free rate of duty under HTS subheadings 9802.00.60 and 9802.00.80 totaled $30.4 billion, or 41 percent of total imports under subheadings 9802.00.60 and 9802.00.80, up from 37 percent of such imports in 1987. In the absence of the user fee, imports under subheading 9802.00.80 would have risen just 41 percent between 1985 and 1988, from $30.1 billion to $42.4 billion, instead of climbing 142 percent to $72.8 billion. Furthermore, subheading 9802.00.80 imports would have actually declined slightly from $42.6 billion to $42.4 billion between 1987 and 1988 were it not for the user fee (figure 2–1). In addition, Canada would not have replaced Japan as the leading source of subheading 9802.00.80 imports, but would have had only a 4 percent, instead of a 34 percent, share of total 9802.00.80 imports. The principal products that were free of duty but still entered under subheading 9802.00.80 to avoid the user fee were motor vehicles and parts thereof from Canada (duty-free under the Automotive Products Trade Act of 1965 (APTA)), nonmilitary aircraft and parts (duty-free under the Civil Aircraft Agreement), and semiconductors (most became free of duty in 1985) (pp. 2–4 and 2–5).

- *Imports under subheading 9802.00.80 (imports containing U.S.-made components) increased by 142 percent during 1985–88, to $72.8 billion in 1988, and represented 99 percent of the combined imports under HTS subheadings 9802.00.60 and 9802.00.80 in that year, as well as 97 percent of the duty-free content of both provisions.*

Motor vehicles accounted for 61 percent of the value of HTS subheading 9802.00.80 imports in 1988. Other important products imported under subheading 9802.00.80 in 1988 were semiconductors (6 percent of the total), motor-vehicle parts (6 percent), internal combustion engines (4 percent), and office machines and parts (4 percent). Of these, motor-vehicle parts accounted for the fastest growth in subheading 9802.00.80 imports during 1985–88, increasing over 300 percent from $1.1 billion to $4.2 billion (p. 1–9). The growth in subheading 9802.00.80 imports in part reflected a general increase in total imports of these articles, but more importantly indicated a reaction by importers to avoid the Customs User Fee (pp. 2–1 and 2–2).

- *Canada, Mexico, and Malaysia together supplied $12.5 billion, or 55 percent, of the duty-free content of U.S. imports under subheading 9802.00.80 in 1988.*

Based on duty-free content (the value of the U.S.-made components), the top imports from Mexico under HTS subheading 9802.00.80 in 1988 were electrical conductors (such as wire harnesses), motor vehicles, articles for making and breaking electrical circuits, motors and generators, and piston-type internal combustion engines (pp. B–54 to B–56). A broad variety of U.S. firms established assembly facilities along the U.S.-Mexico border to take advantage of low labor costs in Mexico. The fastest growing segment of Mexico's Maquiladora industry has been the one supplying parts and subassemblies to the U.S. automobile industry. These products include wire harnesses,

[2] See ch. 2 for a more detailed discussion of the Customs User Fee.

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engines, motors, seats, and other motor vehicle parts. Import levels of apparel from Mexico, on the other hand, have been stagnant as U.S. apparel producers have chosen to expand sewing operations in the Caribbean rather than in Mexico, because labor costs are even lower in the Caribbean. Motor vehicles dominated imports from Canada, reflecting the decision by importers, chiefly U.S. automobile manufacturers, to avoid the Customs User Fee by claiming eligibility under subheading 9802.00.80 for imports of motor vehicles and parts that enter free of duty under APTA (pp. B-48 to B-50). Semiconductors were the principal articles imported from Malaysia under HTS subheading 9802.00.80 in 1988 (pp. B-75 to B-77).

- *Subheading 9802.00.60 imports (U.S. metal articles processed abroad and returned for further processing) increased by 121 percent during the period, to $929 million in 1988. The sharp increase in imports under subheading 9802.00.60 was primarily due to importers of already duty-free products declaring eligibility for entry under subheading 9802.00.60 to avoid the Customs User Fee.*

The value of the U.S.-origin metal contained in HTS subheading 9802.00.60 imports was $470 million in 1988, representing 51 percent of the total value of 9802.00.60 imports. Aluminum, specifically wrought sheet for making cans, was the most significant product imported under subheading 9802.00.60 during 1985-88. However, wrought aluminum's share of the duty-free content of total 9802.00.60 imports dropped from 63 percent in 1985 to 35 percent in 1988. In contrast, the duty-free content of imports of aircraft and spacecraft parts increased from $9 million (3 percent of the total in 1985) to $110 million in 1988, to account for 23 percent of such imports (pp. B-19 to B-22).

- *Canada, Mexico, and Japan accounted for $427 million, or 91 percent, of the total duty-free content of U.S. imports under subheading 9802.00.60 in 1988.*

Parts of civil aircraft and aluminum canning sheet were the principal imports supplied under HTS subheading 9802.00.60 from Canada in terms of both total value and duty-free content. Wrought aluminum was the principal commodity shipped from Japan; steel sheets and strips were the leading products entering under subheading 9802.00.60 from Mexico (pp. B-24 to B-26).

- *The industries producing apparel and electronic components used a higher percentage of U.S.-made components in their foreign assembly facilities than other industries. Motor vehicles imported under subheading 9802.00.80 had the lowest proportion of U.S.-origin content. Since the rates of duty applicable to apparel are generally much higher than for most other articles, the duty savings from use of subheading 9802.00.80 is more significant for that group of industries than for other industries.*

Dividing all U.S. industries into 22 categories, the industries with the highest ratio of the value of U.S.-made components to total value of imports under HTS subheading 9802.00.80 in 1988 were trousers, slacks, and shorts (67 percent); body-supporting garments (67 percent); agricultural and forest products—chiefly disposable hospital gowns—(67 percent); other textiles and apparel (61 percent); other electrical articles (59 percent); semiconductors (55 percent); and shirts and blouses (55 percent) (pp. 1-8 to 1-9). Most of these products are imported from U.S.-owned or contracted assembly or sewing facilities in Mexico and the Caribbean. On the other hand, U.S.-made components accounted for only 13 percent of the value of motor vehicles imported under subheading 9802.00.80. Foreign-owned manufacturers in Japan, West Germany, and Sweden supplied the majority of the imports. Because the trade-weighted-average rate of duty on apparel was 20.3 percent ad valorem in 1988, compared with 3.5 percent for all other products imported under subheading 9802.00.80, apparel accounted for 43 percent of the duty savings accrued from the use of subheading 9802.00.80 despite accounting for only 2 percent of the total trade under that provision (pp. 1-11 and 6-1).

- *Imports under subheading 9802.00.80 from less developed countries (LDCs) rose 121 percent during 1985-88 in terms of total value and 99 percent in terms of the value of U.S.-made components contained in subheading 9802.00.80*

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imports. However, the share of subheading 9802.00.80 imports accounted for by LDCs dropped from 33 percent to 30 percent in terms of total value and from 81 percent to 55 percent in U.S. content, as imports of motor vehicles from developed countries increasingly dominated use of the provision.

Imports of motor vehicles from Japan, West Germany, and Sweden under HTS subheading 9802.00.80 rose by $4.7 billion to $20.6 billion during 1985–88, accounting for 15 percent of the $30.8 billion expansion in subheading 9802.00.80 imports from developed countries. Another 59 percent was accounted for by the $18 billion increase in imports of motor vehicles from Canada which entered under subheading 9802.00.80 in 1988 to avoid the user fee. U.S.-made components accounted for only 1 percent of the collective value of motor vehicle imports under subheading 9802.00.80 from Japan, West Germany, and Sweden compared with 27 percent from Canada.

Subheading 9802.00.80 imports from Mexico, the largest LDC supplier of these imports under subheading 9802.00.80, climbed by 92 percent in total value (from $5.5 billion to $10.7 billion) and 81 percent in U.S.-made content (from $2.9 billion to $5.3 billion). The total value of subheading 9802.00.80 imports from other LDCs grew by 158 percent and the duty-free content of subheading 9802.00.80 imports from other LDC's increased by 132 percent. Much of these increases can be attributed to a rise in imports of motor vehicles, office machines and parts, and semiconductors, respectively from Korea, Singapore, and Malaysia. In 1988, U.S.-made components made up 50 percent of subheading 9802.00.80 imports from Mexico, but only 33 percent of such imports from other LDCs (p. 1–4, tables B–4, B–20, B–22, B–27, B–28, and B–29). The strong growth in and volume of imports from Mexico under subheading 9802.00.80, especially relative to those of other LDCs, reflects continued expansion in the use of Mexico's Maquiladora industry by U.S. producers. Peso devaluations in Mexico during 1985–87 resulted in declining average hourly earnings by manufacturing workers whereas earnings in competing assembly locations, such as Taiwan, Korea, and Singapore, have been rising as measured in U.S. dollars (pp. 1–2 and 1–8, table 1–4).

- *The potential exists for apparel imports under subheading 9802.00.80 to accelerate during the beginning of the 1990s as a result of recent actions by the United States to liberalize quotas on such imports from the major suppliers.*

The United States recently introduced special quota programs for Caribbean countries and Mexico that grant them greater access to the U.S. market for apparel and made-up textiles assembled from fabric that has been both produced and cut in the United States. The "special access program" for Caribbean countries establishes guaranteed access levels (GALs) for goods made of such fabric that are separate from, and usually higher than, quotas on nonqualifying products. This program essentially permits Caribbean countries virtually unlimited market access for qualifying goods since the GALs may be increased on request by the exporting country. Imports under the Caribbean program in 1987, the first full year of this so-called 807-A plan, totaled $79 million and then rose to $219 million in 1988. Under the "special regime" for Mexico, products of U.S. and foreign fabrics are combined under the same quota, but a major portion of the quotas is set aside for goods of U.S.-made and U.S.-cut fabric. Although quota growth is limited to 6 percent annually, Mexico's quotas were increased significantly above the 1987 base levels to accommodate the special regime, which went into effect January 1, 1989 (p. 6–7).

- *European Community customs laws contain production sharing provisions similar to those provided in HTS subheading 9802.00.80. These provisions, known as "outward processing relief arrangements," allow EC goods to be temporarily exported from the customs territory of the EC for additional processing or assembly.*

During 1984–1987, EC imports after outward processing rose by 12 percent to $4.2 billion (table 9–1). This amount was less than 6 percent of the level of corresponding U.S. imports under HTS subheading 9802.00.80 in 1987. West Germany and France were the principal users of outward processing arrangements in 1987, together accounting for two-thirds of EC imports under such provisions (table 9–5). Almost one-half of EC imports after outward processing in 1987 were accounted for by textiles

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and apparel (table 9–2). Semiconductors, office machines and parts, and other machinery and equipment were the next most important individual categories of products imported under EC production sharing provisions in 1987.

EC production sharing was heavily concentrated in Yugoslavia and other Eastern European countries, which accounted for just under one-half of total EC imports after outward processing (table 9–9). Spain was the leading assembly location for the EC until its inclusion into the EC in 1986, accounting for 37 percent of EC outward processing imports in 1984. The use of outward processing by EC firms in Eastern Europe is comparable to the use of Mexico's Maquiladora industry by U.S. manufacturers—average hourly earnings in 1987 in Eastern Europe was estimated to be approximately US$0.97 compared with US$0.95 in Mexico. Both U.S. and European importers of products from developed countries take advantage of subheading 9802.00.80 and outward processing provisions to reduce their tariff obligations on goods that contain U.S.-made or European-made components, respectively. Developed countries accounted for 73 percent of total U.S. imports under 9802.00.80 in 1987 and 45 percent of EC imports after outward processing in 1987, with the United States supplying 15 percent of total European imports after outward processing.

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Chapter 1

Introduction

Purpose of the Study

In the study, the Commission presents and analyzes official statistical data on imports entered under subheadings 9802.00.60 and 9802.00.80 of Chapter 98 (special classification provisions) of the Harmonized Tariff Schedule of the United States (HTS) and notes trends in such imports during 1985–88.[1] Subheading 9802.00.60 sets forth tariff treatment for certain metal of U.S. origin processed in a foreign location and returned to the United States for further processing. Duty is applied on the value added by the foreign processing. Subheading 9802.00.80 provides tariff treatment for eligible imported goods that contain U.S.-made components. Duty is applied on the value of the imported product less the value of the U.S.-made components.[2] The use of both of these tariff provisions are integral activities for companies involved in production sharing.[3] In addition to analyzing U.S. imports under these HTS subheadings, this study also reports on the use of similar "outward processing" provisions in the European Community (EC) by European firms engaged in production sharing (see Chapter 9).

Reports previously published by the Commission on imports under subheadings 9802.00.60 and 9802.00.80[4] provide statistics for 1966 through 1987. This report contains statistics on total imports and on imports under subheadings 9802.00.60 and 9802.00.80 by principal sources and commodity groupings for 1985 through 1988.[5] The commodity groups are based on the Commission's Trade Monitoring Information Support System, which consists of computer-generated import/export tables for key commodity aggregations. The trade tables serve as the vehicle for trade-monitoring or as an early warning system that can alert the Commission to shifts in trade patterns and focus on areas for further study.

This study emphasizes the significance of the duty-free portion (U.S.-origin content) of imports under subheadings 9802.00.60 and 9802.00.80, as opposed to the dutiable portion. It is the reduction of tariff obligation through duty-free treatment of the U.S.-origin content that provides the incentive to use these tariff provisions. Chapters 3 through 8 describe trade in specific products; within each chapter, the analyses are presented in rank order according to duty-free content of imports under subheadings 9802.00.60 and 9802.00.80. Also, each analysis includes a concordance that shows which HTS subheadings and TSUS items are allocated to the commodity group to facilitate comparison of information provided in this report and past annual reports with that presented in future annual reports.

Trends In Imports Under HTS Subheadings 9802.00.60 and 9802.00.80

Firms have several incentives for using production sharing and/or the provisions of subheadings 9802.00.60 and 9802.00.80: (1) to improve the price competitiveness of products by shifting certain labor-intensive assembly operations to low-wage-rate countries; (2) to reduce the cost of cross-border transfers of both in-process materials and final goods; (3) to allow companies to rationalize[6] production involving

[1] Conversion from the Tariff Schedules of the United States (TSUS) changed the nomenclature of these production sharing provisions from TSUS items 806.30 and 807.00 to HTS subheadings 9802.00.60 and 9802.00.80, respectively. The converted schedule became effective January 1, 1989, pursuant to sec. 1217 of the Omnibus Trade and Competitiveness Act of 1988 and to Pres. Proc. 5911. Imports entered under TSUS items 806.30 and 807.00 before implementation of the HTS are reported in this study in terms of the HTS nomenclature.

[2] See "Explanation and background for HTS subheadings 9802.00.60 and 9802.00.80" in app. A for further explanation of these provisions.

[3] Production sharing encompasses activities in which aspects of production of an article take place in different countries.

[4] Previous studies by the U.S. International Trade Commission include *Economic Factors Affecting the Use of Items 807.00 and 806.30 of the Tariff Schedules of the United States: Report to the President on Investigation No. 332-61 Under Section 332 of the Tariff Act of 1930*, USITC Publication 339, September 1970; two unpublished reports, both entitled "Background Materials on Articles Assembled and Fabricated Abroad, Items 806.30 and 807.00 of the Tariff Schedules of the United States," Mar. 22, 1976, and July 9, 1976, respectively; *Import Trends in TSUS Items 806.30 and 807.00*, USITC Publication 1029, January 1980; *Imports Under Items 806.30 and 807.00 of the Tariff Schedules of the United States, 1977-80*, USITC Publication 1170, July 1981; *Imports Under Items 806.30 and 807.00 of the Tariff Schedules of the United States, 1979-82*, USITC Publication 1467, January 1984; *Imports Under Items*

[4]—*Continued*
806.30 and 807.00 of the Tariff Schedules of the United States, 1980-83, USITC Publication 1688, April 1985; *Imports Under Items 806.30 and 807.00 of the Tariff Schedules of the United States, 1981-84*, USITC Publication 1867, June 1986; *Imports Under Items 806.30 and 807.00 of the Tariff Schedules of the United States, 1982-85*, USITC Publication 1920, December 1986; *The Use and Economic Impact of TSUS Items 806.30 and 807.00*, USITC Publication 2053, January 1988; and *Imports Under Items 806.30 and 807.00 of the Tariff Schedules of the United States, 1984-87*.

[5] App. B contains statistical tables showing imports under HTS subheadings 9802.00.60 and 9802.00.80 during 1970–88. It also indicates modifications that were made by the Commission to official statistics from the U.S. Department of Commerce. App. B also contains a concordance between specific commodity groupings and major industry groups.

[6] Companies "rationalize" production by consolidating manufacturing of a particular product or component to a limited number of locations. Plants which may have made a diversity of products become specialized in the production of fewer goods. This can lead to greater

establishments in the United States and foreign countries (usually Canada); (4) to allow foreign companies that use U.S.-made components to reduce the price of their goods in the U.S. market; and (5) to avoid the Customs User Fee that was established in December 1986.[7]

Two of these incentives strongly influence recent trends in imports under HTS subheadings 9802.00.60 and 9802.00.80: the declining wage rates (incentive 1 above) in Mexico and the Customs User Fee (incentive 5 above). The depreciation of the peso has led to a decline in average hourly U.S. dollar-valued earnings for Mexican manufacturing workers, from US$1.26 in 1984 to US$0.95 in 1987, a 25-percent reduction over the period, and contributed to an increase in the use of HTS subheading 9802.00.80 in that country. In addition, as analyzed in chapter 2 of this report, the establishment of the Customs User Fee in December 1986 motivated many firms that were importing articles with a free rate of duty to claim eligibility under subheadings 9802.00.60 and 9802.00.80 to avoid the fee.

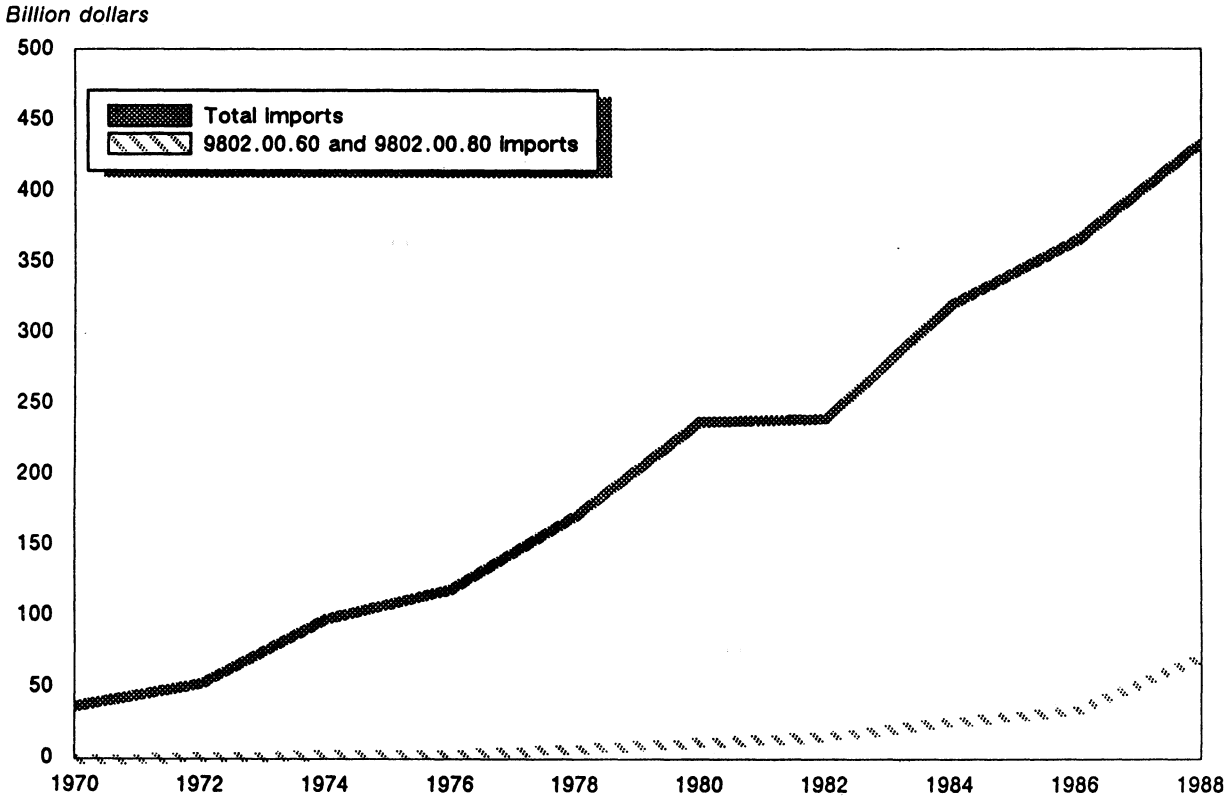
The share of the value of total U.S. imports accounted for by imports under subheadings 9802.00.60 and 9802.00.80 combined rose to 17 percent in 1988, up from 9 percent in 1985 (table A, figs. 1-1 and 1-2). The combined value jumped from $30.5 billion in 1985 to $73.7 billion in 1988. Because importers sought to avoid the Custom User Fee established in December 1986 and because of continued growth in the use of assembly facilities in Mexico, imports under these provisions doubled between 1986 and 1987.

Imports under subheading 9802.00.80 are much greater than those under subheading 9802.00.60, accounting for over 99 percent of the combined total value in 1988 and 97 percent of the duty-free content of imports under both provisions (app. B, table B-1). The duty-free value (U.S.-origin content) of the combined imports under subheadings 9802.00.60 and

[6]—Continued
efficiency and economies of scale. It also involves interdependency between plants and requires coordination of production planning. Rationalization of production across international boundaries is increasingly a common practice for multinational corporations, particularly U.S. firms with facilities in Canada.

[7] The user fee does not apply to imports under chapter 98 of the HTS. Consequently, importers of goods with a most-favored-nation duty rate of free, which had no incentive to declare eligibility under subheadings 9802.00.60 and 9802.00.80, began using these provisions. See ch. 2 for a discussion of the user fee.

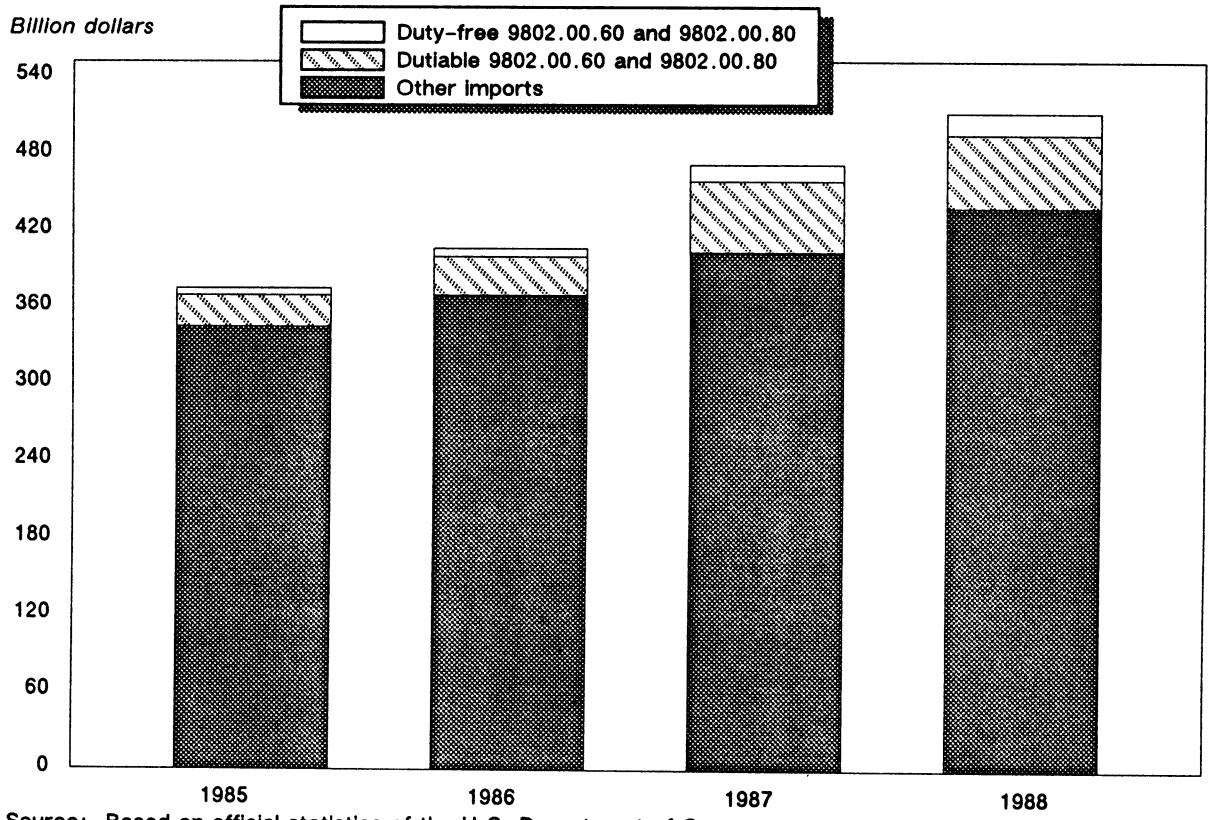
Figure 1-1
Trends of total U.S. imports and imports under 9802.00.60 and 9802.00.80, 1970-88



Source: Based on official statistics of the U.S. Department of Commerce.

1-2

Figure 1-2
Subheadings 9802.00.60 and 9802.00.80: Dutiable and duty-free imports compared with other U.S. imports for consumption, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

9802.00.80 was 23 percent of the total value of imports under these provisions in 1988, up from 19 percent in 1985. Corresponding ratios for subheading 9802.00.80 imports alone were 22 percent in 1988 and 18 percent in 1985 (table 1-1). This increase in the share accounted for by duty-free imports is partly attributable to the escalation of the duty-free value of subheading 9802.00.80 imports of motor vehicles from only $502 million in 1985 to $5.8 billion in 1988. The corresponding ratio of duty-free value to total value of subheading 9802.00.80 imports of motor vehicles jumped from 3 percent to 13 percent during the same period (table 1-1).[8]

As shown in the following tabulation, imports under subheadings 9802.00.60 and 9802.00.80 from less developed countries (LDCs) increased from $9.8 billion to $21.8 billion during 1985-88 (tables B-2 and B-4). However, the share of total subheadings 9802.00.60/80 imports accounted for by LDCs dropped slightly from 33 percent in 1985 to 30 percent in 1988. Conversely, the share of imports under subheadings 9802.00.60 and 9802.00.80 from developed countries rose from 68 percent in 1985 to 70 percent in 1988. The value of imports under subheadings 9802.00.60 and 9802.00.80 from developed countries increased 151 percent in 1985 to $51.9 billion in 1988.

	1985 Billion dollars	1988 Billion dollars
Developed countries	20.7	51.9
LDCs	9.8	21.8
Total	30.5	73.7
Percent of total		
Developed countries	68	70
LDCs	32	30
Total	100	100

[8] See Chapter 3 for a description of import trends under subheading 9802.00.80 for motor vehicles and other transportation equipment. Use of subheading 9802.00.80 by U.S. auto manufacturers with plants in Canada increased sharply after imposition of the user fee. Since the U.S.-origin content of motor vehicles from Canada is much higher than the U.S. content of motor vehicles from Japan and other major foreign motor vehicle suppliers, the ratio of duty-free content to total value of subheading 9802.00.80 imports of motor vehicles increased as Canada's share of such imports rose during 1985-88.

Table 1-1

U.S. imports under HTS subheading 9802.00.80, total and duty free, by industry groups, 1985 and 1988

Industry group	Duty-free value 1985	Duty-free value 1988	Change, 1988 from 1985	Average annual change, 1988 from 1985	Share of total 1988	Ratio of duty-free value to total value 1985	Ratio of duty-free value to total value 1988	Total value 1985	Total value 1988	Change, 1988 from 1985	Average annual change, 1988 from 1985	Share of total 1988
	1,000 dollars		Percent					1,000 dollars		Percent		
Agricultural and forest products	98,993	136,696	38	11	1	65	67	151,230	204,670	35	11	(1)
Shirts and blouses	95,438	194,935	104	27	1	50	55	190,149	355,747	87	23	(1)
Trousers, slacks, and shorts	174,449	396,781	127	32	2	72	67	243,434	590,246	142	34	1
Body-supporting garments	116,758	156,025	34	10	1	66	67	177,422	232,466	31	9	(1)
Footwear	70,365	122,983	75	20	1	49	26	142,450	475,867	234	49	1
Other textiles and apparel	226,320	440,835	95	25	3	54	61	418,898	727,785	74	20	1
Chemicals, coal petroleum, natural gas, and related products	36,410	47,012	29	9	(1)	25	37	147,040	128,255	-13	-4	(1)
Minerals and metals	78,264	126,241	61	17	(1)	40	35	195,893	359,860	84	22	(1)
Internal combustion engines and parts	259,021	427,904	65	18	3	27	14	961,880	2,955,868	207	45	4
Office machines and parts	416,490	556,978	34	10	3	23	21	1,804,289	2,605,352	44	13	4
Motors, generators, transformers, and related equipment	202,099	338,966	68	19	2	50	48	404,816	698,328	73	20	1
Television apparatus and parts, other than cameras and picture tubes	118,643	311,231	162	38	2	18	22	660,597	1,393,689	111	28	2
Radio and telephone equipment and parts	222,083	173,367	-22	-8	1	31	31	727,047	561,184	-23	-8	1
Tape recorders, record players, and related equipment	139,296	122,624	-12	-4	1	31	18	439,231	665,931	52	15	1
Semiconductors	733,037	2,395,593	227	48	15	59	55	1,242,746	4,360,478	251	52	6
Other electrical articles	988,251	1,659,860	68	19	10	57	59	1,731,200	2,815,947	63	18	4
Motor vehicles, including including automobile truck and truck tractors, motor buses, passenger automobiles	501,710	5,839,003	1,064	127	36	3	13	17,127,522	44,056,359	157	37	61
Motor-vehicle parts, industrial vehicles, non-self-propelled vehicles motorcycles, rail locomotives, and rolling stock	282,942	1,007,216	256	53	6	27	24	1,061,789	4,207,001	296	58	6
Other machinery and equipments	418,340	1,170,964	180	41	7	28	31	1,477,046	3,724,564	152	36	5
Scientific instruments and apparatus	133,248	270,184	103	27	2	51	52	263,194	519,030	97	25	1

See footnote at end of table.

Table 1-1—*Continued*

U.S. imports under HTS subheading 9802.00.80, total and duty free, by industry groups, 1985 and 1988

Industry group	*Duty-free value*		*Change, 1988 from 1985*	*Average annual change, 1988 from 1985*	*Share of total 1988*	*Ratio of duty-free value to total value*		*Total value*		*Change, 1988 from 1985*	*Average annual change, 1988 from 1985*	*Share of total 1988*
	1985	*1988*				*1985*	*1988*	*1985*	*1988*			
	1,000 dollars		*Percent*					*1,000 dollars*		*Percent*		
Furniture, mattresses and pillows	17,538	189,943	983	121	1	17	35	101,709	540,517	430	75	1
Other miscellaneous manufactures	180,086	268,771	49	14	2	40	43	445,780	624,341	40	12	1
Total	5,549,719	16,354,111	195	43	100	18	22	30,115,411	72,803,484	142	34	100

[1] Less than 0.5 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce. See app. B for a concordance between these industry groups and subheading 9802.00.80 commodity groups.

1-5

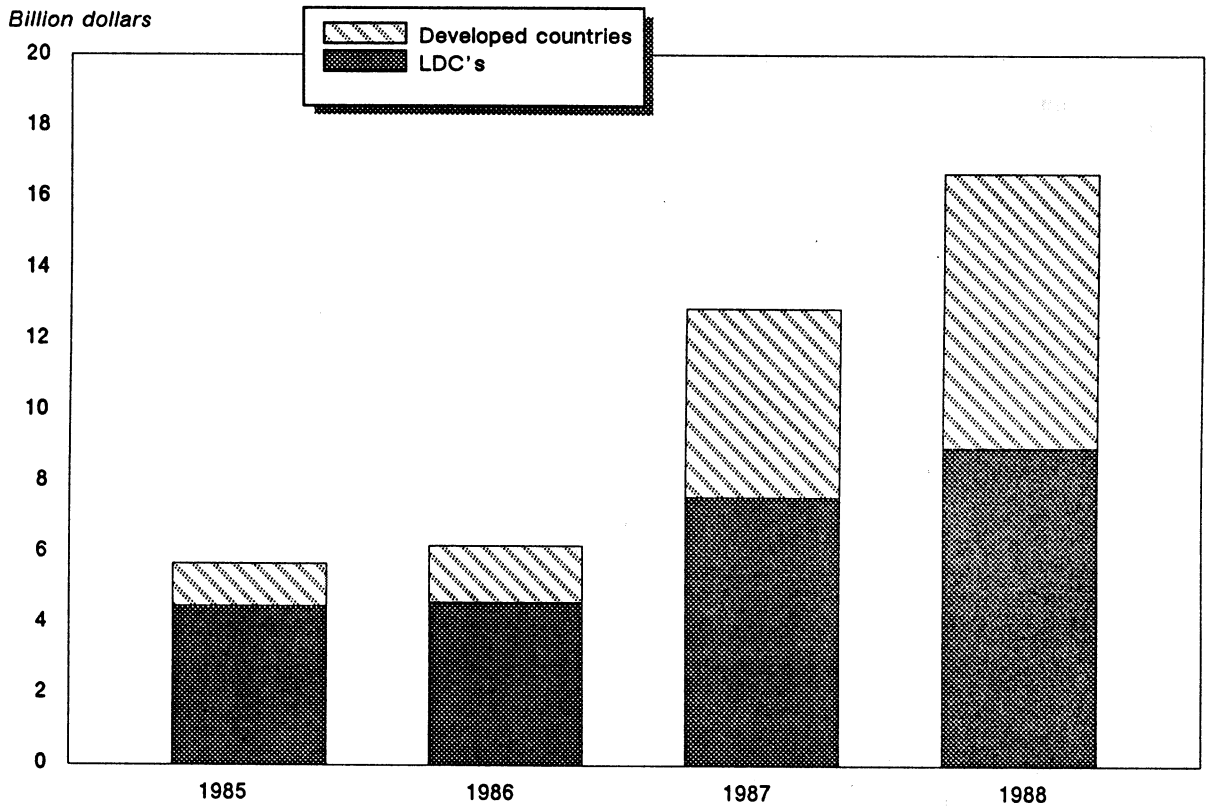
A $17.9 billion increase in subheading 9802.00.80 imports of motor vehicles from Canada (all of which also entered free of ordinary customs duty under the Automotive Products Trade Act of 1965 (APTA) but were also entered under HTS 9802.00.80 because of the user fee) accounted for 57 percent of the $31.2 billion increase in total 9802.00.80 imports in 1988; a $7.5 billion growth in subheading 9802.00.80 imports of motor vehicles from Japan, Korea, and Mexico accounted for 24 percent of the increase. In terms of duty-free content, imports under subheadings 9802.00.60 and 9802.00.80 from LDCs doubled during 1985–88, but their share of the U.S. content of total imports under these provisions dropped from 78 percent to 54 percent (fig. 1–3).

Since subheading 9802.00.80 accounts for over 99 percent of the combined total imports under these provisions, the rest of this chapter discusses specific trends under subheading 9802.00.80 during 1985–88. A discussion of trends under subheading 9802.00.60 can be found in chapter 8.

Trends In Imports Under Subheading 9802.00.80

U.S. imports under HTS subheading 9802.00.80 climbed 142 percent during 1985–88, from $30 billion to $73 billion, exceeding the rate of growth for total U.S. imports, which rose by 27 percent (table 1–2). Most of this increase occurred between 1986 and 1987 when subheading 9802.00.80 imports almost doubled. The dramatic surge in subheading 9802.00.80 imports during that year can be attributed primarily to the establishment of a U.S. Customs user fee in late 1986, from which imports entering under subheadings in chapter 98 of the HTS are exempt. To avoid the fee, many importers of duty-free goods claimed eligibility under subheading 9802.00.80, which caused the ratio of subheading 9802.00.80 imports to total imports to jump from 10 percent in 1986 to 17 percent in 1987. This ratio remained 17 percent in 1988 (table 1–3).

Figure 1–3
U.S. imports under subheadings 9802.00.60 and 9802.00.80: Duty-free portion accounted for by developed and less developed countries, 1985–88



Source: Based on official statistics of the U.S. Department of Commerce.

Table 1-2

HTS subheading 9802.00.80: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
	Value (million dollars)		
1985	343,553	30,115	5,550
1986	368,357	36,031	5,972
1987	402,066	67,595	12,527
1988	437,140	72,803	16,354
	Percent of total		
1988 from 1985	27	142	195
Average annual 1988 from 1985	8	34	43

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

Table 1-3

HTS subheading 9802.00.80: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	9802.00.80 imports to total imports	Duty-free 9802.00.80 to total 9802.00.80 imports	Rate of duty		Total duty savings
			Nominal	Effective	
	Percent				Million dollars
1985	9	18	4.7	3.6	389
1986	10	17	4.3	3.6	403
1987	17	19	2.6	2.1	477
1988	17	22	2.5	2.1	582

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

Principal products

The duty-free content of subheading 9802.00.80 imports increased 195 percent during 1985-88, to $16.4 billion. The ratio of the duty-free content to total value of imports under subheading 9802.00.80 rose from 18 percent to 22 percent during the same period (table 1-2). Much of this increase can be attributed to a jump in the value of the duty-free content of subheading 9802.00.80 imports of motor vehicles, from $502 million in 1985 to $5.8 billion in 1988. Of this increase, $4.9 billion, or 84 percent, came from subheading 9802.00.80 imports of motor vehicles from Canada.

Increases in the duty-free value of 9802.00.80 imports of several other commodity groups also contributed to the 4 percent rise in the ratio of duty-free content to total value of imports under subheading 9802.00.80 during 1985-88; namely, the duty-free value of imports of semiconductors rose from $733 million to $2.4 billion, that of motor-vehicle parts climbed from $283 million to $1 billion, and the duty-free value of 9802.00.80 imports of other machinery and equipment soared from $418 million to $1.2 billion (table 1-1).

Motor vehicles accounted for 36 percent of the U.S. content of imports under subheading 9802.00.80 in 1988; semiconductors, 15 percent; other electrical articles, 10 percent; other machinery and equipment, 7 percent; and motor vehicle parts, 6 percent.

Principal sources

The top three countries in terms of U.S. content under subheading 9802.00.80 in 1988 were Canada, Mexico, and Malaysia, accounting for shares of 40 percent, 32 percent, and 4 percent, respectively. Canada's share of duty-free HTS subheading 9802.00.80 imports expanded substantially during 1985-88, from only 10 percent to 40 percent. However, the sharp rise in duty-free subheading 9802.00.80 imports from Canada does not indicate an increase in the use of U.S.-made components in Canadian manufacturing operations. Instead, it shows that to avoid the Customs User Fee U.S. importers claimed subheading 9802.00.80 eligibility for duty-free

articles from Canada that contain U.S.-made parts. In 1988, 77 percent of the duty-free content of subheading 9802.00.80 imports from Canada was accounted for by motor vehicles ($4.9 billion), all of which already qualified for duty-free treatment under the APTA. Motor-vehicle parts accounted for 7 percent ($458 million) and semiconductors, 5 percent ($324 million) (table B-20).

Although Mexico's share of duty-free content dropped from its 53 percent share in 1985, Mexico continues to be an attractive location for subheading 9802.00.80 activity because of low wage rates and proximity to the United States. Mexico's attractiveness relative to other countries as an assembly location for U.S. producers was reinforced by an increase in relative wage rates in competing countries such as Taiwan, Korea, Hong Kong, and Singapore. Whereas the average hourly earnings of manufacturing workers in Mexico fell 25 percent from $1.26 to $0.95 during 1984-87, earnings in Taiwan, Hong Kong, and Korea rose an average of 31 percent, with 1987 earnings in Mexico 50 percent below those in Taiwan, 62 percent below those in Korea, 64 percent below those in Hong Kong, and 55 percent below those in Singapore (table 1-4). Based on duty-free content, the top imports under subheading 9802.00.80 from Mexico in 1988 were electrical conductors, accounting for 13 percent ($709 million); motor vehicles, 12 percent ($615 million); and motor-vehicle parts, 8 percent ($412 million) (table B-21).

Table 1-4

Average hourly earnings[1] of manufacturing employees in selected countries, 1984 and 1987

Country	*1984*	*1987*	*Change in 1987 from 1984[2]*
	dollars	*dollars*	*Percent*
United States	9.19	9.91	8
EC			
Denmark	6.98	12.68	82
Belgium	(3)	12.54	72
West Germany	5.44	9.77	80
Luxembourg	5.38	9.25	72
Ireland	4.24	6.99	65
United Kingdom	4.58	6.93	51
France	4.08	6.82	67
Spain	3.20	5.49	72
Greece	2.33	2.87	23
Netherlands	5.04	(3)	(4)
Italy	4.86	(3)	(4)
Portugal	1.11	(3)	(4)
Eastern Europe			
Yugoslavia	0.90	1.40	56
Hungary	0.64	0.83	30
Poland	0.92	0.69	25
Romania	0.83	(3)	(4)
North Africa			
Morocco	0.78	1.22	56
Tunisia	0.90	1.13	26
East Asia			
Japan	7.69	13.53	75
Hong Kong	2.00	2.65	33
Korea	1.90	2.50	32
Singapore	(3)	2.11	(4)
Taiwan	1.57	2.02	29
Others			
Switzerland	7.85	13.75	75
Canada	8.62	9.23	7
Costa Rica	0.97	1.32	36
Mexico	1.26	0.95	-25
Dominican Republic	0.33	(2)	(3)

[1] Earnings include basic wages, cost of living allowances and other guaranteed and regularly paid allowances, but exclude overtime payments, bonuses and gratuities, family allowances, and other social security payments made by employers.

[2] These changes are in terms of U.S. dollars. Because of depreciation of the U.S. dollar against most European currencies during 1984-87, these figures overstate the increase in European earnings in terms of local currencies.

[3] Not available.

[4] Not applicable.

Source: Compiled by the U.S. International Trade Commission from statistics in the *1988 Yearbook of Labor Statistics*, International Labor Office, Geneva, 1988, and *International Financial Statistics*, International Monetary Fund, Washington, DC, June 1989.

1-8

Table 1-5

The 10 principal suppliers of U.S. imports under HTS subheadings 9802.00.60 and 9802.00.80 ranked by ratio of duty-free value to total value, 1988

Country	*Ratio of U.S. content to total*	*Country share of total U.S. content*	*Leading products* 1	2	3
	Percent	*Percent*	*Percent of total from country*		
Malaysia	54	4	Semiconductors (93)	Radio receivers (3)	Miscellaneous electrical products (2)
Mexico	50	32	Motor vehicles (16)	Electrical conductors (10)	Television receivers (7)
Canada	27	40	Motor vehicles (73)	Motor-vehicles parts (9)	Internal combustion engines, piston-type (5)
Singapore	24	3	Office machines (63)	Semiconductors (31)	Miscellaneous electric products and parts (3)
Korea	18	3	Motor vehicles (65)	Semiconductors (21)	Footwear (7)
France	16	1	Nonmilitary airplanes (56)	Motor-vehicle parts (26)	Motor vehicles (9)
United Kingdom	13	1	Motor vehicles (50)	Nonmilitary airplanes (26)	Internal combustion engines, non-piston type (11)
Sweden	3	(1)	Motor vehicles (94)	Nonmilitary airplanes (3)	Mechanical shovels, coal-cutters etc. (1)
Japan	2	2	Motor vehicles (94)	Motor vehicle parts (2)	Mechanical shovels, coal-cutters etc. (1)
West Germany	2	1	Motor vehicles (88)	Internal combustion engines, piston-type (7)	Nonmilitary airplanes (1)

[1] Less than 0.5 percent.

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

1-9

Table 1-6

HTS subheading 9802.00.80: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Canada	570	853	3,783	6,518	1,044	10	40
Mexico	2,934	3,332	4,417	5,300	81	53	32
Malaysia	217	85	622	656	202	4	4
Korea	175	66	391	544	211	3	3
Singapore	192	72	387	442	130	4	3
Japan	133	175	379	257	93	2	2
United Kingdom	71	63	267	213	200	1	1
France	53	71	260	206	289	1	1
West Germany	109	108	126	97	-11	2	1
Sweden	37	36	87	50	35	1	(1)
All others	1,059	1,111	1,808	2,072	96	19	13
Total	5,550	5,972	12,527	16,354	198	100	100

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

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

As the third largest supplier of subheading 9802.00.80 imports based on duty-free content, Malaysia supplied $656 million in imports, up sharply from $217 million in 1985. Semiconductors accounted for 93 percent ($626 million) of articles imported under subheadings 9802.00.60 and 9802.00.80 from Malaysia in 1988 in terms of U.S. content (table 1-5). The decline in the duty-free content of subheading 9802.00.80 imports from Malaysia during 1985-86 (table 1-6) resulted from the elimination of duties in March 1985 on semiconductors (except transistors and certain discrete devices). The dramatic surge in duty-free subheading 9802.00.80 imports from Malaysia between 1986 and 1987 and the continued increase in 1988 can be attributed to efforts to avoid the user fee.

Duty savings

Of the 22 industry categories examined, apparel industries tended to have the highest ratios of U.S. content to total value (table 1-1). For example, HTS subheading 9802.00.80 imports of trousers, slacks, and shorts, and body-supporting garments had among the highest ratios of U.S. content to total value (67 percent) in 1988, whereas motor vehicles had the lowest (13 percent). The high U.S. content of apparel, combined with significantly higher duties on these products, provided duty savings under subheading 9802.00.80 of $251 million in 1988. Despite supplying only 2 percent of total imports under subheading 9802.00.80 in 1988, the apparel industry accrued 43 percent of the duty savings. Motor vehicles, on the other hand, accounted for 61 percent of total 9802.00.80 imports but only 18 percent ($102 million) of the duty savings.

Imports from LDCs

Imports from LDC's accounted for 30 percent of all subheading 9802.00.80 imports in 1988, down from 33 percent in 1985 (table B-4). However, the total value of subheading 9802.00.80 imports from LDCs increased from $9.8 billion in 1985 to $21.8 billion in 1988. The decline in the share of subheading 9802.00.80 imports from LDCs, therefore, did not indicate a decrease in such activity in these countries, but rather reflected the jump in subheading 9802.00.80 imports from developed countries since importers claimed 9802.00.80 eligibility for many duty-free products to avoid the user fee.

Mexico was the primary source of HTS 9802.00.80 imports from LDCs in 1988, providing 49 percent of the imports from all LDCs in 1988, followed by Korea, Singapore, and Malaysia, with shares of 14 percent, 9 percent, and 6 percent, respectively. The major products imported from Mexico under subheading 9802.00.80 were motor vehicles, electrical conductors, and television receivers. Semiconductors accounted for most of subheading 9802.00.80 imports from Malaysia. Office machines and semiconductors were the leading products imported from Singapore. Motor vehicles were the leading subheading 9802.00.80 import category from Korea, followed by semiconductors. U.S.-made components accounted for 36 percent of the motor vehicle imports under subheading 9802.00.80 from Mexico, but only 3 percent of such imports from Korea.

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Chapter 2

Impact of the Customs User Fee on the Use of Subheadings 9802.00.60 and 9802.00.80

The overall use of U.S.-made components in foreign manufacturing and assembly operations cannot be measured by the level of duty-free content of imports under HTS subheadings 9802.00.60 and 9802.00.80. Until recently, importers of products that entered free of duty under various provisions, such as the Generalized System of Preferences (GSP), Caribbean Basin Economic Recovery Act (CBERA), APTA, Civil Aircraft Agreement, and U.S.-Israel Free-Trade Agreement,[1] or had a bound, unconditional most-favored-nation (MFN) duty rate of "free," such as transistors, diodes, agricultural equipment, lift trucks, outboard marine motors, and most semiconductors, had no incentive to attempt to enter goods under subheadings 9802.00.60 or 9802.00.80. However, since December 1986, many importers of duty-free articles have been entering these goods containing U.S.-origin parts or metal under subheadings 9802.00.60 and 9802.00.80 to avoid paying a user fee established by the U.S. Congress. Consequently, for the duration of the user fee, the duty-free portion of imports under subheadings 9802.00.60 and 9802.00.80 will more closely represent full use of U.S.-origin components and metal in foreign manufacturing operations.

Effective December 1, 1986, U.S. Customs regulations were amended to reflect the ad valorem user fee for merchandise processing (see Treasury Decision 86-205) authorized by the Omnibus Budget Reconciliation Act of 1986 (sec. 8101 of Public Law 99-509). The amended regulations require that merchandise formally entered, or withdrawn from warehouse for consumption, be subject to an ad valorem fee from December 1986 through September 1990 based on the appraised customs value of the merchandise. This fee was 0.22 percent ad valorem between December 1986 and September 1987, and was to be used to offset customs appropriations for salaries and expenses incurred in conducting commercial operations.[2] However, there are several exceptions to the fee created by section 8101, including exemption from the fee for articles provided for in chapter 98 of the HTS. (See 19 CFR 24.23(b)(1) (1987).) Both the dutiable and duty-free portions of articles provided for in subheadings 9802.00.60 and 9802.00.80 are exempt from this user fee.

[1] See app. C for a description of these provisions.
[2] From Oct. 1, 1987, through Sept. 30, 1990, the user fee was set at 0.17 percent ad valorem. Unless reauthorized by Congress, a user fee will not be charged after Sept. 30, 1990.

Traditional imports under subheading 9802.00.60 and 9802.00.80 grew from $30.5 billion in 1985 to $42.9 billion in 1988, or by 40 percent. However, adding in $30.8 billion in imports with a free rate of duty which entered under these provisions to escape the user fee raises the 1988 total to $73.7 billion. This gives the appearance of an 142-percent rise in the use of these provisions in 1988 over those in 1985.

Subheading 9802.00.80

In 1988, imports under HTS subheading 9802.00.80 of products with an unconditionally free rate of duty under subheading 9802.00.80 totaled $30.4 billion, 42 percent of total imports under subheading 9802.00.80. Were it not for the user fee, imports under subheading 9802.00.80 would have risen just 41 percent between 1985 and 1988, from $30.1 billion to $42.4 billion, instead of climbing 142 percent to $72.8 billion; total imports under 9802.00.80 would have accounted for 10 percent of overall imports in contrast to the 17 percent recorded in 1988.[3]

Furthermore, as shown in the following tabulation and in figure 2-1, were it not for the user fee, imports under subheading 9802.00.80 would have *decreased* slightly from $42.6 billion to $42.4 billion between 1987 and 1988 instead of *rising* 8 percent from $67.6 billion to $72.8 billion.

Imports under 9802.00.80	*1986, total*	*1987, less free-rate imports*	*1988, less free-rate imports*	*1987, total*	*1988, total*
	Billion dollars				
Dutiable content	$30.1	$34.8	$35.0	$55.1	$56.4
U.S.-origin content	6.0	7.8	7.4	12.5	16.4
Total	36.0	42.6	42.4	67.6	72.8

The principal reason for this leveling off of the usual use of subheading 9802.00.80 (after subtracting free-rate imports) was a drop in imports of motor vehicles from West Germany from $7.4 billion in 1987 to $4.3 billion in 1988. As the U.S. dollar depreciated against the West German deutsche mark, West German automobiles became relatively more expensive in the U.S. market, leading to a decline in U.S. imports of motor vehicles from West Germany. Also contributing to the leveling off of dutiable 9802.00.80 imports was a decrease in such imports from Singapore from $1.1 billion to $168 million. Imports from Singapore under 9802.00.80 actually increased by 9 percent in 1988 over 1987, from

[3] Subtracting "free" imports from official statistics reveals what the trend in imports under subheading 9802.00.80 would have been if the user fee had not been imposed.

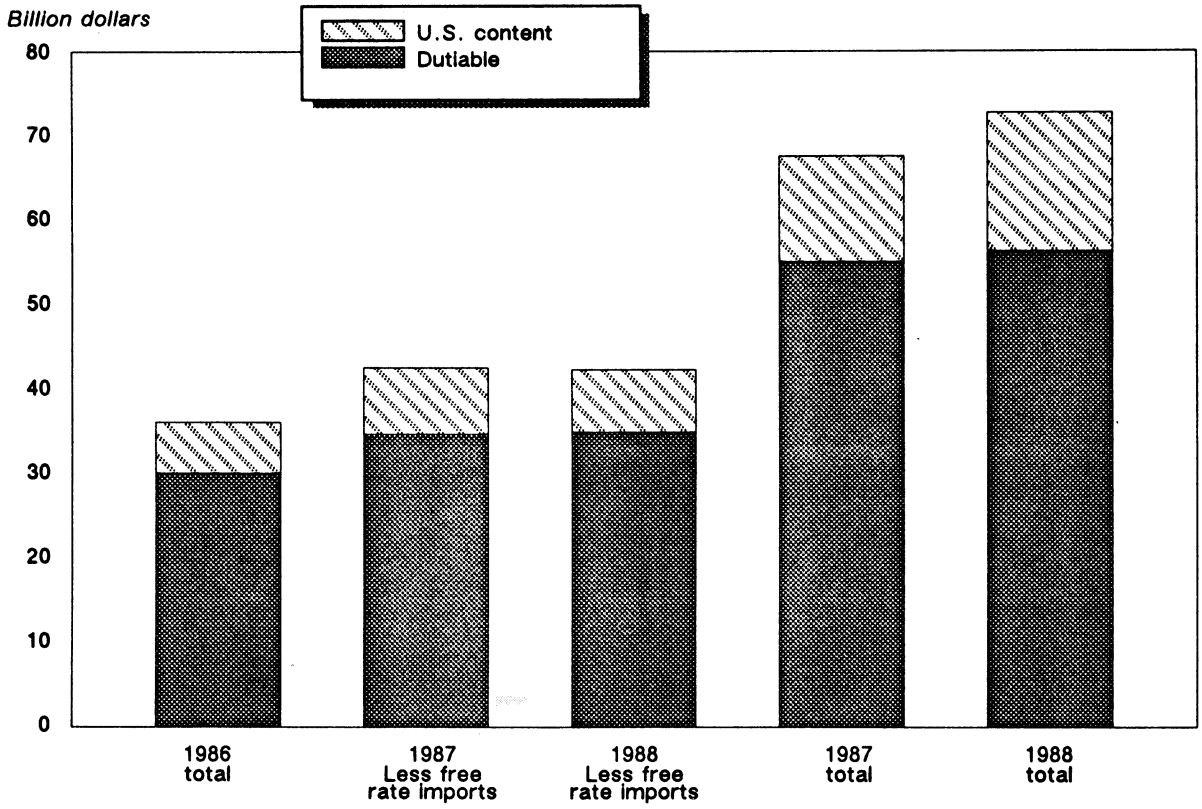
$1.7 billion to $1.9 billion; however, the share of 9802.00.80 imports from Singapore accounted for by free rate imports, such as most semiconductors and certain automatic data processing machines, increased from 33 percent in 1987 to 91 percent in 1988.

APTA imports under subheading 9802.00.80 totaled $21.7 billion in 1988, accounting for 72 percent of these "free" imports (articles with an unconditionally free rate of duty that enter under subheading 9802.00.80) (tables 2-1 and 2-2). Duty-free semiconductors totaled $4.3 billion, 14 percent of the total; and imports under the Civil Aircraft Agreement, $2.1 billion and 7 percent of the total. "Free" imports accounted for 41 percent of 1988 imports of motor vehicles under subheading 9802.00.80; 99 percent of the semiconductors; 54 percent of the motor-vehicle parts, industrial vehicles, and rolling stock; 58 percent of the internal combustion engines; and 72 percent of the office machines and parts.

Subtracting the unconditionally "free" imports from official statistics reveals what the trend in imports under subheading 9802.00.80 would have been if the user fee had not been imposed. Imports of motor vehicles would have risen 52 percent during 1985-88 instead of 157 percent; semiconductors would have fallen by 99 percent instead of rising by 251 percent; motor-vehicle parts, industrial vehicles, and rolling stock would have grown 84 percent instead of 296 percent; and internal combustion engines would have climbed 28 percent instead of 207 percent (table 2-2).

In terms of U.S.-origin content, imports of products with an unconditionally free rate of duty totaled $9 billion in 1988, 55 percent of the value of all U.S.-made components contained in U.S. imports under subheading 9802.00.80. The U.S.-origin content of "free" imports accounted for 30 percent of these subheading 9802.00.80 imports in 1988 compared with 22 percent for other imports under subheading 9802.00.80. Were it not for the user fee, the U.S.-origin content of imports under subheading 9802.00.80 would have increased just 33 percent between 1985 and 1988, from $5.6 billion to $7.4 billion, instead of nearly tripling to $16.4 billion (table 2-2).

Figure 2-1
U.S. imports under HTS subheading 9802.00.80, total and duty-free 1986-88, and discounting free rate imports, 1987-88



Source: Based on official statistics of the U.S. Department of Commerce.

2-2

Table 2-1

Articles with a free MFN rate of duty: U.S. imports under HTS subheading 9802.00.80, by industry groups, 1988

Industry group	*Total value*	*U.S. content*	*Foreign value added*	*U.S. content to total*	*Ratio of group to total U.S. content*
	Million dollars			*Percent*	
Motor vehicles, including automobile trucks and truck tractors, motor buses, passenger automobiles, special-purpose motor vehicles, and snowmobiles	17,952	4,890	13,062	27	54
Semiconductors	4,335	2,382	1,953	55	27
Other machinery and equipment	1,730	534	1,196	31	6
Motor-vehicle parts, industrial vehicles, nonself-propelled vehicles, motorcycles, rail locomotives, and rolling stock	2,253	452	1,801	20	5
Office machines and parts	1,865	407	1,459	22	5
Internal combustion engines and parts	1,720	141	1,579	8	2
Furniture, mattresses, and pillows	256	117	139	46	1
Other electrical articles	70	18	53	25	(1)
Footwear	13	12	2	88	(1)
Minerals and metals	96	6	90	7	(1)
Scientific instruments and apparatus	34	6	28	18	(1)
Chemicals, coal, petroleum, natural gas, and related products	6	3	3	55	(1)
Radio and telephone equipment and parts	4	2	2	47	(1)
Tape recorders, record players, and related equipment	38	1	38	2	(1)
Motors, generators, transformers, and related equipment	3	1	3	15	(1)
Other textiles and apparel	(2)	(2)	(2)	89	(1)
Agricultural and forest products	(2)	(2)	(2)	69	(1)
Other miscellaneous manufactures	(2)	(2)	(2)	42	(1)
Total	30,378	8,972	21,406	30	100
Special categories:					
APTA	21,743	5,522	16,221	25	76
Civil aircraft	2,055	557	1,498	27	7
Agricultural equipment	207	43	165	21	1

[1] Less than 0.5 percent.
[2] Less than $500,000.

Source: Compiled from official statistics of the U.S. Department of Commerce. See app. B for a concordance between these industry groups and subheading 9802.00.80 commodity groups.

2-3

Table 2-2

U.S. imports under HTS subheading 9802.00.80, total and duty free, discounting for free rate imports, by industry groups 1985 and 1988

Industry group	Duty-free value			Change, 1988 from 1985		Total value			Change, 1988 from 1985	
		1988					1988			
	1985	Total	Less free rate imports	Total	Less free rate imports	1985	Total	Less free rate imports	Total	Less free rate imports
	Million dollars			Percent		Million dollars			Percent	
Agricultural and forest products	99	137	137	38	38	151	205	205	35	35
Shirts and blouses	95	195	195	104	104	190	356	356	87	87
Trousers, slacks and shorts	174	397	397	127	127	243	590	590	142	142
Body-supporting garments	118	156	156	34	34	177	232	232	31	31
Footwear	70	123	111	75	59	142	476	463	234	226
Other textiles and apparel	226	441	441	95	95	418	728	728	74	74
Chemicals, coal, petroleum, natural gas, and related products	36	47	44	29	22	147	128	122	-13	-17
Minerals and metals	78	126	120	61	54	195	360	264	84	35
Internal combustion engines and parts	259	427	286	65	10	962	2,956	1,236	207	28
Office machines and parts	416	557	150	34	-64	1,804	2,605	875	44	-51
Motors, generators, transformers, and related equipment	202	339	338	68	67	405	698	695	73	72
Television apparatus and parts, other than cameras and picture tubes	119	311	311	162	162	661	1,394	1,394	111	111
Radio and telephone equipment and parts	222	173	171	-22	-23	727	561	557	-23	-23
Tape recorders, record players and related equipment	139	123	122	-12	-12	439	666	628	52	43
Semiconductors	733	2,396	14	227	-92	1,243	4,360	25	251	-99
Other electrical articles	988	1,660	1,642	68	66	1,731	2,816	2,746	63	59
Motor vehicles, including automobile trucks and truck tractors, motor buses, passenger automobiles	502	5,839	949	1,064	89	17,128	44,056	26,104	157	52
Motor-vehicle parts, industrial vehicles, nonself-propelled vehicles, motorcycles, rail locomotives, and rolling stock	283	1,007	555	256	96	1,062	4,207	1,954	296	84
Other machinery and equipment	418	1,171	637	256	52	1,062	4,207	1,954	296	84
Scientific instruments and apparatus	133	270	264	103	98	263	519	485	97	84
Furniture, mattresses and pillows	18	190	73	983	306	102	541	285	430	179
Other miscellaneous manufactures	180	269	269	49	49	446	624	624	40	40
Total	5,550	16,354	7,382	195	33	30,115	72,803	42,425	142	41

Source: Compiled from official statistics of the U.S. Department of Commerce. See app. B for a concordance between these industry groups and subheading 9802.00.80 commodity groups.

The U.S. content of APTA imports ($5.5 billion) constituted 34 percent of the nondutiable portion of total 9802.00.80 imports in 1988 (tables 1-1 and 2-1). U.S.-made components in semiconductors ($2.4 billion) accounted for 15 percent of the total, those in civil aircraft ($557 million), or 3 percent. "Free" imports accounted for 84 percent of the U.S.-origin content of imports of motor vehicles entered under subheading 9802.00.80 in 1988; 99 percent of the semiconductors; 45 percent of motor-vehicle parts, industrial vehicles, and rolling stock; 33 percent of internal combustion engines; 73 percent of office machines and parts; and 46 percent of miscellaneous machinery and equipment. If the user fee had not been imposed, imports of motor vehicles under subheading 9802.00.80, in terms of U.S. content, would have nearly doubled from $502 million to $949 million during 1985-88, instead of escalating to $5.8 billion; semiconductors would have fallen 92 percent instead of more than tripling; motor-vehicle parts, industrial vehicles, and rolling stock would have grown 96 percent instead of 256 percent; internal combustion engines would have grown 10 percent instead of 65 percent; office machine and parts would have dropped 64 percent instead of climbing 34 percent; and miscellaneous machinery and equipment would have risen 52 percent instead of 256 percent (table 2-2). (Civil aircraft constituted 94 percent of the U.S. content of "free" miscellaneous machinery and equipment in 1988, $504 million out of $534 million.)

Canada was the dominant supplier of "free" imports under subheading 9802.00.80 in 1988, accounting for 76 percent ($23.1 billion) of the total value and 68 percent ($6.1 billion) of the U.S.-origin content (tables 1-3 and 2-3). Singapore was the second leading supplier, in terms of total value, providing 6 percent ($1.7 billion). Malaysia was the second leading supplier in terms of U.S. content, accounting for 7 percent ($626 million).

"Free" imports accounted for 93 percent of total subheading 9802.00.80 imports from Canada in 1988 and 94 percent of the U.S.-origin content. These imports accounted for 91 percent of total subheading 9802.00.80 imports from Singapore and 95 percent of the U.S.-origin content of subheading 9802.00.80 imports from Malaysia. Were it not for the user fee, imports under subheading 9802.00.80 from Canada would have dropped from $1.9 billion in 1985 to $1.6 billion in 1988, instead of soaring to $24.8 billion; Canada's share of total imports under subheading 9802.00.80 would have been 4 percent instead of 34 percent; Japan's share would have been 37 percent instead of 22 percent. Canada's share of the U.S.-origin content of imports under subheading 9802.00.80 would have been 6 percent instead of 40 percent; Mexico's share would have risen from 32 percent to 68 percent. APTA accounted for 94 percent of the "free" imports under 9802.00.80 from Canada; civil aircraft and parts made up 99 percent of such imports from France; and semiconductors accounted for all of these imports from Malaysia, 89 percent from Korea, and 34 percent from Singapore.

Subheading 9802.00.60

Imports of products with a column 1 general free rate of duty entered under subheading 9802.00.60 totaled $466 million in 1988, 49 percent of total imports under subheading 9802.00.60 (table 2-4). Were it not for the user fee, imports under subheading 9802.00.60 would have increased by only 10 percent during 1985-88, from $420 million to $464 million, instead of more than doubling to $924 million (tables 2-5 and 8-3). In terms of U.S.-origin content, "free" imports under subheading 9802.00.60 totaled $141 million, 30 percent of the nondutiable value of all subheading 9802.00.60 imports. Without the user fee,

Table 2-3
Articles with a free MFN rate of duty: U.S. imports under HTS subheading 9802.00.80, by countries of assembly, 1988

Country	*Total value*	*U.S. content*	*Foreign value added*	*Ratio of U.S. content to total*	*Ratio of country to total U.S. content*
	Million dollars			*Percent*	
Canada	23,149	6,097	17,052	26	68
Malaysia	1,129	626	503	55	7
Korea	735	422	312	57	5
Singapore	1,689	409	1,280	24	5
Mexico	611	313	299	51	3
Philippines	476	249	227	52	3
France	784	172	612	22	2
Thailand	369	172	197	47	2
United Kingdom	629	156	473	25	2
Taiwan	345	153	192	44	2
All other	462	203	259	44	2
Total	30,378	8,972	21,406	30	100

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

Table 2-4

Articles with a free rate of duty: U.S. imports under HTS subheading 9802.00.60, by industry groups, 1988

Industry group	*Total value*	*U.S. content*	*Foreign value added*	*Ratio of U.S. content to total*	*Ratio of group to total U.S. content*
	Million dollars			*Percent*	
Other machinery and equipment	416.9	120.6	295.3	29	86
Internal combustion engines and parts	45.3	18.1	27.1	40	17
Motor-vehicle parts, industrial vehicles, nonself-propelled vehicles, motorcycles, rail locomotives, and rolling stock	2.2	.8	1.4	36	(1)
Minerals and metals	.8	.6	.2	78	(1)
Semiconductors	.9	.5	.3	60	(1)
Office machines and parts	.5	.1	.4	24	(1)
Radio and telephone equipment and parts thereof	(2)	(2)	(2)	99	(1)
Total	465.6	140.9	324.7	30	100
Special categories:					
APTA	37.6	15.6	21.0	41	11
Parts for civil aircraft	411.1	112.8	298.3	27	80

[1] Less than 0.5 percent.
[2] Less than $500,000.

Source: Compiled from official statistics of the U.S. Department of Commerce. See app. B for a concordance between these industry groups and subheading 9802.00.60 commodity groups.

Table 2-5

U.S. imports under HTS subheading 9802.00.60, total and duty free, discounting for free rate imports, by industry groups, 1985 and 1988

Industry group	Duty-free value					Total value				
		1988		Change, 1988 from 1985			1988		Change, 1988 from 1985	
	1985	Total	Less free rate imports	Total	Less free rate imports	1985	Total	Less free rate imports	Total	Less free rate imports
	Million dollars			Percent		Million dollars			Percent	
Agricultural and forest products	(1)	0	0	-100	-100	(1)	0	0	-100	-100
Textiles, apparel, and footwear	0	0	0	-	-	0	0	0	-	-
Chemicals, coal petroleum, natural gas, and related products	5.0	4.6	4.6	-7	-7	8.3	10.3	10.3	24	24
Minerals and metals	228.3	262.0	261.4	15	-14	337.1	370.0	369.2	10	10
Internal combustion engines and parts	1.5	19.1	1.0	1,182	-33	1.8	47.2	1.9	2,590	6
Office machines and parts	2.5	.2	.2	-92	-92	6.2	.7	.7	-89	-89
Motors, generators, transformers, and related equipment	5.7	10.3	10.3	80	80	7.9	13.0	13.0	64	64
Radio and telephone equipment and parts	.4	(1)	(1)	-91	-93	1.1	.1	.1	-93	-93
Semiconductors	4.5	.5	.0	-88	-100	7.9	.9	.0	-89	-100
Other electrical articles	5.1	7.6	7.6	49	49	8.4	10.1	10.1	20	20
Motor-vehicle parts, industrial vehicles, nonself-propelled vehicles, motorcycles, rail locomotives, and rolling stock	1.7	5.3	4.5	204	165	2.4	7.7	5.5	221	129
Other machinery and equipment	18.0	132.5	11.9	635	-34	35.1	437.6	20.7	1,145	-41
Miscellaneous manufactures	2.4	27.6	27.6	1,068	1,068	3.6	32.0	32.0	786	786
Total	275.1	469.8	328.9	71	20	419.7	929.1	463.5	121	10

[1] Less than $50,000.

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

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the nondutiable content of 9802.00.60 imports would have gained 20 percent during 1985–88, from $275 million in 1985 to 29 million. The nondutiable content of "free" imports composed 30 percent of these subheading 9802.00.60 imports in 1988 compared with 51 percent for traditional imports under the provision.

Aircraft parts entering free of duty under the Civil Aircraft Agreement accounted for 88 percent ($411 million) of the total value of all "free" imports under subheading 9802.00.60 in 1988 and 80 percent of the nondutiable value of such imports (table 2–4). Imports under APTA accounted for 8 percent and 11 percent of each, respectively. Duty-free aircraft parts constituted 44 percent of the total value of imports under subheading 9802.00.60 in 1988 and 24 percent of the nondutiable content. These aircraft parts made up 94 percent of total 9802.00.60 imports of "other machinery and equipment" in 1988, and 85 percent of the nondutiable content of imports in this product group (tables 2–4 and 8–3).

Canada was by far the leading supplier of "free" imports under subheading 9802.00.60 in 1988, accounting for 93 percent ($435 million) of the total value and 95 percent ($134 million) of nondutiable content (table 2–6). The next two leading suppliers, Italy and the United Kingdom, accounted for only 4 percent ($16 million) in terms of total value and 2 percent ($3 million) in terms of the value of the U.S.-origin metal, respectively. Aircraft parts accounted for 88 percent of the "free" subheading 9802.00.60 imports from both Canada and Italy in 1988.

"Free" imports accounted for 70 percent of total subheading 9802.00.60 imports from Canada in 1988 and 51 percent of the nondutiable content. By comparison, "free" imports accounted for only 1.4 percent of total subheading 9802.00.60 imports from Japan and 0.3 percent of those from Mexico.

Were it not for the user fee, imports under subheading 9802.00.60 from Canada would have risen to $184 million in 1988, 87 percent above the 1985 level instead of six times greater (table 2–6). Canada's share of total 9802.00.60 imports would have grown from 23 percent to just 40 percent, Mexico's share would have climbed from 7 percent to 28 percent, and Japan's share would have dropped from 56 percent to 20 percent. Similarly, in terms of the value of the U.S.-origin metal content, without the user fee, subheading 9802.00.60 imports from Canada would have slipped to $130 million in 1988, double the amount in 1985, rather than four times that year's level ($65 million). Canada's share of the nondutiable content of subheading 9802.00.60 imports in 1988 would have been 39 percent without the user fee (instead of 56 percent); Mexico's share would have escalated from 22 percent to 31 percent; and Japan's share, from 13 percent to 18 percent.

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Table 2–6

Articles with a free rate of duty: U.S. imports under HTS subheading 9802.00.60, by countries of assembly, 1988

Country	*Total value*	*U.S. content*	*Foreign value added*	*Ratio of U.S. content to total*	*Ratio of country to total U.S. content*
	Million dollars			*Percent*	
Canada	435.1	134.4	300.7	31	95
United Kingdom	8.8	2.5	6.3	28	2
Italy	16.3	1.2	15.2	7	1
West Germany	1.4	.5	.9	38	(1)
Belgium	.5	.5	(2)	94	(1)
Japan	1.3	.5	.8	37	(1)
Mexico	.4	.4	(2)	96	(1)
Philippines	.4	.3	(2)	91	(1)
Australia	.7	.3	.4	41	(1)
Singapore	.4	.1	.3	30	(1)
All other	.3	.1	.1	51	(1)
Total	465.6	140.9	324.7	30	100

[1] Less than 0.5 percent.
[2] Less than $50,000.

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

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Chapter 3

Imports Under HTS Subheading 9802.00.80: Transportation Equipment

Transportation equipment consists largely of motor vehicles and parts thereof, nonmilitary aircraft, internal combustion engines, rail locomotives and rolling stock, and pleasure boats and floating structures. U.S. imports of these goods rose from $76 billion in 1985 to $92 billion in 1988, representing an increase of 22 percent (table 3-1). U.S. imports of these products entered under subheading 9802.00.80 rose more rapidly during the period than total imports, increasing from $19 billion in 1985 to $53 billion in 1988, an increase of 174 percent. U.S. imports of motor vehicles under subheading 9802.00.80 contributed largely to this increase, rising by 157 percent to $44 billion during the period. The duty-free value of subheading 9802.00.80 imports rose rapidly during the period, from $1.1 billion to $7.8 billion, an increase of 617 percent. Beginning in December 1986, APTA and other duty-free products were entered under subheading 9802.00.80 to avoid the Customs User Fee. The largest share of duty-free imports was accounted for by motor vehicles and motor-vehicle parts. In 1988, these products accounted for 86 percent of the duty-free value of total imports of transportation equipment, or 9 percent more than in 1987. Motor vehicles were the single largest imported product, accounting for more than 70 percent of total duty-free value during 1987–88. The ratio of 9802.00.80 imports to total imports increased irregularly during 1985–88, from 26 percent in 1985 to 57 percent in 1987; it remained at 57 percent in 1988 (table 3-2). The duty-free share of 9802.00.80 imports increased gradually during 1985–88, rising from 6 percent in 1985 to 15 percent in 1988.

Table 3-1

Transportation equipment: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	75,882	19,353	1,093
1986	85,130	26,006	1,593
1987	89,407	50,688	5,206
1988	92,446	53,061	7,831
	Change (percent)		
1988 from 1985	22	174	617
Average annual 1988 from 1985	7	40	93

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

Table 3-2

Transportation equipment: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	26	6	3.5	3.3	41
1986	31	6	3.2	3.0	50
1987	57	10	1.9	1.7	96
1988	57	15	1.7	1.4	134

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

The nominal rate of duty on imports of transportation equipment declined steadily from 3.5 percent ad valorem in 1985 to 1.7 percent in 1988 (table 3-2). The effective duty rate was slightly lower during the period, decreasing from 3.3 percent to 1.4 percent ad valorem. Total duty savings resulting from the use of 9802.00.80 provisions increased rapidly from $41 million in 1985 to $134 million in 1988 (figure 3-1).

Canada was the largest foreign supplier of duty-free transportation equipment during the period. Canada's share of the duty-free value of 9802.00.80 imports rose from 6 percent in 1985 to 73 percent in 1988 (table 3-3). Mexico was the next largest supplier, accounting for 59 percent of the duty-free value in 1985 and only 16 percent in 1988. Although Mexico's share of 9802.00.80 trade, measured in terms of U.S.-origin content, dropped sharply during 1985-88, this decline did not indicate a decrease in 9802.00.80 activity in Mexico. Rather, it reflected a surge in subheading 9802.00.80 imports from Canada as importers claimed eligibility for many duty-free imports of transportation equipment to avoid the Customs User Fee.

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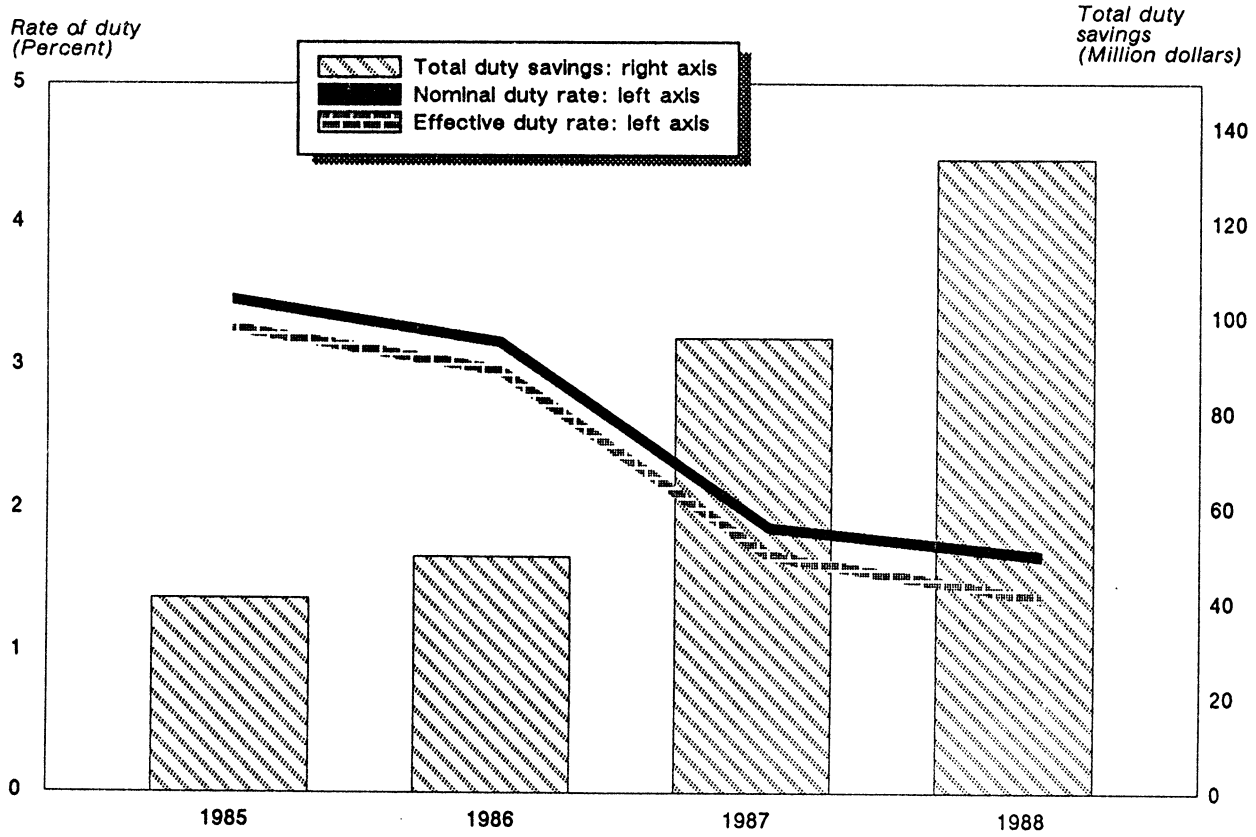
Figure 3-1
Transportation equipment: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

3-2

Table 3-3

Transportation equipment: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*	*Percent*	
Canada	62	380	2,996	5,679	8,991	6	73
Mexico	643	701	1,001	1,272	98	59	16
France	43	67	253	201	371	4	3
United Kingdom	32	28	222	172	442	3	2
Japan	98	100	318	162	64	9	2
West Germany	100	86	109	80	-20	9	1
Brazil	32	132	59	79	144	3	1
Korea	([1])	17	72	65	210,294	2	1
Sweden	20	20	81	46	136	2	1
All others	62	63	94	75	20	6	1
Total	1,093	1,593	5,206	7,831	617	100	100

[1] Less than $500,000.

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

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

3-3

Motor Vehicles

Total U.S. imports of motor vehicles increased 28 percent during 1985–88, to $60.2 billion. The value of subheading 9802.00.80 imports of motor vehicles rose dramatically during this period, from $17.1 billion in 1985 to $44.1 billion in 1988 (table 3–4).

The APTA allows most motor vehicles and original-equipment motor-vehicle parts imported from Canada to enter the United States free of duty. APTA imports that were also declared eligible for tariff treatment under subheading 9802.00.80 jumped from practically zero in 1985 to $23.1 billion in 1988. APTA-9802.00.80 imports increased dramatically in 1987 because companies entered APTA products under HTS subheading 9802.00.80 to avoid the Customs User Fee that was established in December 1986. Because of the surge in APTA-9802.00.80 imports, the ratio of the value of subheading 9802.00.80 imports to the value of total imports of motor vehicles subsequently doubled during 1985–88 to 73 percent (table 3–5).

Although the ratio of duty-free content to total value of subheading 9802.00.80 imports for motor vehicles was relatively small compared with other commodities such as apparel, the ratio of duty-free content to total value increased steadily to 13 percent in 1988 for a total of $5.8 billion.

Reflecting the use of subheading 9802.00.80 by importers of duty-free motor vehicles from Canada, the nominal rate of duty fell from 3.6 percent to 1.8 percent ad valorem during 1985–88. Similarly, the effective rate of duty decreased from 3.4 percent in 1985 to 1.5 percent ad valorem in 1988. However, the total duty savings accelerated from $18 million to $102 million during the period, as shown in table 3–5 and figure 3–2, reflecting the additional volume of imports and the increased use of U.S.-made auto parts in foreign-assembled vehicles.

The principal motor vehicles covered here are new and used automobiles, automobile trucks and truck tractors, buses, snowmobiles, golf carts, all-terrain vehicles, fire engines, and special-purpose vehicles such as mobile cranes, cement trucks, and mobile oil rigs. Automobiles accounted for 88 percent of the value of motor-vehicle imports under subheading 9802.00.80 in 1988, with automobile trucks and special-purpose vehicles accounting for most of the remaining 12 percent.

Table 3–4

Motor vehicles: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	47,143	17,128	502
1986	58,417	23,398	930
1987	60,977	41,761	3,362
1988	60,228	44,056	5,839
	Change (percent)		
1988 from 1985	28	157	1,064
Average annual 1988 from 1985	9	37	127

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

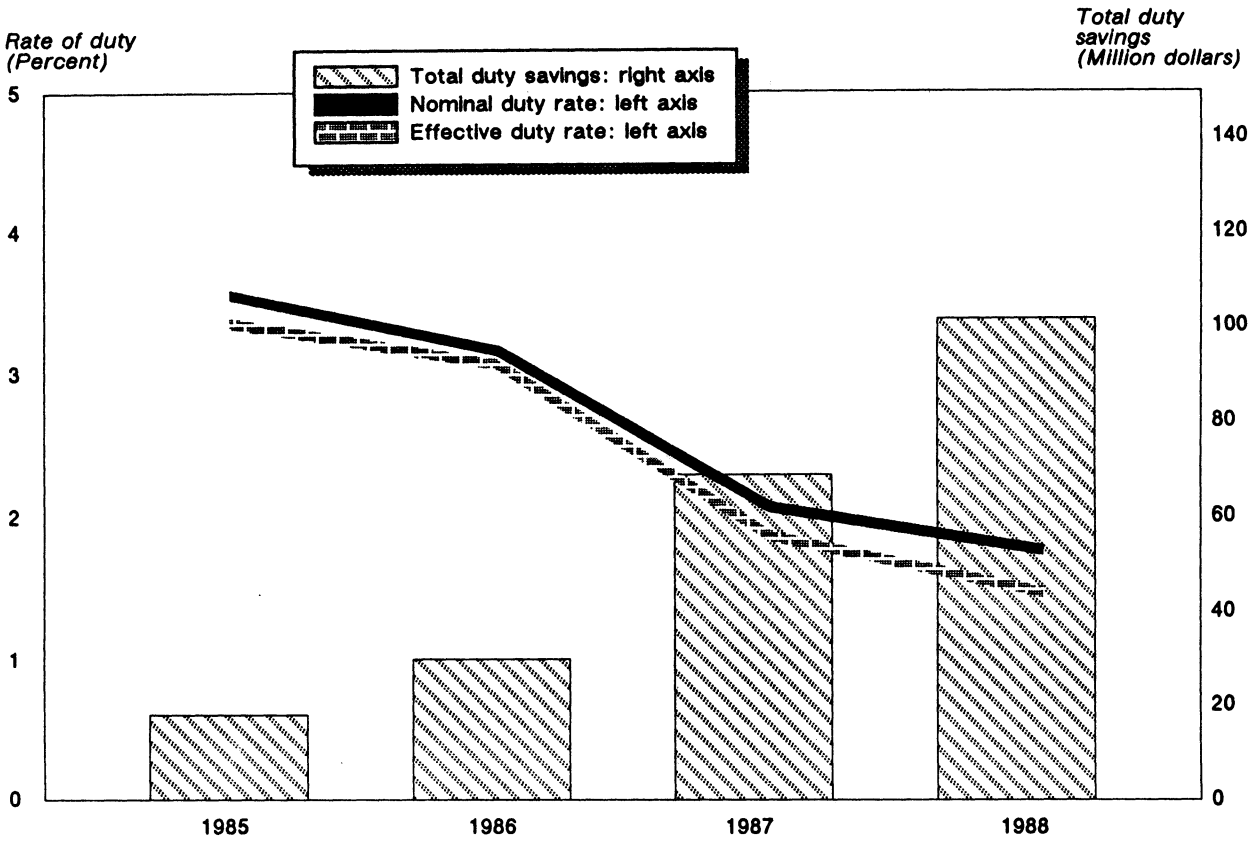
Table 3–5

Motor vehicles: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	36	3	3.6	3.4	18
1986	40	4	3.2	3.1	30
1987	68	8	2.1	1.9	69
1988	73	13	1.8	1.5	102

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

Figure 3-2
Motor vehicles: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

The principal sources of imports of motor vehicles under HTS subheading 9802.00.80 throughout 1985-88, most of which were new automobiles, were Canada, Japan, and West Germany. Imports from these three countries consisted of 86 percent of the U.S.-origin content of motor vehicles entered under subheading 9802.00.80, and of 84 percent of the total value of (including foreign-made components and foreign value added by labor) 9802.00.80 imports in 1988. Mexico accounted for only 4 percent of total subheading 9802.00.80 imports of motor vehicles in 1988 but 11 percent of the U.S. content. U.S.-made components accounted for 36 percent of the value of subheading 9802.00.80 imports from Mexico compared with 27 percent for Canada and 1 percent each for Japan and West Germany.

The value of the U.S.-origin content in subheading 9802.00.80 imports of motor vehicles from Canada rose dramatically during the period, from only $8 million in 1985 to $4.9 billion in 1988, as shown in table 3-6. Reflecting the impact of the Customs User Fee, Canada's share of the U.S.-origin content of imports under subheading 9802.00.80 also escalated from only 2 percent of the total in 1985, to 84 percent of the total in 1988, making it the largest supplier of subheading 9802.00.80 imports in terms of U.S.-origin content. APTA imports accounted for 96 percent of the U.S. content of all imports of motor vehicles from Canada in 1988 entering under subheading 9802.00.80.

Canada was the leading source of imports of motor vehicles under subheading 9802.00.80 in 1988, supplying 41 percent of the total, or $18 billion, up from only $55 million in 1985. Imports under the APTA accounted for 98 percent of the 1988 total from Canada. Japan, the second largest source of subheading 9802.00.80 imports in 1988, accounted for 33 percent of total imports, or $14 billion, compared with $10.4 billion in 1985. Imports from West Germany under subheading 9802.00.80 rose from $4.4 billion in 1985 to $7.4 billion in 1987, but fell back to $4.3 billion in 1988 and accounted for 10 percent of total imports.

Table 3-6

Motor vehicles: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*	*Percent*	
Canada	8	234	2,319	4,895	58,988	2	84
Mexico	270	370	576	615	127	54	11
Japan	80	85	244	137	71	16	2
Korea	(1)	17	66	62	200,242	(2)	1
Brazil	7	117	32	53	626	1	1
West Germany	87	68	59	28	-68	17	(2)
Sweden	20	19	17	21	6	4	(2)
United Kingdom	21	14	16	12	-43	4	(2)
All others	8	6	33	17	109	2	(2)
Total	502	930	3,362	5,839	1,064	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.

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

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

Foreign manufacturers use U.S.-produced components for several reasons. Patent constraints may make it more economical and convenient for a foreign motor-vehicle manufacturer to purchase certain components from a U.S. manufacturer. U.S. laws and regulations sometimes require that a certain component be installed on motor vehicles sold in the United States to meet safety or environmental requirements. In some cases, it is also less expensive to purchase U.S. components than to establish production facilities in the producing country. Finally, foreign governments may encourage the purchase of U.S.-produced components in order to reduce trade deficits with the United States.

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The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for motor vehicles:

TSUS item	*HTS subheading*
692.02	8701.20.00
	8704.10.50
	8704.21.00
	8704.22.50
	8704.23.00
	8704.31.00
	8704.32.00
	8716.31.00
	8716.39.00
692.03	8701.20.00
	8704.21.00
	8704.22.50
	8704.23.00
	8704.31.00
	8704.32.00
692.04	8702.10.00
	8702.90.00
692.07	8702.10.00
	8702.90.00
692.10	8703.21.00
	8703.22.00
	8703.23.00
	8703.24.00
	8703.31.00
	8703.32.00
	8703.90.00
	8704.90.00
	8713.90.00
692.11	8703.21.00
692.11—*Cont*	8703.22.00
	8703.23.00
	8703.24.00
	8703.31.00
	8703.32.00
	8703.33.00
	8703.39.00
	8703.90.00
692.14	8705.30.00
692.16	8430.20.00
	8705.10.00
	8705.20.00
	8705.30.00
	8705.40.00
	8707.90.00
692.20	8704.10.10
	8704.22.10
	8706.00.10
692.21	8704.22.10
	8706.00.10
	8707.90.50
692.22	8701.20.00
	8706.00.20
	8707.10.00
	8707.90.50
	8708.99.30
692.29	8701.20.00
692.31	8701.20.00

Motor-Vehicle Parts, Miscellaneous Motor Vehicles, and Non-Self-Propelled Vehicles

U.S. imports of goods contained in this commodity grouping averaged $15.7 billion annually during 1985–88 but, at $16.7 billion, were 5 percent smaller in 1988 than in 1985 (table 3–7). The value of total imports, exclusive of those entering free of duty under the APTA, increased to $8.9 billion in 1988. The APTA is limited to certain motor vehicles and motor-vehicle parts imported from Canada for use as original equipment. APTA-covered imports under HTS subheading 9802.00.80 increased significantly during 1987–88 because companies entered APTA and other duty-free products under subheading 9802.00.80 to avoid the Customs User Fee.

Largely as a result of the surge in APTA-807 imports, the ratio of the value of subheading 9802.00.80 imports to the value of all imports included in this grouping jumped from 5 percent to 23 percent during 1985–88, as shown in table 3–8.

The duty-free value of subheading 9802.00.80 imports rose to $922 million in 1988, as shown in table 3-7. However, the ratio of duty-free value to total value of subheading 9802.00.80 imports covered in this grouping slipped from 25 percent in 1985 to 24 percent in 1988 (table 3–8).

During the period, Mexico recorded the largest ratio of the value of U.S.-made components contained in imports under subheading 9802.00.80 to total subheading 9802.00.80 value, increasing to 66 percent in 1988. Japan and France showed the lowest ratio of duty-free to total subheading 9802.00.80 import value, with 1 and 4 percent, respectively, in 1988.

Canada was by far the leading foreign supplier of these products to the United States during the period. However, the ratio of U.S. imports from Canada to total U.S. imports fell from nearly 50 percent in 1985 to 40 percent in 1988. U.S. imports from the second leading U.S. supplier, Japan, jumped by 59 percent during 1985–88, to $3.5 billion. Brazil and Taiwan doubled their shipments to the United States over the period. However, each accounted for only about 2 percent of the import total during 1985–88. U.S. imports from Korea increased from $30 million in 1985 to $166 million in 1988, or to 1 percent of imports.

Both the nominal and effective rates of duties for this grouping fell by over 60 percent during the period, to 1.2 percent and 0.9 percent, respectively (table 3–8). The total duty savings as a result of the use of HTS subheading 9802.00.80 increased by 71 percent to $12 million in 1988 (table 3–8 and figure 3–3).

Certain motor-vehicle parts, including transmissions, shock absorbers, brakes, and other miscellaneous parts, such as clutches, catalytic converters, u-joints, and transaxles accounted for 64 percent of total subheading 9802.00.80 imports in 1988. Forklifts and similar industrial trucks represented 12 percent of the total value, whereas tractors, tanks, motorcycles, and non-self-propelled vehicles made up much of the remaining portion.

Mexico was the leading supplier of motor-vehicle parts and industrial vehicles in terms of U.S. content of imports under subheading 9802.00.80 during 1985–88, accounting for 67 percent of the total (table 3–9). Most of these imports were from U.S. companies with maquiladora operations for the assembly of auto parts. These assembly facilities are concentrated in Nuevo Laredo and Ciudad Juarez. The value of the U.S. content of these imports from Mexico grew by 161 percent in 1988 compared with those in 1985, from $158 million to $412 million. Because of the declaration of the eligibility of APTA imports under subheading 9802.00.80 in order to avoid the Customs User Fee, imports from Canada jumped from $19 million in 1985 to $458 million in 1988. During 1985–88, Canada's share of the U.S. content of total imports of the covered products under subheading 9802.00.80 jumped from 9 percent to 50 percent, whereas Mexico's share dropped from 72 percent to 45 percent.

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Table 3-7

Motor-vehicle parts, miscellaneous motor vehicles, and non-self-propelled vehicles: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
	Value (million dollars)		
1985	17,640	887	219
1986	13,735	893	220
1987	14,565	3,415	656
1988	16,728	3,921	922
	Change (percent)		
1988 from 1985	-5	342	320
Average annual 1988 from 1985	-2	64	61

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

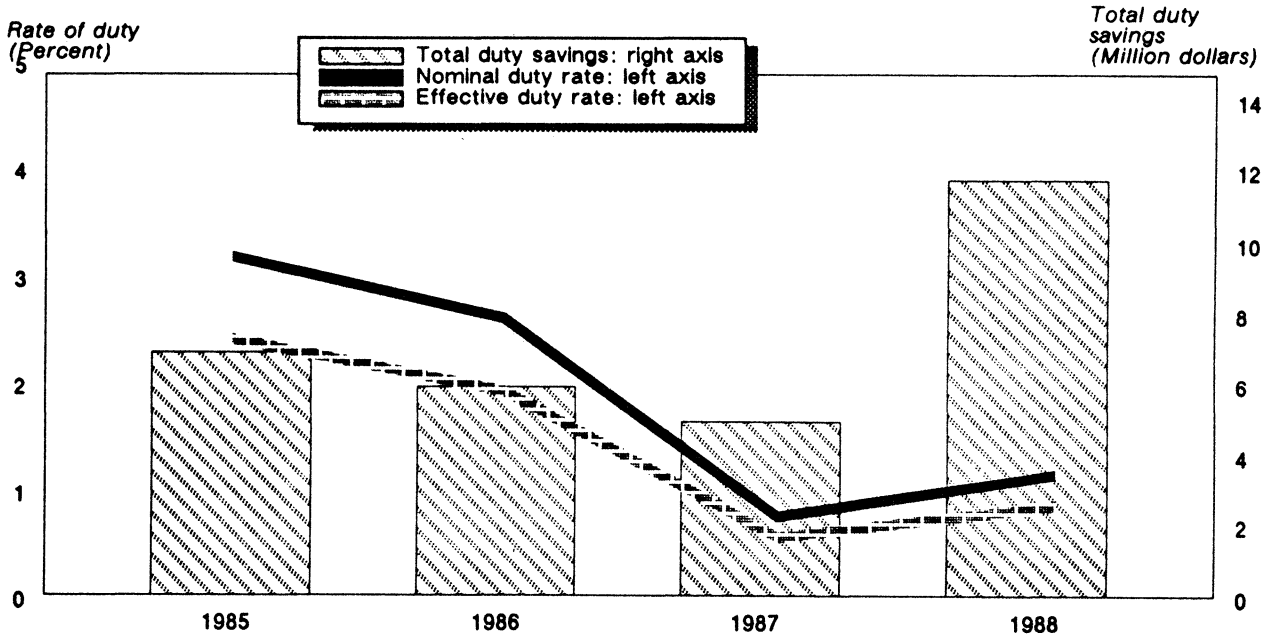
Table 3-8

Motor-vehicles parts, miscellaneous motor vehicles, and non-self-propelled vehicles: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	9802.00.80 imports to total imports	Duty-free 9802.00.80 to total 9802.00.80 imports	Rate of duty		Total duty savings
			Nominal	Effective	
	Percent				Million dollars
1985	5	25	3.3	2.5	7
1986	7	25	2.7	2.0	6
1987	23	19	0.8	0.6	5
1988	23	24	1.2	0.9	12

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

Figure 3-3
Motor-vehicle parts, miscellaneous motor vehicles, and non-self-propelled vehicles: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Table 3-9

Motor-vehicle parts, miscellaneous motor vehicles, and non-self-propelled vehicles: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Canada	19	46	430	458	2,343	9	50
Mexico	158	136	174	412	161	72	45
France	14	12	9	13	-5	6	1
Brazil	7	7	3	10	39	3	1
Italy	(1)	(1)	16	8	3,569	(2)	1
United Kingdom	8	8	9	7	-6	3	1
Hungary	0	0	0	4	(3)	0	(2)
Japan	5	2	4	4	-23	2	(2)
All others	9	9	10	6	-37	4	1
Total	219	220	656	922	320	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.
[3] Not applicable.

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

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

The following list includes the concordance that shows the TSUS items and the Hamonized Tariff Schedule subheadings for motor-vehicle parts, miscellaneous motor vehicles, and non-self-propelled vehicles:

TSUS item	*HTS subheading*
692.14	8705.30.00
692.16	8430.20.00
	8705.10.00
	8705.20.00
	8705.30.00
	8705.40.00
	8705.90.00
692.32	8408.60.80
	8708.10.00
	8708.29.00
	8708.31.50
	8708.39.50
	8708.40.10
	8708.40.20
	8708.40.50
	8708.50.50
	8708.50.80
	8708.60.50
	8708.60.80
	8708.70.80
	8708.80.50
	8708.91.50
	8708.92.50
	8708.93.50
	8708.99.50
	8716.31.00
	8716.39.00
	8716.40.00
	8716.90.50
692.33	8708.10.00
	8708.29.00
	8708.31.50
	8708.39.50
	8708.40.10
	8708.40.20
	8708.40.50
	8708.50.50
	8708.70.80
	8708.80.50
	8708.91.50
	8708.92.50
	8708.93.50
	8708.99.50
692.34	8701.10.00
	8701.90.10
	8703.30.10
	8703.31.10
	8707.93.10
	8708.39.10
	8708.40.30
692.34—*Cont*	8708.50.10
	8708.60.10
	8708.60.30
	8708.70.10
	8708.80.10
	8708.91.10
	8708.92.10
	8708.93.10
	8708.94.10
	8708.99.10
692.35	8701.30.50
	8701.90.50
	8706.00.50
	8708.93.10
	8708.39.10
	8708.40.30
	8708.50.10
	8708.60.10
	8708.60.30
	8708.70.10
	8708.80.10
	8708.91.10
	8708.92.10
	8708.93.10
	8708.94.10
	8708.99.10
692.40	8427.10.00
	8427.20.00
	8427.90.00
	8431.20.00
	8709.11.00
	8709.19.00
	8709.90.00
692.45	8710.00.00
692.52	8711.40.60
	8711.50.00
692.53	8711.10.00
	8711.20.00
	8711.30.00
	8711.40.30
	8711.90.00
692.55	8711.90.00
	8714.11.00
	8714.19.00
692.60	8716.10.00
	8716.20.00
	8716.31.00
	8716.39.00
	8716.40.00
	8716.80.00

Nonmilitary Airplanes, Parts of Aircraft and Spacecraft, and Parachutes, Including Parts

U.S. imports of nonmilitary airplanes, parts of aircraft and spacecraft, and parachutes, including parts, increased by 49 percent during 1985–88, from $3.4 billion to $5.1 billion (table 3–10). Imports of these articles under HTS subheading 9802.00.80 soared from $78 million in 1985 to $1.6 billion in 1988, which caused the ratio of 9802.00.80 imports to total imports to rise dramatically, from 2 percent in 1985 to 32 percent in 1988 (table 3–11). Most of the surge in subheading 9802.00.80 imports occurred between 1986 and 1987 because importers sought to avoid the Customs User Fee. Since these articles enter free of ordinary customs duty under the Civil Aircraft Agreement, the incentive to use subheading 9802.00.80 is to avoid the user fee rather than to reduce U.S. duty obligations.

The U.S.-origin content of subheading 9802.00.80 imports rose from $22 million in 1985 to $504 million in 1988 (table 3–10). However, the ratio of duty-free content to total imports under subheading 9802.00.80 was fairly stable, increasing from 29 percent to 31 percent (table 3–11). There are no duties on these articles and consequently, no duty savings.

France was the leading supplier of these articles during 1985–88. Although the value of total imports of these products from France more than doubled during 1985–88, from $400 million to $810 million, total subheading 9802.00.80 im-

ports from France increased ninefold, from $78 million in 1985 to $744 million in 1988 (table 3-12). The value of the U.S. content of 9802.00.80 imports from France rose sevenfold during 1985-88, from $22 million to $168 million. In terms of the value of U.S.-made components contained in imports under 9802.00.80, France was the leading supplier, accounting for 33 percent of the total in 1988 (compared with 99 percent in 1985), followed by the United Kingdom with 30 percent and Canada with 28 percent in 1988.

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Table 3-10

Nonmilitary airplanes, parts of aircraft and spacecraft, and parachutes, including parts: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	3,429	78	22
1986	4,291	145	39
1987	4,393	1,732	477
1988	5,104	1,616	504
	Change (percent)		
1988 from 1985	49	1,972	2,148
Average annual 1988 from 1985	14	175	184

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

Table 3-11

Nonmilitary airplanes, parts of aircraft and spacecraft, and parachutes, including parts: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	2	29	0	0	0
1986	3	27	0	0	0
1987	39	28	0	0	0
1988	32	31	0	0	0

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

3-12

Table 3-12

Nonmilitary airplanes, parts of aircraft and spacecraft, and parachutes, including parts: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
France	22	30	97	168	859	99	33
United Kingdom	(1)	2	187	149	152,269	(2)	30
Canada	(1)	6	110	139	169,791	(2)	28
Sweden	0	0	64	26	(3)	0	5
West Germany	0	0	13	11	(3)	0	2
Mexico	(1)	1	2	6	17,794	(2)	1
Japan	0	0	3	4	(3)	0	1
All others	0	(1)	(1)	(1)	(3)	0	(2)
Total	22	39	477	504	2,148	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.
[3] Not applicable.

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

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

3-13

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for nonmilitary airplanes, parts of aircraft and spacecraft, and parachutes, including parts:

TSUS item	HTS subheading	TSUS item	HTS subheading
694.41	8802.11.00	694.61—*Cont*	8803.90.90
	8802.12.00		8413.30.10
	8802.20.00		8413.91.10
	8802.30.00		8419.50.00
	8802.40.00		9025.20.80
694.50	8802.30.00		9025.80.20
694.61	4504.90.20		9025.80.30
	4823.90.60		9025.80.40
	4823.90.80		9025.80.50
	8803.10.00		9030.10.00
	8803.20.00		9030.90.40
	8803.30.00	694.70	8804.00.00

Internal Combustion, Piston-Type Engines, and Parts

U.S. imports of subheadings covered by this commodity grouping increased by 39 percent to $6.2 billion during 1985–88 (table 3–13). The rise in imports was primarily attributed to increased sales of new automobiles in the United States. Imports entered under HTS subheading 9802.00.80 nearly tripled during 1985–88, rising to $2.6 billion in 1988. These imports more than doubled in 1987 over those in 1986 as firms that had been importing motor-vehicle engines free of duty under the APTA chose also to declare eligibility under subheading 9802.00.80 to avoid the Customs User Fee. Consequently, the value of U.S.-made components contained in imports of these articles under subheading 9802.00.80 increased by 49 percent during 1985–88, from $252 million to $375 million.

The nominal trade-weighted average rate of duty for the commodities in this group declined from 3.3 percent in 1985 to 1.5 percent in 1988 (table 3–14). The effective rate of duty

Table 3–13

Internal combustion, piston-type engines, and parts: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
	Value (million dollars)		
1985	4,451	948	252
1986	4,746	1,050	234
1987	5,369	2,383	324
1988	6,185	2,565	375
	Change (percent)		
1988 from 1985	39	171	49
Average annual 1988 from 1985	12	39	14

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

Table 3–14

Internal combustion, piston-type engines, and parts: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985–88

Year	9802.00.80 imports to total imports	Duty-free 9802.00.80 to total 9802.00.80 imports	Rate of duty		Total duty savings
			Nominal	Effective	
	Percent				*Million dollars*
1985	21	27	3.3	2.4	8
1986	22	22	3.1	2.5	7
1987	44	14	1.6	1.4	5
1988	41	15	1.5	1.3	6

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

declined from 2.4 percent in 1985 to 1.3 percent in 1988. Furthermore, the portion of total imports accounted for by subheading 9802.00.80 imports doubled in 1987 over those in 1986, from 22 percent to 44 percent. On the other hand, the share of subheading 9802.00.80 imports accounted for by U.S.-made components dropped from 22 percent to 14 percent. Consequently, the total duty savings through the use of the subheading 9802.00.80 provision decreased from $8 million in 1985 to $6 million in 1988 (figure 3-4).

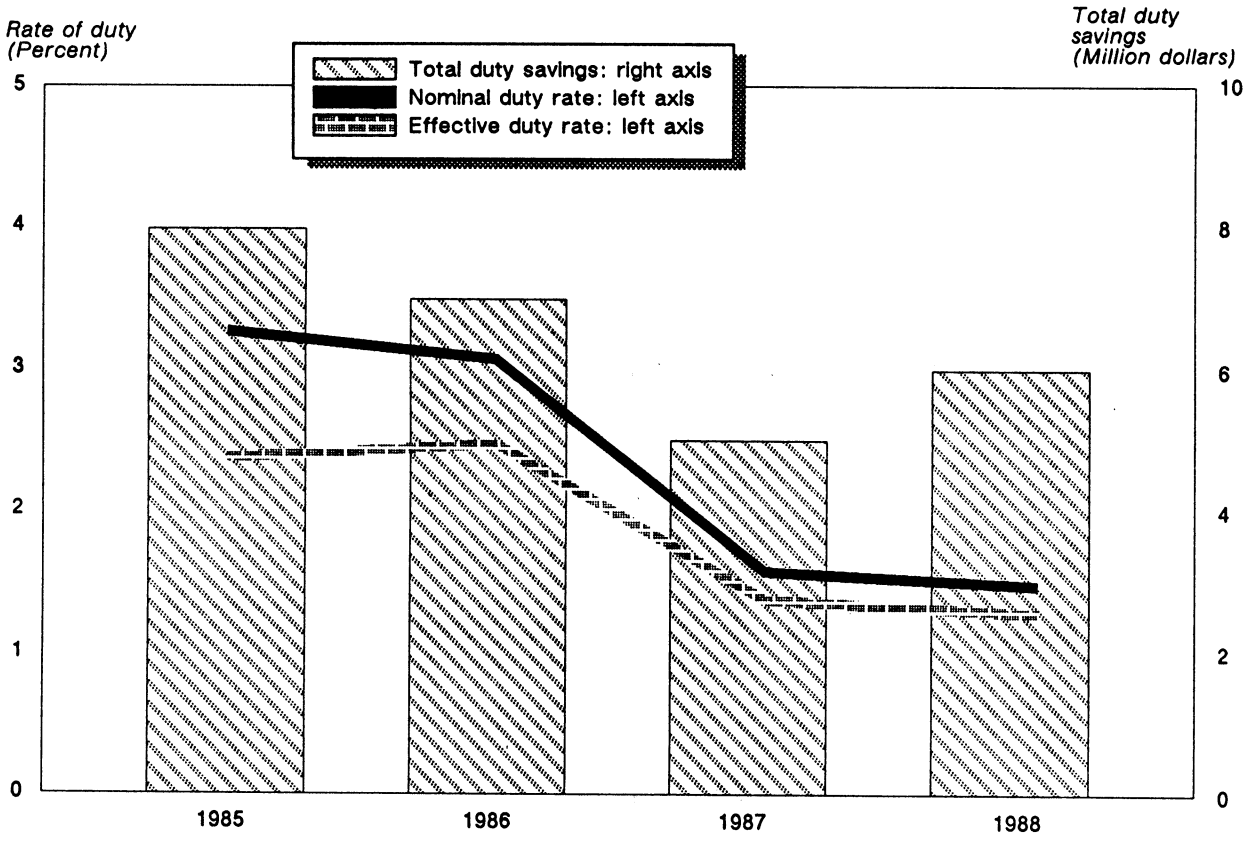
Canada was the leading supplier of imports of piston-type internal combustion engines entered under subheading 9802.00.80 in 1988, accounting for $1.3 billion, or 52 percent of the total. However, U.S.-made components accounted for only 8 percent of the imports from Canada. Mexico was the largest supplier of subheading 9802.00.80 imports in terms of duty-free content, accounting for $199 million, or 53 percent, of the total in 1988 (table 3-15). Canada and West Germany followed with shares of 27 percent and 10 percent, respectively.

The production of piston-type internal combustion engines and parts in Mexico and Canada is largely controlled by U.S.-owned auto manufacturers. The majority of these engines are destined for new car production in the United States. These auto manufacturers use subheading 9802.00.80 in their efforts to rationalize production.

Commodities in this group are eligible for duty-free entry under the APTA, GSP, CBERA, and the U.S.-Israel Free-Trade Agreement. Imports under the APTA increased from $1.6 billion to $1.7 billion during the period. This trend followed the growth in auto and truck sales. Imports under the GSP remained constant at approximately $200 million per year during the period. Imports under other trade preference provisions were minimal.

Contact Michael Hagey at 252-1392

Figure 3-4
Internal combustion, piston-type engines, and parts: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Table 3-15

Internal combustion, piston-type engines, and parts: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	205	181	220	199	-3	81	53
Canada	5	13	36	103	2,000	2	27
West Germany	12	18	34	39	217	5	10
Brazil	18	9	21	16	-10	7	4
Austria	0	0	0	6	(1)	0	2
Japan	(2)	(2)	3	5	24,182	(3)	1
Belgium	4	6	4	3	-25	2	1
Hong Kong	3	3	2	3	-1	1	1
All others	6	5	5	1	-79	2	(3)
Total	252	234	324	375	49	100	100

[1] Not applicable.
[2] Less than $500,000.
[3] Less than 0.5 percent.

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

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

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for internal combustion, piston-type engines, and parts:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
660.40	8407.32.10	660.58	8407.10.00
	8407.33.10	660.64	8409.10.00
	8407.34.10		8409.91.10
	8407.90.10		8411.91.10
	8408.20.10	660.67	8409.91.91
	8408.90.10		8421.23.00
660.42	8408.10.00		8421.31.00
	8408.20.20		8483.10.10
	8408.20.90	660.68	8409.91.91
	8408.90.90		8483.10.10
660.43	8408.20.20	660.69	8409.10.00
	8408.90.90		8483.10.10
660.48	8407.32.20	660.71	8409.99.91
	8407.33.20		8410.11.00
	8407.34.20		8410.12.00
660.49	8407.32.20		8410.13.00
	8407.33.20		8410.90.00
	8407.34.20		8411.91.91
660.56	8407.10.00		8411.99.90
	8407.21.00		8412.29.40
	8407.29.00		8412.90.10
	8407.31.00		8421.23.00
	8407.32.90		8421.31.00
	8407.33.90		8483.10.30
	8407.34.90	660.72	8409.99.91
	8407.90.90		8483.10.30
660.57	8407.34.90		

Rail Locomotives and Rolling Stock

The articles covered here are rail locomotives, self-propelled railcars used for urban and intercity transit, non-self-propelled railcars for either passengers or freight, railroad-service vehicles, and parts for locomotives and non-self-propelled rolling stock. The value of U.S. imports rose by 41 percent during 1985–88, increasing erratically to $442 million (table 3–16). Imports of these articles under subheading 9802.00.80 fluctuated during the period, increasing to $458 million in 1987, then falling to $286 million in 1988, as shown in table 3–16. The ratio of imports under subheading 9802.00.80 to total imports averaged 67 percent annually (table 3–17). The majority of total imports of self-propelled rail vehicles enter the United States under subheading 9802.00.80 because provisions of the Surface Transportation Act of 1978 stipulate that cars purchased with Federal grants should consist of at least 50 percent U.S.-made materials.

The ratio of the value of duty-free content to total value of subheading 9802.00.80 imports during the period averaged 36 percent annually. The value of such imports increased from $64 million in 1985 to $173 million in 1987, then fell to $85 million in 1988. The nominal and effective rates of duty averaged 4.9 percent and 3.2 percent, respectively, during the period. Total duty savings averaged $6 million annually during 1985–88 (table 3–1 and figure 3–5).

Canada, Japan, and France were the major sources of both subheading 9802.00.80 imports and total imports during 1985–88, accounting for 42 percent, 23 percent, and 20 percent, respectively, of total subheading 9802.00.80 imports during the period. Italy was the leading source in 1985, but was replaced by Canada as the leading supplier of subheading 9802.00.80 imports in 1986–88.

To a large extent, the trends in import volumes and shares held by competing suppliers reflect the timing of purchases of new railcars by major mass transit systems, the suppliers they contract with, and the terms for the delivery schedules in the contracts. Canada, Japan, and Italy are major competitors in the international markets for subway and other mass transit railcars. Table 3–18 shows the recent success of the principal Canadian exporter in the U.S. market as Canada's share of subheading 9802.00.80 imports, in terms of U.S. content, rose from 35 percent to 65 percent during 1985–88, and Italy's share dropped from 44 percent to zero. The principal Canadian firm initiates production in Quebec and completes the assembly of the railcars a relatively short distance away in Vermont. Imports from Japan were almost exclusively parts for locomotives and rolling stock.

Except for certain axles, axle bars, and wheels, imports of rail locomotives and rolling stock are eligible for duty-free entry under the GSP. However, as a share of total U.S. consumption, GSP imports were insignificant during 1985–88, totaling less than 0.5 percent.

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Table 3-16

Rail locomotives and rolling stock: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
	Value (million dollars)		
1985	313	175	64
1986	472	332	125
1987	586	458	173
1988	442	286	85
	Change (percent)		
1988 from 1985	41	63	35
Average annual 1988 from 1985	12	18	10

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

Table 3-17

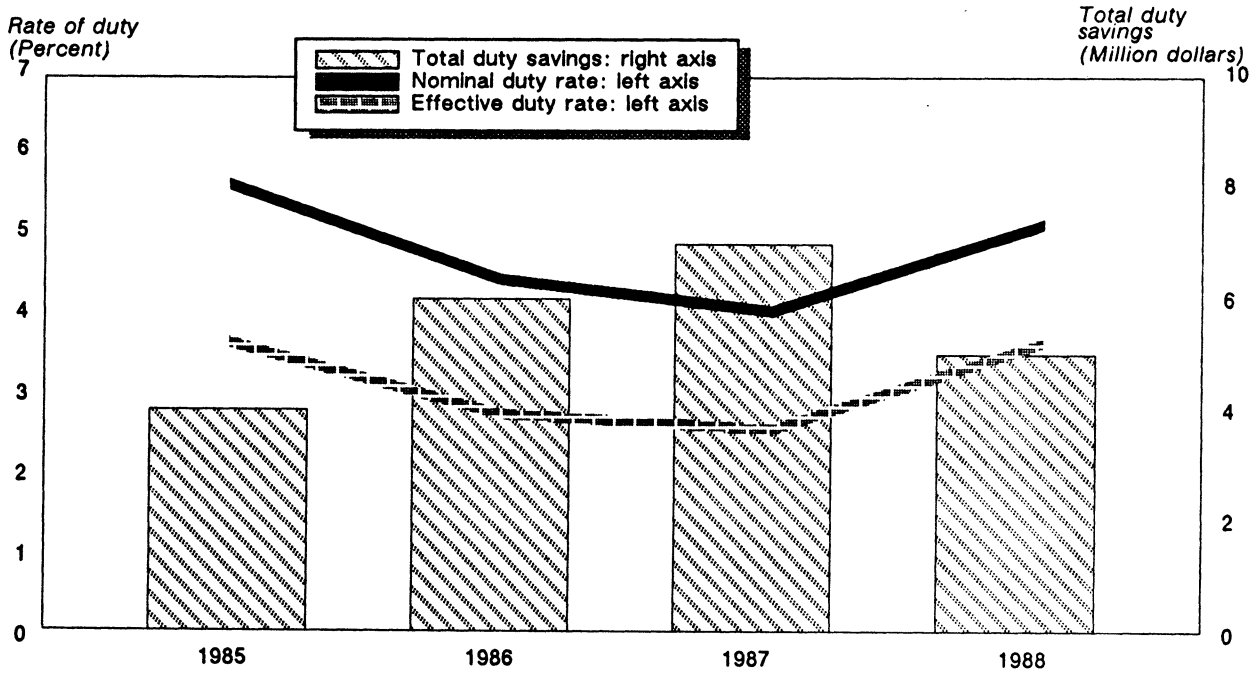
Rail locomotives and rolling stock: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	9802.00.80 imports to total imports	Duty-free 9802.00.80 to total 9802.00.80 imports	Rate of duty		Total duty savings
			Nominal	Effective	
	Percent				Million dollars
1985	56	36	5.7	3.7	4
1986	70	38	4.5	2.8	6
1987	78	38	4.1	2.6	7
1988	65	30	5.2	3.7	5

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

Figure 3-5

Rail locomotives and rolling stock: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

3-18

Table 3-18

Rail locomotives and rolling stock: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Canada	22	75	73	55	151	35	65
France	1	19	19	14	1,402	1	16
Japan	13	12	55	12	-6	20	14
West Germany	(1)	(1)	3	2	7,055	(2)	2
Mauritus	0	0	0	1	(3)	0	2
Korea	0	0	0	1	(3)	0	1
Mexico	0	(1)	0	1	(3)	0	1
Italy	28	19	22	0	(3)	44	0
All others	(1)	(1)	(1)	(1)	212	(2)	(2)
Total	64	125	173	85	35	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.
[3] Not applicable.

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

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

3-19

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for rail locomotives and rolling stock:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
690.05	8601.10.00	690.25	8607.19.10
	8601.20.00	690.35	8607.12.00
	8602.10.00		8607.19.30
	8602.90.00		8607.21.10
690.10	8603.10.00		8607.29.10
	8603.90.00		8607.30.10
690.15	8605.00.00		8607.99.10
	8606.10.00	690.40	8607.11.90
	8606.20.00		8607.19.90
	8606.30.00		8607.21.50
	8606.91.00		8607.29.50
	8606.92.00		8607.30.50
	8606.99.00		8607.91.00
690.20	8604.00.00		8607.99.50

Pleasure Boats and Floating Structures

Total imports of pleasure boats and floating structures increased by 50 percent during 1985–88, to $714 million (table 3–19). Imports under HTS subheading 9802.00.80 grew by 82 percent, to $226 million. The ratio of imports under subheading 9802.00.80 to total imports averaged 31 percent during 1985–88, as shown in table 3–20. The duty-free content of subheading 9802.00.80 imports doubled during the period to $54 million in 1988, and the ratio of duty-free content to total value of subheading 9802.00.80 imports averaged 24 percent. The increase in both total imports of pleasure boats and those entering under subheading 9802.00.80 during this period can be attributed to a rise in the discretionary income of the primary purchasers of these products (middle-upper and upper-income U.S. citizens) as a result of income tax credits and higher economic growth rates.

The nominal and effective rates of duty fell from 2.4 percent and 1.9 percent, to 1.8 percent and 1.3 percent, respectively, during the period. However, the growing volume of subheading 9802.00.80 trade resulted in a rise in total duty savings during the period from $0.7 million to $1.0 million (table 3–20 and figure 3–6).

Taiwan was the leading supplier of pleasure boats and floating structures under subheading 9802.00.80 in 1988, in terms of both total value ($94 million and 42 percent of the total) and value of the U.S.-made components ($24 million and 46 percent). Taiwan's share of the duty-free content grew from 36 percent in 1985 to 46 percent in 1988, and Mexico's share dropped from 38 percent to 35 percent ($19 million in 1988) (table 3–21). U.S.-made components accounted for 67 percent of the value of total subheading

Table 3–19

Pleasure boats and floating structures: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	475	124	27
1986	520	161	36
1987	619	207	59
1988	714	226	54
	Change (percent)		
1988 from 1985	50	82	101
Average annual 1988 from 1985	15	22	26

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

Table 3-20

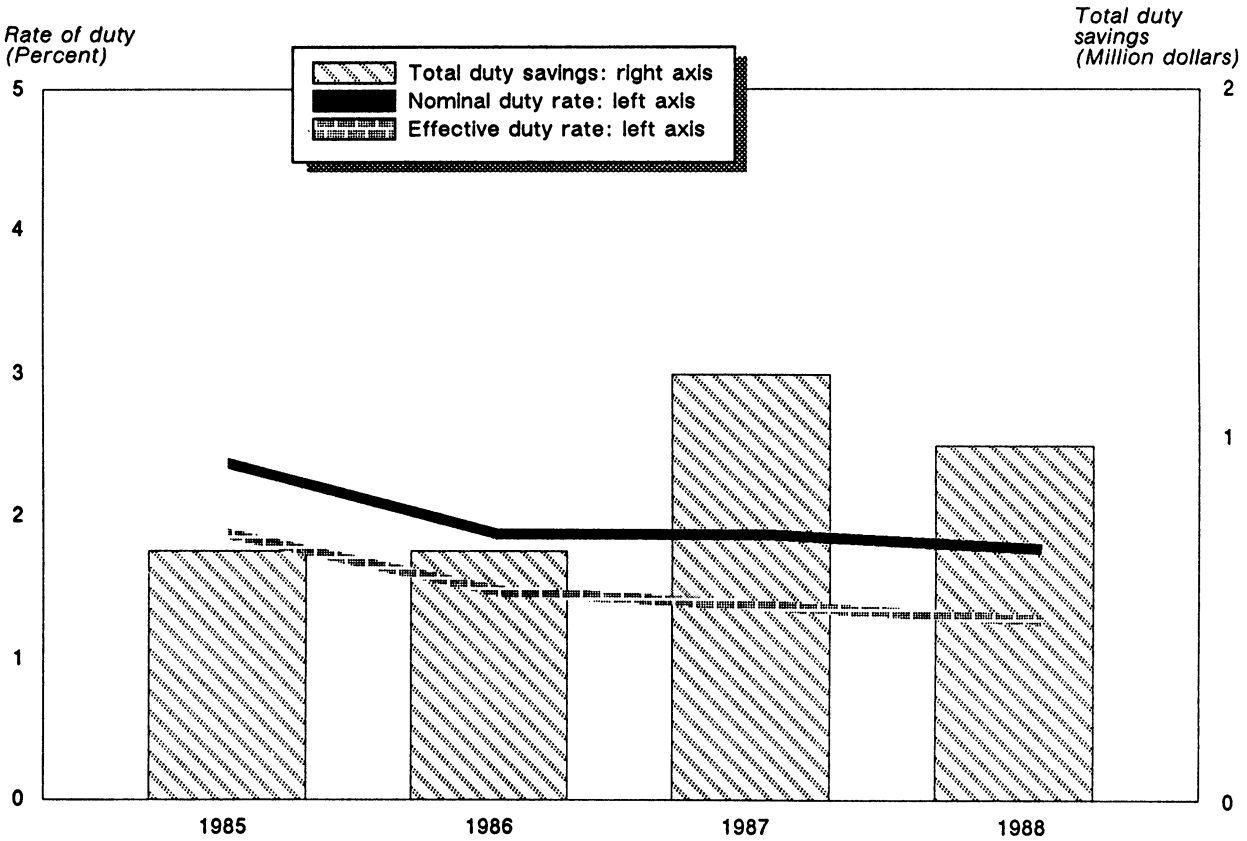
Pleasure boats and floating structures: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	9802.00.80 imports to total imports	Duty-free 9802.00.80 to total 9802.00.80 imports	Rate of duty		Total duty savings
			Nominal	Effective	
	Percent				Million dollars
1985	26	22	2.4	1.9	0.7
1986	31	22	1.9	1.5	0.7
1987	33	29	1.9	1.4	1.2
1988	32	24	1.8	1.3	1.0

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

Figure 3-6

Pleasure boats and floating structures: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

9802.00.80 imports from Mexico in 1988, but only 26 percent from Taiwan, and 10 percent from the Netherlands. The Netherlands was the third leading supplier of 9802.00.80 imports, in terms of duty-free content in 1988, at $4 million.

Pleasure boats and floating structures are eligible for duty-free treatment under the GSP. The leader in the supply of GSP imports during 1985-88 was Singapore; such imports totaled $16 million in 1988.

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3-21

Table 3-21

Pleasure boats and floating structures: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*	*Percent*	
Taiwan	10	16	26	24	157	36	46
Mexico	10	9	15	19	84	38	35
Netherlands	1	2	1	4	197	5	8
Canada	3	4	5	4	29	11	7
Italy	1	2	(1)	1	22	2	1
Chile	0	0	0	1	(2)	0	1
Japan	1	(1)	10	(1)	-26	2	1
All others	2	1	2	1	-37	6	2
Total	27	36	59	54	101	100	100

[1] Less than $500,000.
[2] Not applicable.

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

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

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for pleasure boats and floating structures:

TSUS item	HTS subheading	TSUS item	HTS subheading
696.05	8903.91.00	696.15—*Cont*	8485.10.00
	8903.92.00		8906.00.10
	8903.99.40		9506.39.00
	9506.21.40	696.30	4422.19.08
696.10	8903.91.00		8903.99.05
	8903.92.00	696.35	8903.10.00
	8903.99.20	696.40	3926.90.30
	8903.99.90		8903.99.15
696.15	3926.90.30	696.50	8905.90.10
	6906.21.80	696.60	8907.10.00
	6906.31.00		8907.90.00
	8483.10.50		

Internal Combustion, Nonpiston-Type Engines, and Parts

U.S. imports of nonpiston-type internal combustion engines and parts increased by 25 percent during 1985–88, from $2.4 billion to $3.0 billion. A significant portion of these engines were designed for aircraft and enter free of duty under the Civil Aircraft Agreement. U.S. imports of nonpiston internal combustion engines and parts under HTS subheading 9802.00.80 jumped from $13 million in 1985 to $732 million in 1987, but then declined to $391 million in 1988 (table 3–22). Until imposition of the Customs User Fee in December 1986, there was no incentive to use subheading 9802.00.80; in 1985, less than 1 percent of total imports entered under subheading 9802.00.80 (table 3–23). In 1987, however, one-quarter of these engines were entered under subheading 9802.00.80 to avoid the new fee. The duty-free content of imports under subheading 9802.00.80 rose from $7 million in 1985 to $155 million in 1987, then dropped to $52 million in 1988. During the period, the ratio of duty-free content to total imports under subheading 9802.00.80 fell from 49 percent to 13 percent.

The nominal and effective rates of duty on these products decreased from 7.6 percent and 3.9 percent, to 0.3 percent and 0.2 percent, respectively, during the period. Total duty savings, nonetheless, fell from $0.5 million in 1985 to $0.1 million in 1988 (table 3–23 and figure 3–7).

The United Kingdom and Canada were the largest suppliers of imports of nonpiston-type internal combustion engines and parts entered under subheading 9802.00.80 in 1988, totalling $180 million and $179 million, respectively, with each accounting for 46 percent of the total. In terms of U.S. content, however, Canada and Mexico were the top suppliers, together accounting for 87 percent of the total (table 3–24). U.S.-made components made up 92 percent of the value of imports under 9802.00.80 from Mexico but only 14 percent of imports from Canada and 2 percent of imports from the United Kingdom.

Commodities in this group are eligible for duty-free entry under the GSP, CBERA, and the U.S.-Israel Free Trade Area Implementation Act of 1985. Imports under these trade preferences, however, were minimal. Imports of these commodities under the Civil Aircraft Agreement accounted for approximately 95 percent of total imports in 1988, and 77 percent of total duty-free imports, or $2.4 billion.

Contact Peder Andersen at 252–1388

Table 3–22

Internal combustion, nonpiston-type engines, and parts: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
	Value (million dollars)		
1985	2,431	13	7
1986	2,949	27	10
1987	2,897	732	155
1988	3,046	391	52
	Change (percent)		
1988 from 1985	25	2,908	699
Average annual 1988 from 1985	8	211	95

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

Table 3-23

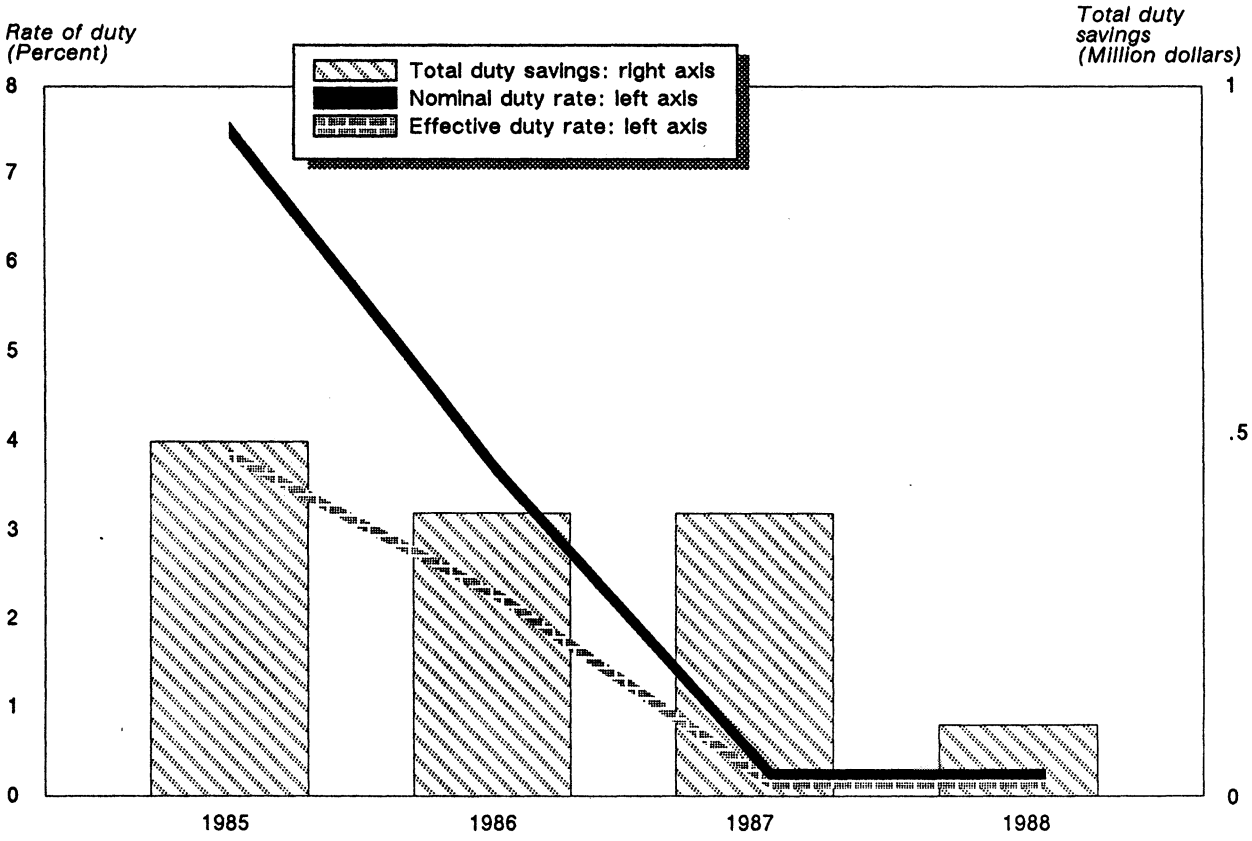
Internal combustion, nonpiston-type engines, and parts: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
1985	1	49	7.6	3.9	0.5
1986	1	37	3.7	2.3	0.4
1987	25	21	0.3	0.2	0.4
1988	13	13	0.3	0.2	0.1

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

Figure 3-7

Internal combustion, nonpiston-type engines, and parts: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

3-24

Table 3-24

Internal combustion, nonpiston-typs engines, and parts: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value	
	Million dollars				Percent	1985	1988
						Percent	
Canada	6	2	23	25	346	84	47
Mexico	0	4	13	21	(1)	0	40
France	0	0	106	3	(1)	0	7
United Kingdom	(2)	(2)	6	3	802	5	6
All others	1	4	7	(2)	-81	11	(3)
Total	7	10	155	52	699	100	100

[1] Not applicable.
[2] Less than $500,000.
[3] Less than 0.5 percent.

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

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

3-25

Chapter 4

Imports Under HTS Subheading 9802.00.80: Machinery and Mechanical Appliances—intermediate Goods

Machinery and mechanical appliances—intermediate goods consist largely of semiconductors, electrical conductors, and articles for making and breaking electrical circuits. Also included are motors and generators, television apparatus, electrical capacitors, and taps, cocks, and valves. U.S. imports of these intermediate goods rose from $17.3 billion in 1985 to $30.7 billion in 1988, representing an increase of 78 percent (table 4-1). U.S. imports of these products entered under HTS subheading 9802.00.80 rose more rapidly during the period than total imports, increasing from $3.8 billion in 1985 to $8.5 billion in 1988, or by 123 percent. The duty-free value of subheading 9802.00.80 imports rose at nearly the same rate, from $2 billion to $4.6 billion. The largest share of duty-free imports was accounted for by semiconductors, electrical conductors, and articles for making and breaking electrical circuits. In 1988, these products together accounted for 86 percent of the duty-free value of total imports of machinery and mechanical appliances—intermediate goods entered that subheading, the same percent as in 1987. Semiconductors accounted for more than 50 percent of total duty-free value in this product sector during 1987–88. The ratio of 9802.00.80 imports to total imports fluctuated during 1985–88, increasing irregularly from 22 percent in 1985 to 28 percent in 1988 (table 4-2). The duty-free share of 9802.00.80 imports remained relatively flat during 1985–88, averaging 54 percent annually.

The nominal rate of duty on imports of machinery and mechanical appliances—intermediate goods declined irregularly from 4.8 percent ad valorem in 1985 to 2.3 percent in 1988. The effective duty rate followed the same pattern, decreasing from 2.2 percent to 1.0 percent ad valorem. Total duty savings resulting from the use of subheading 9802.00.80 increased from $99 million in 1985 to $105 million in 1988 (table 4-2 and figure 4-1).

Mexico was the largest foreign supplier of these intermediate goods during the period, accounting for 55 percent of the duty-free value of 9802.00.80 imports in 1985 and 45 percent in 1988 (table 4-3). Malaysia was the next largest supplier accounting for 10 percent of the duty-free value in 1985 and 14 percent in 1988.

Contact Nelson Hogge at 252-1395

Table 4-1

Machinery and mechanical appliances—intermediate goods: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
	Value (million dollars)		
1985	17,275	3,807	2,043
1986	19,551	3,596	1,863
1987	24,005	7,321	3,974
1988	30,682	8,513	4,574
	Change (percent)		
1988 from 1985	78	123	124
Average annual 1988 from 1985	21	31	31

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

Table 4-2

Machinery and mechanical appliances—intermediate goods: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	9802.00.80 imports to total imports	Duty-free 9802.00.80 to total 9802.00.80 imports	Rate of duty		Total duty savings
			Nominal	Effective	
	Percent				*Million dollars*
1985	22	54	4.8	2.2	99
1986	18	52	4.9	2.3	91
1987	30	54	2.3	1.1	91
1988	28	54	2.3	1.0	105

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

4-1

Table 4-3

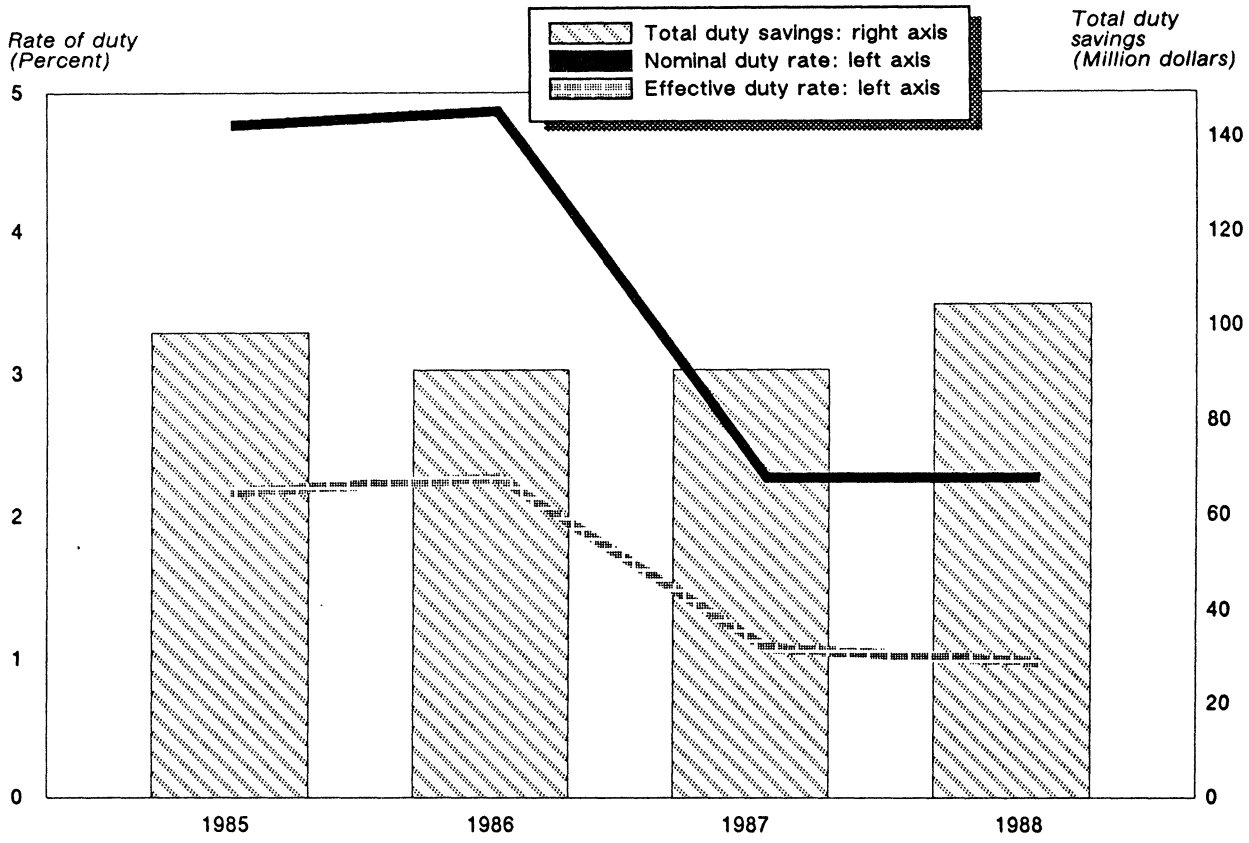
Machinery and mechanical appliances—intermediate goods: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*	*Percent*	
Mexico	1,124	1,360	1,758	2,059	83	55	45
Malaysia	196	63	606	642	227	10	14
Korea	131	39	291	421	219	6	9
Canada	151	139	302	374	147	7	8
Philippines	119	36	284	259	118	6	6
Singapore	75	35	244	247	229	4	6
Taiwan	59	56	177	184	210	3	4
Thailand	22	7	149	152	608	1	3
Hong Kong	35	27	46	107	204	2	2
Dominican Republic	13	12	27	35	172	1	1
All others	117	86	89	95	-19	6	2
Total	2,043	1,863	3,974	4,574	124	100	100

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

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

Figure 4-1
Machinery and appliances—intermediate goods: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Semiconductors

U.S. imports of semiconductors increased by 88 percent during 1985–88, from $5.8 billion to $11 billion (table 4–4). Imports of these products entered under HTS subheading 9802.00.80 dropped from $1.2 billion in 1985 to $0.5 billion in 1986, then surged to $4.4 billion in 1988. The ratio of imports entered under subheading 9802.00.80 to total imports increased irregularly from 21 percent in 1985 to 40 percent in 1988 (table 4–5).

The U.S. content of semiconductor imports entered under subheading 9802.00.80 more than tripled during 1985–88, increasing from $733 million in 1985 to $2.4 billion in 1988. A temporary drop to $293 million in 1986 was primarily attributable to the elimination of duties in March 1985 on all products in the commodity group except for transistors and certain discrete devices. The 700-percent increase in the duty-free value of imports entered under subheading 9802.00.80 between 1986 and 1988 resulted from manufacturers' efforts to avoid the U.S. Customs User Fee. Following the elimination of duties on most semiconductors in 1985, the nominal rate of duty on these products fell from 4.2 percent ad valorem in 1985 to less than 0.05 percent in 1987–88; the effective rate of duty dropped from 1.7 percent in 1985 to less than 0.05 percent ad valorem in 1987–88 (table 4–5). The total duty savings on articles entered under subheading 9802.00.80 plunged from $31 million in 1985 to less than $1 million annually during 1987–88, as shown in table 4–5 and figure 4–2.

4–3

Table 4-4

Semiconductors: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	5,825	1,243	733
1986	6,071	545	293
1987	7,755	3,781	2,133
1988	10,958	4,360	2,396
	Change (percent)		
1988 from 1985	88	251	227
Average annual 1988 from 1985	23	52	48

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

Table 4-5

Semiconductors: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

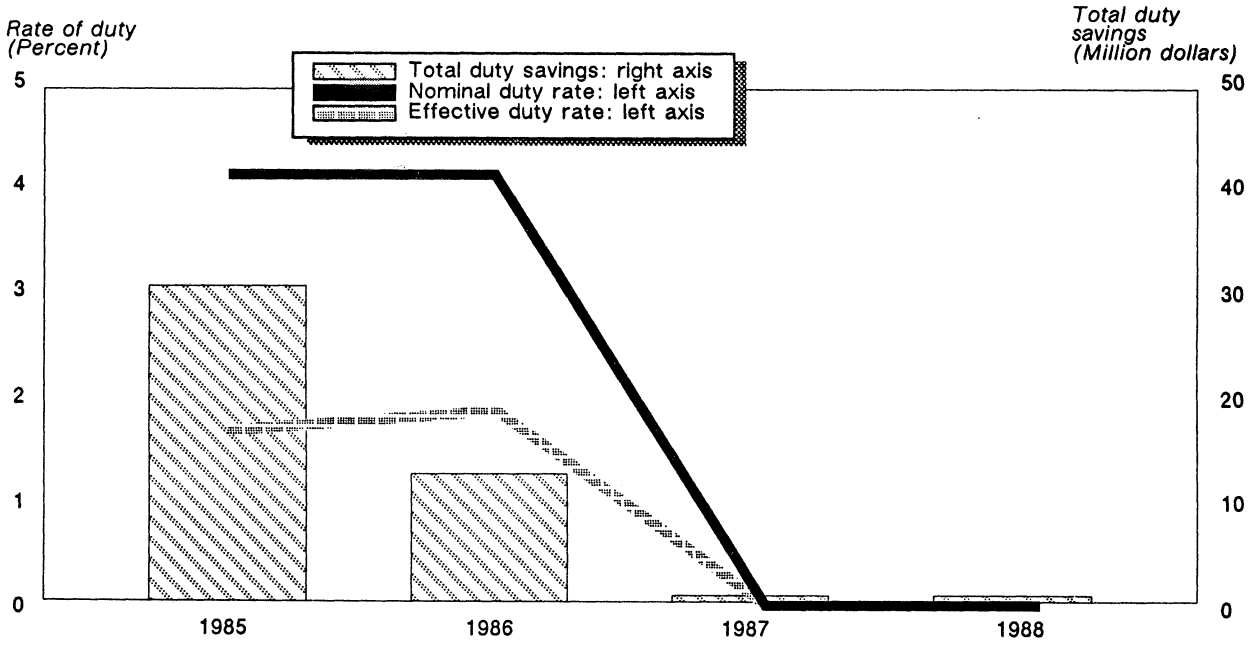
Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	21	59	4.2	1.7	30.7
1986	9	54	4.2	1.9	12.4
1987	49	56	(1)	(1)	.6
1988	40	55	(1)	(1)	.6

[1] Less than 0.05 percent.

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

Figure 4-2

Semiconductors: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Semiconductors include integrated circuits, transistors, diodes, rectifiers, and other discrete solid-state devices. These are produced as chips and dice that are wire bonded into packages, encapsulated, and tested. Wire bonding and encapsulation are labor-intensive operations. U.S. producers of semiconductors have chips and dice assembled in low-wage-rate countries to reduce production costs, and then reimport the products under subheading 9802.00.80. Monolithic integrated circuits accounted for an average of 79 percent of total U.S. imports of semiconductors each year during 1985–88. However, the share of subheading 9802.00.80 imports of semiconductors accounted for by monolithic integrated circuits increased from 73 percent in 1985 to 84 percent in 1988.

Japan was the largest source of total imports of semiconductors during 1985–88, followed by Malaysia and Korea. Japan accounted for an average of 30 percent of total semiconductor imports during the period. However, the value of duty-free imports of semiconductors from Japan entered under subheading 9802.00.80 was insignificant. Malaysia was the largest source of duty-free subheading 9802.00.80 imports in three of the four years, followed by Korea, Canada, the Philippines, and Singapore (table 4–6). Articles with an MFN "free" rate of duty accounted for 55 percent of total imports of semiconductors under subheading 9802.00.80 in 1988.

Elimination of the duty on imports for most semiconductors in early 1985 has removed the incentive for entering these articles under GSP. Consequently, trade in these products under the GSP is negligible.

Contact Andrew Malison at 252–1391

Table 4-6

Semiconductors: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*	*Percent*	
Malaysia	173	49	595	626	262	24	26
Korea	120	29	283	397	231	16	17
Philippines	107	20	267	248	132	15	10
Canada	125	103	252	324	159	17	14
Singapore	48	14	223	229	378	7	10
Mexico	59	39	178	157	166	8	7
Thailand	21	7	149	152	624	3	6
Taiwan	29	22	138	150	417	4	6
All others	51	10	49	114	124	7	5
Total	733	293	2,133	2,396	227	100	100

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

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

The following list includes the concordance that shows the TSUS items and the TSUS items and the Harmonized Tariff Schedule subheadings for semiconductors:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
687.70	8541.21.00	687.74—*Cont*	8542.19.00
	8541.40.40	687.81	8541.50.00
687.72	8541.10.00	687.85	8541.90.00
	8541.40.40		8542.19.00
687.74	8542.11.00	687.87	8641.50.00

Electrical Conductors

U.S. imports of electrical conductors increased by 88 percent during 1985–88, from $1.3 billion to $2.5 billion, as shown in table 4–7. Concurrently, imports of these articles under HTS subheading 9802.00.80 rose by 68 percent to $1.2 billion in 1988. The ratio of subheading 9802.00.80 imports to total imports was relatively stable during the period, averaging 51 percent annually. The duty-free content of subheading 9802.00.80 imports of electrical conductors increased by 78 percent during 1985–88, from $421 million to $748 million. The ratio of duty-free content to total value of subheading 9802.00.80 imports increased annually from 60 percent in 1985 to 63 percent in 1988 (table 4–8).

The nominal duty rate on these products averaged 5.1 percent ad valorem during 1985–88, and the effective rate of duty on electrical conductors stayed at approximately 2 percent ad valorem. However, the significant increase in articles entered under 9802.00.80 during 1985–88 resulted in a 75-percent rise in the total duty savings, from $22 million in 1985 to almost $38 million in 1988 (table 4–8 and figure 4–3).

During 1985–88, total U.S. imports of electrical conductors from Mexico rose by 95 percent, from $608 million to $1,183 million. The share of total U.S. imports accounted for by Mexico, the leading foreign supplier, increased from 45 to 47 percent during the period. Mexico also accounted for 90 percent of the total value of subheading 9802.00.80 imports and 95 percent of the U.S.-origin content of imports under the provision in 1988, as shown in table 4–9.

Table 4–7

Electrical conductors: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	1,342	703	421
1986	1,571	830	504
1987	1,909	972	603
1988	2,525	1,181	748
	Change (percent)		
1988 from 1985	88	68	78
Average annual 1988 from 1985	23	19	21

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

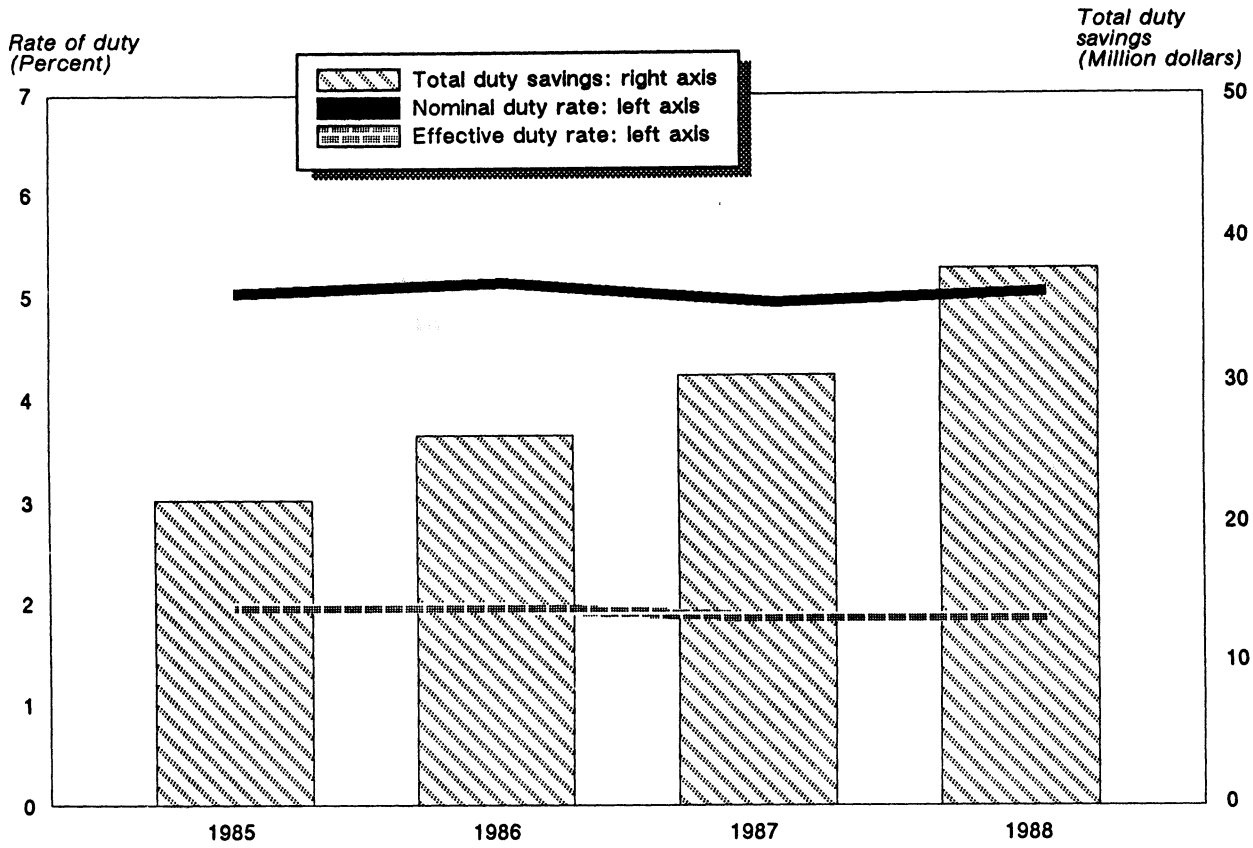
Table 4–8

Electrical conductors: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	52	60	5.1	2.0	21.6
1986	53	61	5.2	2.0	26.2
1987	51	62	5.0	1.9	30.4
1988	47	63	5.1	1.9	37.8

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

Figure 4-3
Electrical conductors: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

A significant portion of the subheading 9802.00.80 entries from Mexico during this period consisted of ignition wiring sets for motor vehicles. These products are principally electrical wiring harnesses, which interconnect the various electrical components (e.g., lights, power windows, wipers, fans, etc.) of motor vehicles, and which require a significant amount of manual labor to lay out, cut, and terminate (i.e., affix end connectors) insulated wire and then wrap the bundled wires with electrical tape or other protective materials.

Miscellaneous electrical conductors with fittings were another important product grouping that made up a substantial portion of HTS subheading 9802.00.80 trade from Mexico. These products consist primarily of power and communication input cords and cables for electrical and electronic apparatus. Typical subheading 9802.00.80 operations on these products involve the cutting of various gauges of bulk insulated wire to length and the application of assorted connectors to one or both ends of the cable.

Taiwan was the only other significant source of subheading 9802.00.80 imports during the period, accounting for 4 percent and 2 percent of the total and duty-free value, respectively, of subheading 9802.00.80 imports in 1988. Such imports were made almost entirely of ignition wiring harnesses for motor vehicles. In 1988, U.S. imports of electrical conductors from Taiwan totaled $445 million, up by 67 percent over the 1985 total of $266 million.

During 1985-88, most electrical conductors were eligible for duty-free treatment under the GSP. However, not eligible for GSP were Canadian articles and original motor-vehicle equipment, and articles certified for use in civil aircraft. These articles were eligible for duty-free entry under the APTA and the Civil Aircraft Agreement. Mexico, having exceeded the GSP competitive-need limitations for certain articles in this product grouping, was the only beneficiary developing country not eligible for GSP duty-free treatment during the period. Largely because of Mexico's ineligibility, imports under the GSP accounted for only 10 to 13 percent of the value of total U.S. imports of electrical conductors during 1985-88.

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Table 4-9

Electrical conductors: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*	*Percent*	
Mexico	383	457	558	709	85	91	95
Taiwan	20	22	16	13	-35	5	2
Canada	3	6	10	11	298	1	1
Philippines	3	6	10	7	114	1	1
All others	12	13	9	8	-67	3	1
Total	421	504	603	748	78	100	100

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

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

4-9

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for electrical conductors:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
688.04	8544.11.00	688.17	8544.41.00
	8544.20.00		8544.51.40
	8544.49.00	688.18	8544.20.00
	8544.59.20		8544.41.00
	8544.60.40		8544.51.80
688.06	8544.19.00		8544.60.20
	8544.59.40	688.20	7614.10.10
	8544.60.60		7614.90.50
688.10	9405.30.00	688.25	7614.90.50
688.12	8544.30.00		

Articles for Making and Breaking Electrical Circuits

U.S. imports of articles for making and breaking electrical circuits increased by 96 percent during 1985–88, from $1.9 billion to $3.8 billion (table 4–10). Imports of these articles entered under HTS subheading 9802.00.80 rose by 94 percent during the period, reaching $759 million in 1988. The ratio of subheading 9802.00.80 imports to total imports was stable, averaging 20 percent during 1985–88 (table 4–11). The ratio of U.S.-origin content to total imports under subheading 9802.00.80 declined slightly during the same period, falling from 65 percent to 60 percent. The duty-free content of imports entered under subheading 9802.00.80 increased by 78 percent to $453 million during 1985–88. The nominal rate of duty on imports of these articles decreased irregularly, from 6.1 percent to 5.1 percent. The effective rates of duty averaged about 2 percent. However, because of the increased volume of imports, the total duty savings resulting from imports entered under subheading 9802.00.80 rose from $16 million in 1985 to $23 million in 1988 (table 4–11 and figure 4–4).

The articles covered here include circuit breakers, electrical switches, connectors, printed circuit boards, industrial controls, and other electrical components, including fuses and junction boxes. Unfinished parts of these articles are exported primarily to developing countries for labor-intensive assembly operations. Low wage rates in these countries reduce the overall production costs of the completed articles, which are returned to the United States as subheading 9802.00.80 imports.

Table 4–10

Articles for making and breaking electrical circuits: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	1,949	391	254
1986	2,334	456	291
1987	2,992	589	355
1988	3,814	759	453
	Change (percent)		
1988 from 1985	96	94	78
Average annual 1988 from 1985	25	25	21

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

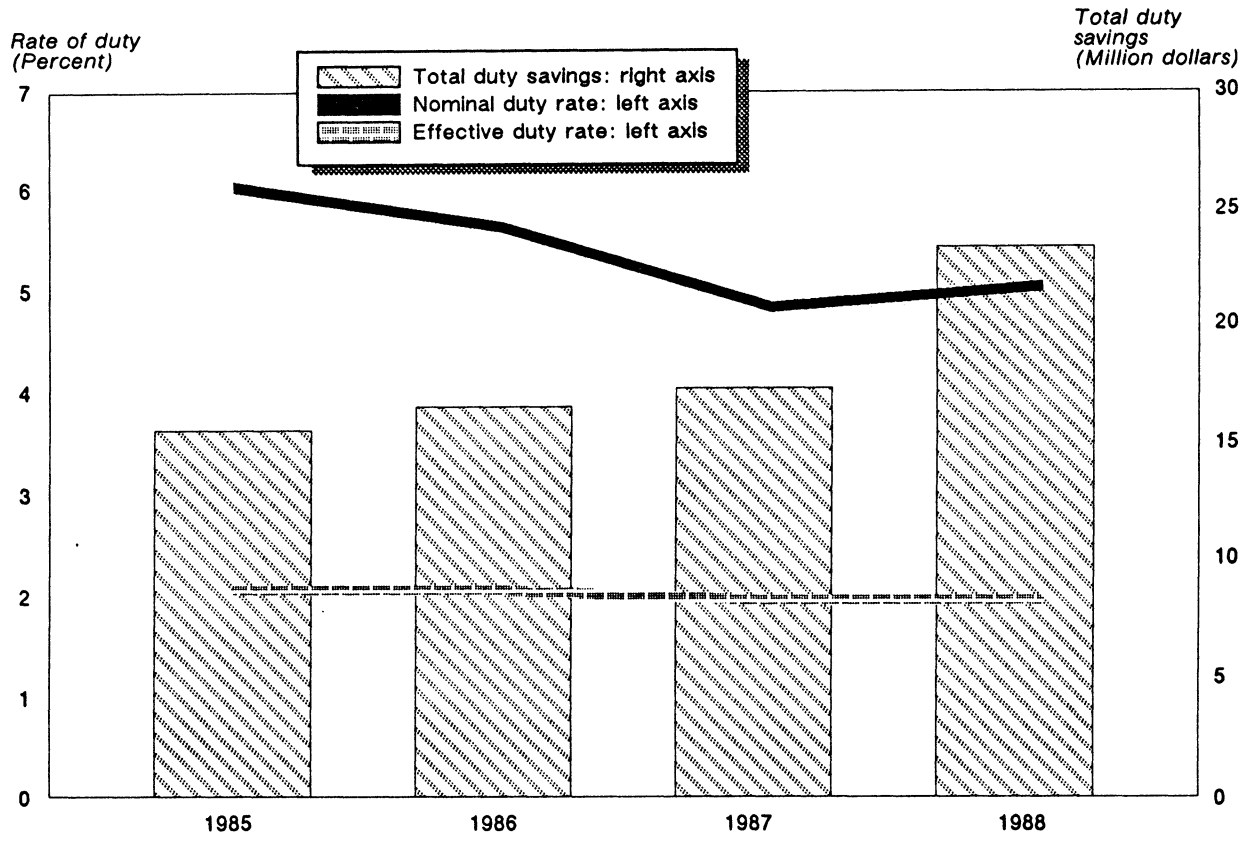
Table 4–11

Articles for making and breaking electrical circuits: Nominal and effective rates of duty under subheading 9802.00.80 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	20	65	6.1	2.1	15.6
1986	20	64	5.7	2.1	16.6
1987	20	60	4.9	2.0	17.4
1988	20	60	5.1	2.0	23.4

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

Figure 4-4
Articles for making and breaking electrical circuits: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Mexico was the largest source of imports of articles for making and breaking electrical circuits entered under subheading 9802.00.80 during 1985-88, supplying an average of 82 percent of the total during the period in terms of U.S.-origin content (table 4-12). The next three largest suppliers, the Dominican Republic, Taiwan, and Haiti, accounted for a combined share that averaged 11 percent during the period. The largest suppliers of total U.S. imports of these articles, on the other hand, were Japan, Mexico, West Germany, and Taiwan.

Imports of articles for making and breaking electrical circuits are eligible for duty-free entry under the GSP. Imports under the GSP totaled $672 million in 1988. Mexico was ineligible for GSP benefits during the period, having exceeded the competitive-need limitations.

Contact Andrew Malison at 252-1391

4-11

Table 4-12

Articles for making and breaking electrical circuits: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	206	238	285	383	86	81	85
Dominican Republic	10	7	16	26	174	4	6
Taiwan	4	5	9	12	195	2	3
Haiti	17	18	13	9	-47	7	2
Canada	7	8	14	9	29	3	2
Ireland	3	4	5	3	-10	1	1
All others	8	12	13	11	38	3	2
Total	254	291	355	453	78	100	100

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

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

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings articles for making and breaking electrical circuits:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
685.90	8535.21.00-	685.90—*Cont*	8538.90.00

Motors and Generators (Electric); and Miscellaneous Equipment Related to Motors, Generators, and Transformers

U.S. imports of electric motors, generators, and related equipment increased by 70 percent during 1985–88, from $2.1 billion to $3.7 billion (table 4–13). Imports of these articles under HTS subheading 9802.00.80 rose by 76 percent, from $364 million to $639 million. The ratio of subheading 9802.00.80 imports to total imports of these products averaged 18 percent annually during the period, as shown in table 4–14.

During 1985–88, the duty-free content of subheading 9802.00.80 imports increased from $186 million to $314 million, or by 69 percent. The ratio of duty-free imports to total imports under subheading 9802.00.80 averaged 50 percent annually. The estimated duty savings resulting from 9802.00.80 operations for these products increased by 38 percent to $11.3 million in 1988 (table 4–14 and figure 4–5).

Mexico was by far the leading foreign source of subheading 9802.00.80 imports during 1985–88, as indicated in table 4–15. Mexico accounted for 82 percent of total subheading 9802.00.80 imports in 1988, and 94 percent of the U.S.-origin content. During the period, the share of duty-free and total subheading 9802.00.80 imports accounted for by Canada and Hong Kong, the second and third leading sources, both declined, accounting for only 2 percent and 1 percent respectively, of the U.S. content of subheading 9802.00.80 imports in 1988. Japan was the leading supplier of total imports of motors, generators, and related equipment throughout the period, accounting for 23 percent of U.S. imports in 1988.

Table 4–13

Motors and generators (electric); and miscellaneous equipment related to motors, generators, and transformers: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	2,136	364	186
1986	2,384	449	220
1987	2,842	557	272
1988	3,735	639	314
	Change (percent)		
1988 from 1985	70	76	69
Average annual 1988 from 1985	19	21	19

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

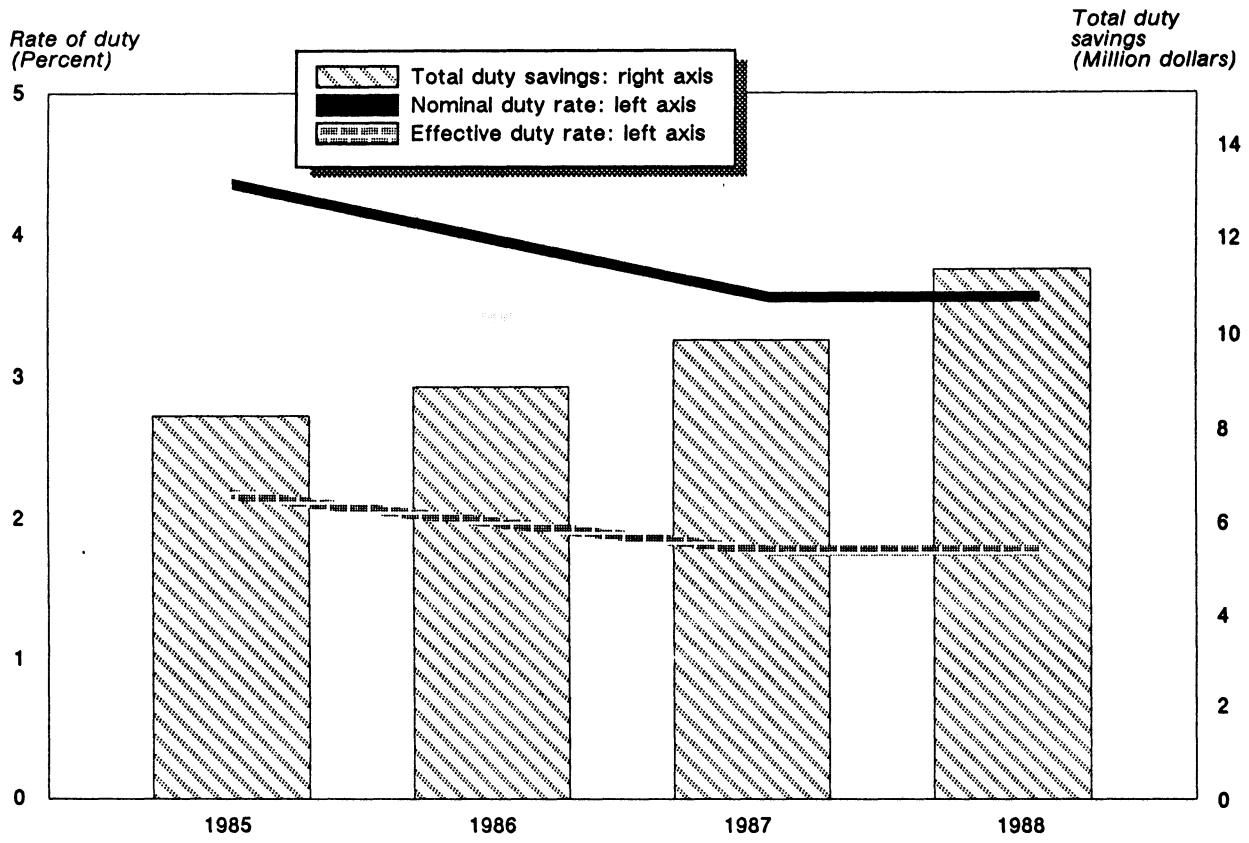
Table 4–14

Motors and generators (electric); and miscellaneous equipment related to motors, generators, and transformers: Nominal and effective rates of duty under subheading 9802.00.80 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	17	51	4.4	2.2	8.2
1986	19	49	4.0	2.0	8.8
1987	20	49	3.6	1.8	9.8
1988	17	49	3.6	1.8	11.3

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

Figure 4-5
Motor and generators (electric); and miscellaneous equipment related to motors, generators, and transformers: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Subheading 9802.00.80 is used by U.S. producers of these electrical products in their efforts to rationalize the labor-intensive portion of their production operations in countries with low wage rates. Mexico is a particularly desirable low-cost location because of the availability of semiskilled workers, its proximity to the large markets of the western and southern United States, and rail access to the north-central industrial belt. Canada is a significant supplier because major electrical producers in Canada are also subsidiaries of U.S. electrical firms.

During 1985–88, motors and generators and related equipment were eligible articles under the GSP with the exception of those articles entered under TSUS items 682.06, 682.08, 682.42, 682.46, and 682.65 which were certified for use in civil aircraft and imported free of duty. Mexico, having exceeded GSP competitive-need restrictions, was the only beneficiary developing country not eligible for duty-free entry under the GSP for certain of these articles during 1988. U.S. imports under the GSP have been modest in recent years, accounting for only 13 percent of total imports in 1988, principally because of the above-noted restrictions on duty-free status for these articles.

Contact John T. Cutchin, Jr. at 252–1396

Table 4-15

Motors and generators (electric); and miscellaneous equipment related to motors, generators, and transformers: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*	*Percent*	
Mexico	167	200	254	296	77	90	94
Canada	5	5	4	7	43	3	2
Hong Kong	4	4	5	4	1	2	1
All others	10	11	9	7	-29	5	2
Total	186	220	272	314	69	100	100

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

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

4-15

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for motors and generators (electric); and miscellaneous equipment related to motors, generators, and transformers:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
682.05	8504.31.40	682.38—*Cont*	8501.40.60
682.07	8504.21.00	682.50	8501.33.40
	8504.22.00		8501.34.30
	8504.23.00		8501.53.80
	8504.31.20	682.52	8503.00.20
	8504.31.60	682.55	8503.00.40
	8504.32.00	682.60	8501.32.60
	8504.33.00		8501.33.60
	8504.34.00		8501.34.60
682.20	8501.10.20		8501.61.00
682.25	8501.10.40		8501.62.00
682.30	8501.10.60		8501.63.00
	8501.20.20		8501.64.00
	8501.31.20		8502.11.00
	8501.40.20		8502.12.00
	8501.51.20		8502.13.00
682.35	8501.20.40		8502.20.00
	8501.31.40		8502.30.00
	8501.40.40		8502.40.00
	8501.51.40		8503.00.60
682.37	8501.51.60		8504.10.00
	8501.52.40		8504.40.00
682.38	8501.31.60		8504.50.00
	8501.32.20		8504.90.00

Television Apparatus and Parts Other Than Cameras or Receivers

U.S. imports of television apparatus and parts other than cameras and receivers (television apparatus) rose by 44 percent during 1985–88, to $1.8 billion (table 4–16). During the period, imports under HTS subheading 9802.00.80 climbed by 40 percent to $535 million. The trade-weighted nominal rate of duty on television apparatus entered under subheading 9802.00.80 declined from 4.4 percent in 1985 to 3.7 percent in 1988 (table 4–17). The effective duty rate followed a similar decline, decreasing from 3.4 percent to 2.8 percent. The total duty savings resulting from the use of 9802.00.80 rose from $3.9 million in 1985 to $4.6 million in 1988 (table 4–17 and figure 4–6).

Much of the increase in imports was accounted for by expanded shipments from Mexico and Taiwan where U.S. assembly plants are located. During the period, combined imports under subheading 9802.00.80 from Mexico and Taiwan rose by 53 percent, to $398 million and $102 million, respectively. Together, these two countries accounted for 85 percent of total imports under subheading 9802.00.80 in 1985 and 94 percent in 1988.

The duty-free content of U.S. imports under subheading 9802.00.80 climbed from $89 million to $121 million during 1985–88 (table 4–18). Imports of television apparatus from Mexico and Taiwan differed radically in terms of U.S. content. U.S.-made components accounted for 90

Table 4-16

Television apparatus and parts other than cameras or receivers: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	1,274	383	89
1986	1,331	479	119
1987	1,849	533	119
1988	1,829	535	121
	Change (percent)		
1988 from 1985	44	40	36
Average annual 1988 from 1985	13	12	11

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

Table 4-17

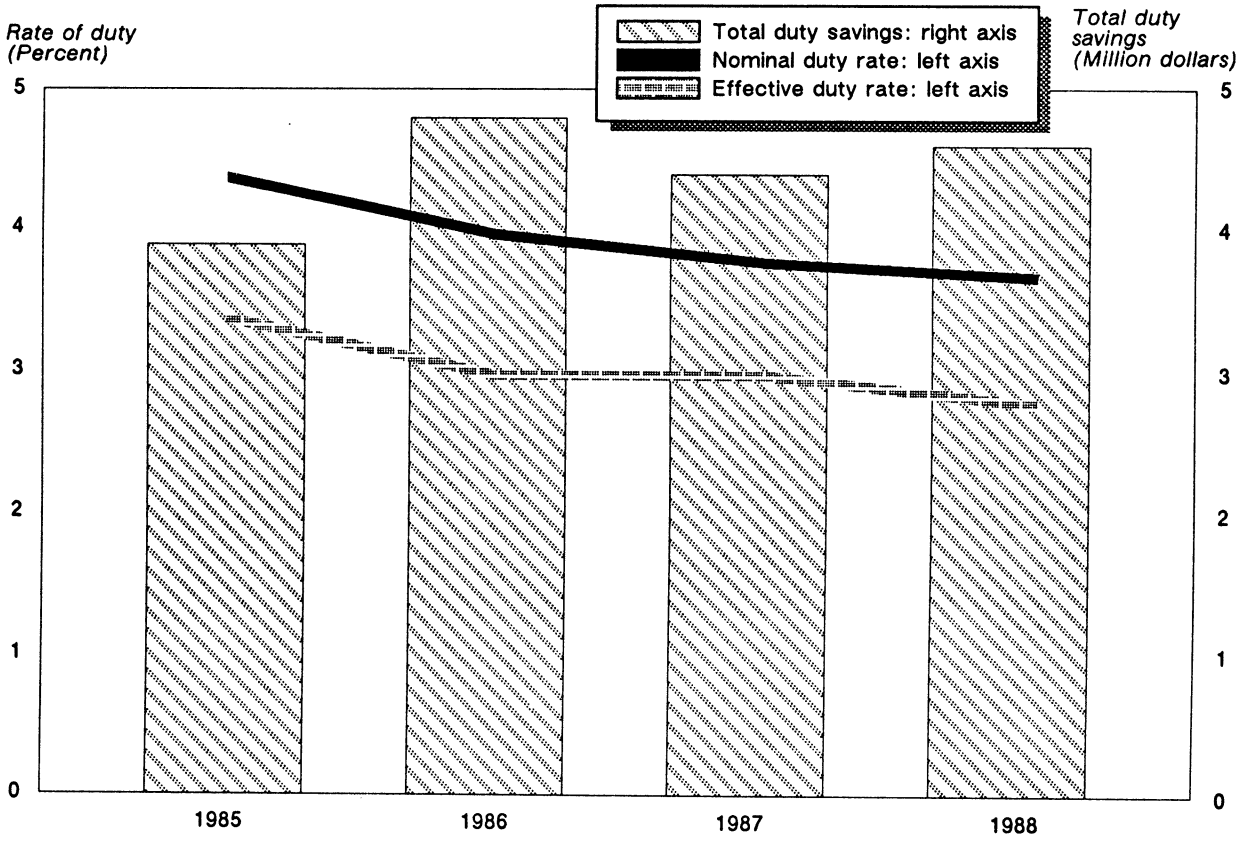
Television apparatus and parts other than cameras or receivers: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	30	23	4.4	3.4	3.9
1986	36	25	4.0	3.0	4.8
1987	29	22	3.8	3.0	4.4
1988	29	23	3.7	2.8	4.6

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

Figure 4-6

Television apparatus and parts other than cameras or receivers: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

percent of the value of imports from Mexico under subheading 9802.00.80 in 1988 but only 2 percent of imports from Taiwan. Mexico accounted for 83 percent of U.S.-origin content in 1985. The second leading supplier in terms of U.S. content was Malaysia, accounting for 5 percent of total U.S. content of subheading 9802.00.80 imports in 1988. U.S.-made components comprised 66 percent of the total value of 9802.00.80 imports from Malaysia in 1988.

Contact John Kitzmiller at 252-1387

Table 4-18

Television apparatus and parts other than cameras or receivers: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*	*Percent*	
Mexico	74	112	106	109	47	83	90
Malaysia	9	2	5	6	-41	10	5
Taiwan	4	1	6	3	2	4	2
Japan	([1])	1	1	2	923	([2])	2
All others	2	3	1	1	-43	3	1
Total	89	119	119	121	36	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.

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

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

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for television apparatus and parts other than cameras or receivers:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
685.06	8529.10.20	685.08—*Cont*	8529.10.20
685.08	8528.20.00		8529.90.35
	8528.10.80	685.16	8527.90.80
	8525.10.20		

Electrical Capacitors

U.S. imports of electrical capacitors grew by 66 percent during 1985–88, from $336 million to $558 million (table 4–19). Similarly, imports of these components entering under HTS subheading 9802.00.80 climbed by 42 percent, from $117 million to $166 million. The share of total U.S. imports accounted for by subheading 9802.00.80 imports averaged 36 percent annually (table 4–20).

The duty-free content of imports entered under subheading 9802.00.80 grew by 58 percent during 1985–88, from $73 million to $115 million, whereas the ratio of U.S.-origin content to the total value of subheading 9802.00.80 imports expanded from 62 percent to 69 percent (table 4–20). The nominal rate of duty applied to imports of electrical capacitors remained at approximately 10 percent ad valorem during the period, and the effective rate declined from 3.9 percent to 3.2 percent ad valorem. Total duty savings averaged $10 million annually during the period (table 4–20 and figure 4–7).

Mexico was the dominant supplier of electrical capacitors under subheading 9802.00.80 during the period, accounting for 86 percent of the U.S.-origin content of total subheading 9802.00.80 imports in 1988 (table 4–21). El Salvador was the second leading supplier in 1988 with an 8 percent share, down from 15 percent in 1985. U.S. firms operate assembly plants in Mexico and other low-labor-cost countries to perform lead attachment, encapsulation, and other labor-intensive operations. U.S.-made components accounted for 68 percent of the value of subheading 9802.00.80 imports from Mexico in 1988.

Table 4-19

Electrical capacitors: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	336	117	73
1986	385	153	101
1987	477	184	127
1988	558	166	115
	Change (percent)		
1988 from 1985	66	42	58
Average annual 1988 from 1985	18	12	16

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

Table 4-20

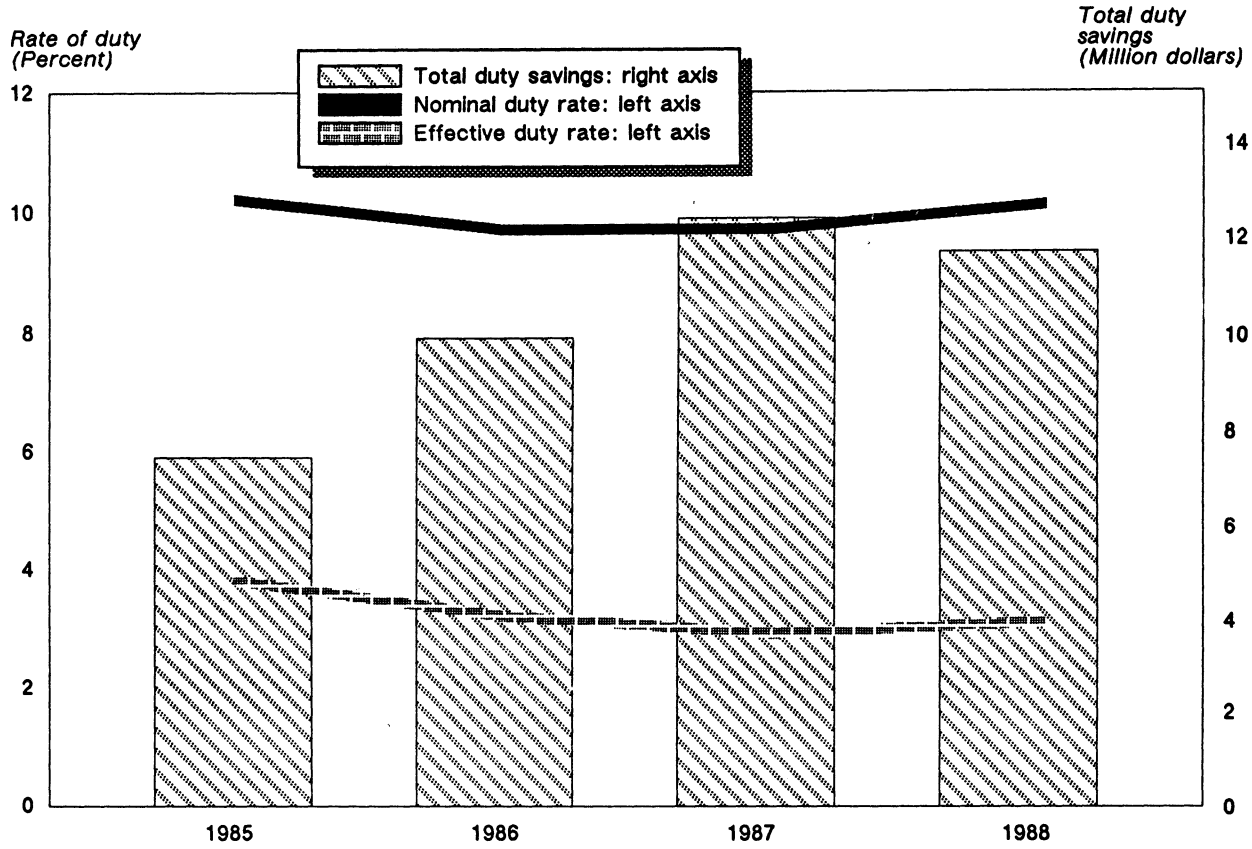
Electrical capacitors: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	35	62	10.3	3.9	7.4
1986	40	66	9.8	3.3	9.9
1987	39	69	9.8	3.0	12.4
1988	30	69	10.2	3.2	11.7

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

4–19

Figure 4-7
Electrical capacitors: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Electrical capacitors are eligible for duty-free entry under the CBERA and receive preferential treatment under the U.S.-Israel Free-Trade Area Implementation Act of 1985. Imports under these provisions reached $15 million in 1988, representing 3 percent of total U.S. electrical capacitor imports.

Contact Thomas A. Sherman at 252-1389

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for electrical capacitors:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
685.80	8532.10.00 8532.30.00	685.81	8532.10.00- 8532.30.00

Note—TSUS 685.81 covers Canadian electrical capacitors imported into the United States as automotive equipment only.

4-20

Table 4-21

Electrical capicitors: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	55	79	106	99	78	76	86
El Salvador	11	11	11	9	-18	15	8
Dominican Republic	2	2	6	6	263	2	5
All others	4	9	4	1	-84	6	1
Total	73	101	127	115	58	100	100

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

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

Taps, Cocks, Valves, and Similar Devices

U.S. imports of taps, cocks, valves, and similar devices increased by 68 percent from $839 million to $1.4 billion during 1985–88. Imports of these articles under HTS subheading 9802.00.80 rose by 129 percent, from $45 million to $103 million (table 4–22). The ratio of HTS subheading 9802.00.80 imports to total imports of these products averaged 6 percent annually during the period (table 4–23).

The duty-free value of articles imported under HTS subheading 9802.00.80 rose to $58 million in 1988 from $31 million in 1985, or by 89 percent (table 4–22). The ratio of U.S. content to total imports under HTS subheading 9802.00.80 fell from 69 percent to 55 percent during 1985–88. The nominal rate of duty on these products dropped from 4.4 percent to 2.5 percent over the period, and the effective rate averaged 1.3 percent (table 4–23 and figure 4–8). Although imports entered under subheading 9802.00.80 more than doubled during 1985–88, total duty savings grew by only 21 percent to $2 million because of a concurrent reduction in the U.S. content of 9802.00.80 imports of these products from 69 percent to 55 percent. During the period, the total value of 9802.00.80 imports of these products from Mexico increased 91 percent to $65 million in 1988 from $34 million in 1985 (table 4–24). In 1988, Mexico accounted for $51 million (87 percent) of the total value of 9802.00.80 imports.

In order to meet the recent challenge of both Pacific Basin and European suppliers of price-sensitive, low-technology imported taps, cocks, valves, and similar devices, during 1985–88, U.S. producers established Maquiladora facilities along the U.S.-Mexican border to manufacture these products.

According to industry sources, to compete with low prices offered by foreign producers for these products, U.S. manufacturers have often been forced to cease production of certain labor-intensive product lines (e.g., low-pressure valves made of brass or copper) and substitute a competing product from either East Asia or from other third-country suppliers. Presently, all producers of taps, cocks, valves, and similar devices making use of HTS subheading 9802.00.80 in Mexico are subsidiaries of U.S. firms. However, in the near future, some domestic Mexican firms may export certain low-technology steel or iron valves under the GSP program as a result of licensing agreements concluded with several major foreign producers. In 1988, GSP imports of taps, cocks, valves, and similar devices totaled $10 million, or 16 percent of total imports from Mexico.

Contact Ruben Mata at 252–1403

Table 4–22

Taps, cocks, valves, and similar devices: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	839	45	31
1986	1,024	62	44
1987	1,166	80	45
1988	1,413	103	58
	Change (percent)		
1988 from 1985	68	129	89
Average annual 1988 from 1985	19	32	23

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

Table 4–23

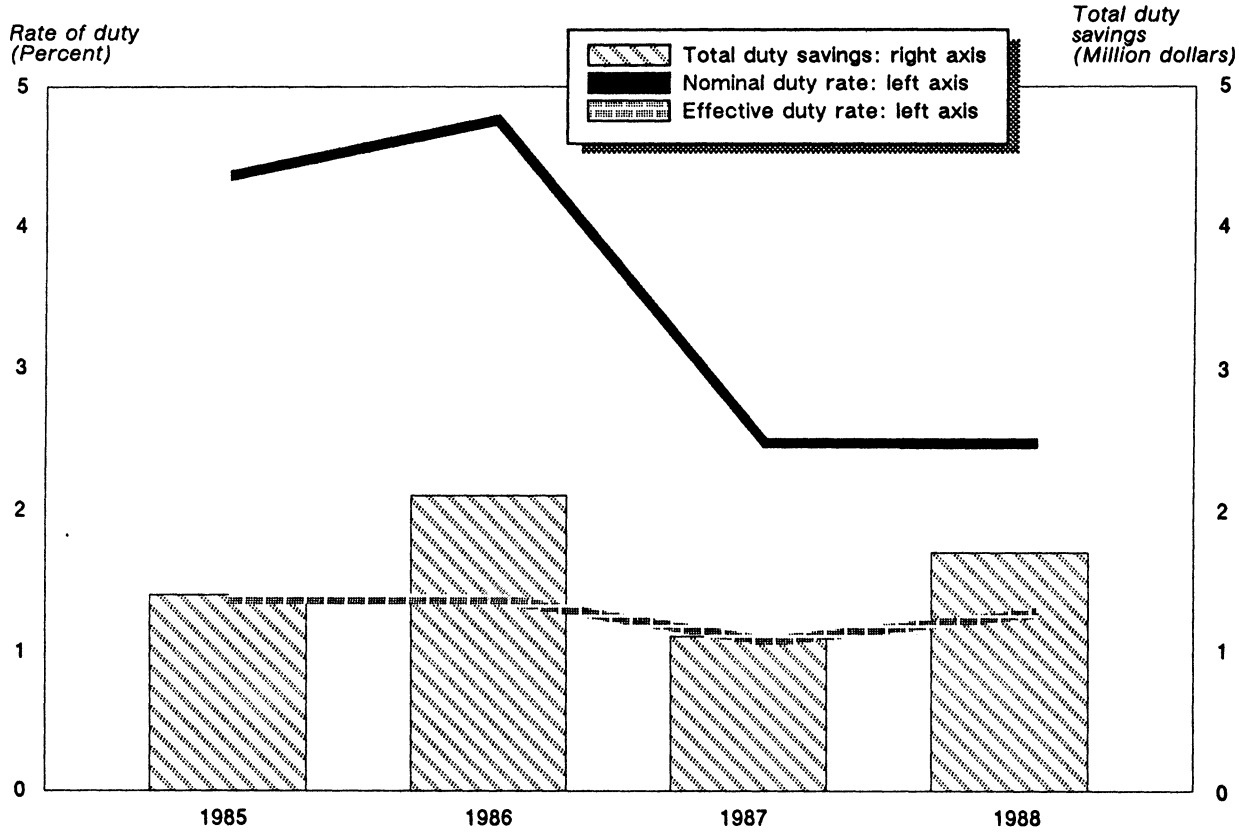
Taps, cocks, valves, and similar devices: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	5	69	4.4	1.4	1.4
1986	6	71	4.8	1.4	2.1
1987	7	56	2.5	1.1	1.1
1988	7	55	2.5	1.3	1.7

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

4-22

Figure 4-8
Taps, cocks, valves, and similar devices: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

4-23

Table 4-24

Taps, cocks, valves, and similar devices: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	28	40	38	51	83	90	87
Canada	3	3	7	7	162	9	12
All others	(1)	1	(1)	(1)	-42	1	(2)
Total	31	44	45	58	89	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.

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

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

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for taps, cocks, valves, and similar devices:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
680.14	8481.80.10	680.19—*Cont*	8481.80.50
	8481.80.20		8481.90.50
	8481.30.10	680.25	8481.80.90
	8481.90.10		8481.90.90
680.17	8481.30.20	680.27	8481.40.00
	8481.80.30		8481.10.00
	8481.90.30		8481.20.00
680.19	8481.30.90		8481.80.90

Chapter 5

Imports Under HTS Subheading 9802.00.80: Machinery and Mechanical Appliances—Final Goods

Machinery and mechanical appliances—final goods consist largely of office machines and parts, television receivers, tape recorders, and tape players. Also included are electric household appliances, radio receivers and transceivers and parts, telephone and telegraph apparatus, and construction and mining machinery. U.S. imports of these final goods rose from $47.5 billion in 1985 to $71.2 billion in 1988, an increase of 50 percent (table 5-1). U.S. imports of these products entered under HTS subheading 9802.00.80 rose by 45 percent during the same period, increasing from $4.5 billion to $6.5 billion. The duty-free value of 9802.00.80 imports rose at a slightly lower rate, increasing by 39 percent, from $1.1 billion to $1.6 billion. The largest share of duty-free imports was accounted for by office machines and parts, television receivers, tape recorders, and tape players. In 1988 these products together accounted for 72 percent of the duty-free value of total imports of machinery and mechanical appliances—final goods, up from 70 percent in 1987. The most significant product category was office machines and parts, which accounted for 46 percent of the total duty-free value in 1988. The ratio of 9802.00.80 imports to total imports remained at a constant 9 percent during 1985-88, except for a dip in 1986 to 6 percent. The duty-free share of 9802.00.80 imports remained fairly constant at 25 to 26 percent during 1985-88 (table 5-2).

The nominal rate of duty on imports of machinery and mechanical appliances—final goods declined from 4.7 percent in 1985 to 2.8 percent in 1988. The effective duty rate declined from 3.5 percent in 1985 to 2.1 percent in 1988. Total duty savings resulting from the use of 9802.00.80 provisions decreased from $54 million in 1985 to $46 million in 1988 (table 5-2 and figure 5-1).

Mexico was the largest foreign supplier of these final goods during the period, accounting for 48 percent of the duty-free value of 9802.00.80 imports in 1985 and 55 percent in 1988 (table 5-3). Canada was the next largest supplier, accounting for 26 percent in 1985 and declining to 18 percent in 1988.

Contact Nelson Hogge at 252-1395

Table 5-1

Machinery and mechanical appliances--final goods: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	47,508	4,478	1,146
1986	56,154	3,599	952
1987	62,329	5,645	1,384
1988	71,159	6,471	1,598
	Change (percent)		
1988 from 1985	50	45	39
Average annual 1988 from 1985	14	13	12

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

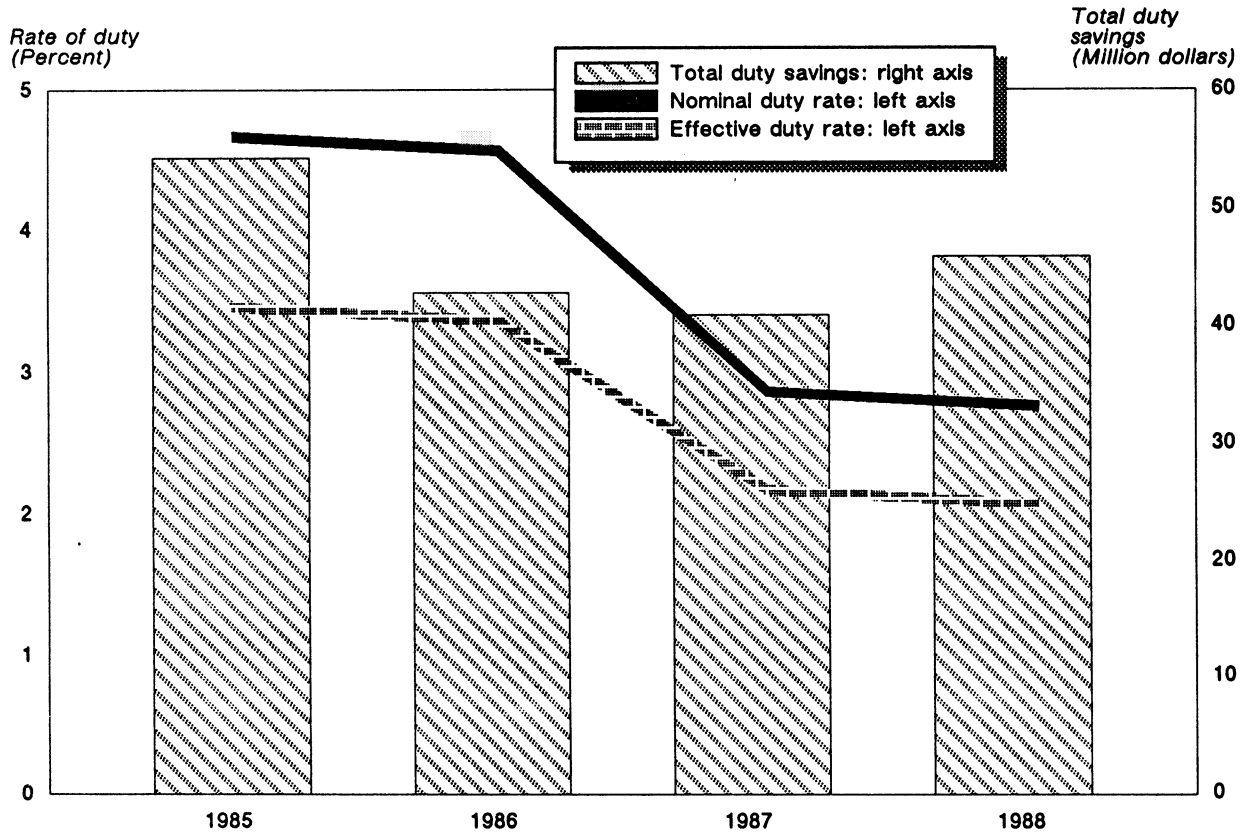
Table 5-2

Machinery and mechanical appliances—final goods: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	9	26	4.7	3.5	54.3
1986	6	26	4.6	3.4	42.9
1987	9	25	2.9	2.2	41.0
1988	9	25	2.8	2.1	46.0

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

Figure 5-1
Machinery and mechanical appliances—final goods: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

5-2

Table 5-3

Machinery and mechanical appliances—final goods: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	549	488	711	876	60	48	55
Canada	302	275	348	280	-7	26	18
Singapore	113	34	141	194	72	10	12
Japan	24	34	32	68	180	2	4
Hong Kong	37	13	31	29	-20	3	2
Korea	6	4	16	27	311	1	2
Brazil	4	5	11	21	379	(1)	1
Thailand	3	1	(2)	20	513	(1)	1
All others	108	97	94	84	-22	9	5
Total	1,146	952	1,384	1,598	39	100	

[1] Less than 0.5 percent.
[2] Less than $500,000.

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

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

Office Machines and Parts

Imports of office machines and parts increased by 96 percent during 1985–88, from $11.5 billion to $22.6 billion. Imports of these products entered under HTS subheading 9802.00.80 increased by 44 percent from $1.8 billion to $2.6 billion, as shown in table 5–4. During 1985–88, the annual growth rate for all office machines and parts was 25 percent per year and the growth rate for those entered under subheading 9802.00.80 was 13 percent per year. The value of the U.S.-made components returned under subheading 9802.00.80 averaged 23 percent of the overall value of office machines and parts entered under subheading 9802.00.80 each year, reaching $557 million in 1988.

Both the nominal and effective rates of duty for articles entered under this provision dropped significantly. For office machines and parts entered under subheading 9802.00.80 in 1985, the nominal and effective rates of duty were 4.3 percent and 3.3 percent, respectively (table 5–5). By 1988, these figures had dropped to a nominal rate of 1.0 percent and an effective rate of 0.8 percent. Most of this decline occurred in 1986 and 1987. Even so, total duty savings resulting from the use of subheading 9802.00.80 fell from $17.7 million to $5.9 million during the period (figure 5–2).

Except for 1986, when the duty-free treatment of automatic data processing (ADP) machine parts obviated the need for the use of HTS subheading 9802.00.80, nearly all significant suppliers displayed steady increases in the use of subheading 9802.00.80. Singapore was the leading source of imports under subheading 9802.00.80 in 1988, in terms of U.S. content, accounting for just over one-third of the total (table 5–6). While the share of duty-free subheading 9802.00.80 imports accounted for by Singapore rose from 20 percent to 34 percent during the period, Mexico's share dropped from 34 percent to 25 percent. This reflected the rapid development of Singapore as a producer/assembler of technologically advanced electronic goods. U.S.-made components accounted for 31 percent of the value of subheading 9802.00.80 imports from Canada in 1988 and 37 percent from Mexico, but only 16 percent from Singapore.

Subheading 9802.00.80 is used by office machine producers in their effort to rationalize production. Most large U.S. producers have foreign subsidiaries with whom they exchange semifinished products; these products are then completed to meet the specific technical specifications of individual countries and markets. U.S. producers also use labor-intensive operations performed by low-wage assemblers in Singapore, Mexico, and Hong Kong to reduce production costs.

Contact William Fletcher at 252–1407

Table 5–4
Office machines and parts: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	11,488	1,804	416
1986	14,652	625	148
1987	18,418	2,237	494
1988	22,554	2,605	557
	Change (percent)		
1988 from 1985	96	44	34
Average annual 1988 from 1985	25	13	10

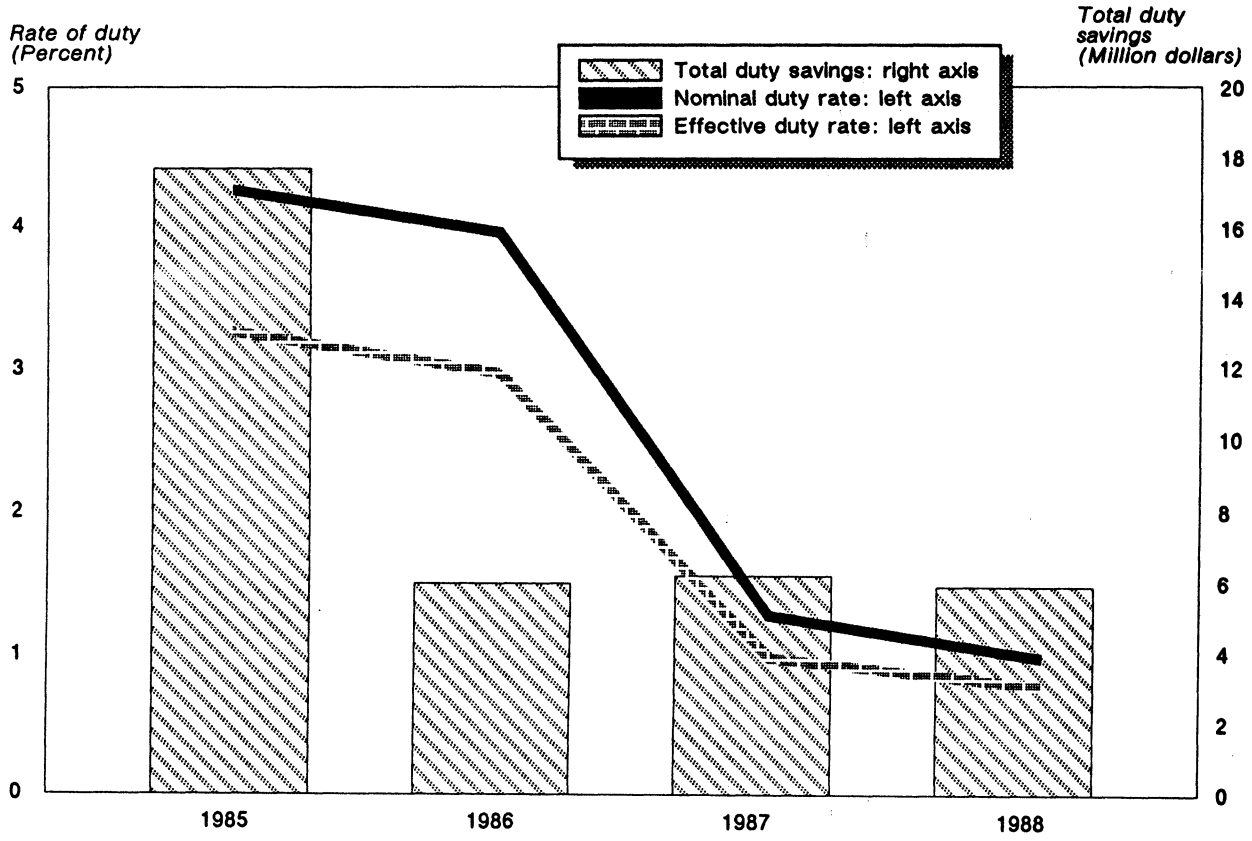
Source: Compiled by the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce.

Table 5–5
Office machines and parts: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	16	23	4.3	3.3	17.7
1986	4	24	4.0	3.0	6.0
1987	12	22	1.3	1.0	6.2
1988	12	21	1.0	0.8	5.9

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

Figure 5-2
Office machines and parts: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

5-5

Table 5-6

Office machines and parts: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Singapore	82	6	127	190	132	20	34
Mexico	140	14	124	137	-2	34	25
Canada	112	89	158	100	-11	27	18
Japan	2	5	9	30	1,375	(1)	5
Hong Kong	34	7	27	27	-19	8	5
Korea	4	1	11	24	565	1	4
Thailand	3	1	(2)	20	531	1	4
Taiwan	15	7	18	14	-6	4	3
All others	25	20	20	15	-40	6	3
Total	416	148	494	557	34	100	100

[1] Less than 0.5 percent.
[2] Less than $500,000.

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

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

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for office machines and parts therof:

TSUS item	*HTS subheading*
676.05	8469.21.00
	8469.29.00
	8469.31.00
	8469.39.00
676.07	8469.10.00
676.10	8472.20.00
676.12	8472.90.60
676.15	8470.40.00
	8471.10.00
	8471.20.00
	8471.91.00
676.16	8471.10.00
	8471.20.00
	8471.91.00
676.20	8470.10.00
	8470.21.00
	8470.29.00
	8470.30.00
676.22	8470.50.00
676.23	8470.30.00
676.25	8470.90.00
	8472.30.00
676.30	8471.92.10
	8471.92.20
	8471.92.40
	8471.92.65
	8471.92.90
	8471.93.20
	8471.93.40
	8471.93.65
	8471.99.90
	8472.09.80
	8472.30.00
	9008.20.40
	9009.11.00
	9009.12.00
676.30—*Cont*	9009.21.00
	9009.22.00
	9009.30.00
676.31	8471.92.10
	8471.92.40
	8471.92.65
	8471.92.90
	8471.93.20
	8471.93.40
	8471.93.60
676.50	8471.00.00
	9612.10.10
	9612.10.90
676.54	8471.92.20
	8471.92.30
	8471.92.70
	8471.92.80
	8471.93.10
	8471.93.15
	8471.93.30
	8471.93.50
	8471.99.15
	8471.99.60
	8473.30.40
	8542.20.00
	9612.10.10
	9612.10.90
676.56	8473.21.00
	8473.29.00
	8473.30.80
	8473.40.00
	9008.90.40
	9009.90.00
	9612.10.10
	9612.10.90

Television Receivers

U.S. imports of television receivers, principally color television receivers, rose irregularly from $2 billion in 1985 to $2.1 billion in 1988, an increase of 3 percent (table 5–7). In contrast, during the period, imports of these articles under HTS subheading 9802.00.80 more than tripled, climbing from $278 million to $859 million. The duty-free value of imports under subheading 9802.00.80 also rose sharply during the period, from $30 million to $190 million. The share of total imports accounted for by imports under subheading 9802.00.80 almost tripled during 1985–88, from 14 percent to 41 percent (table 5–8). The share of subheading 9802.00.80 imports accounted for by the value of the U.S.-made components doubled, from 11 percent to 22 percent.

The trade-weighted nominal rate of duty on television receivers averaged 5.0 percent during the period, whereas the effective rate declined from 4.5 percent in 1985 to 3.9 percent in 1988 (table 5–8). The total duty savings associated with subheading 9802.00.80 operations rose each year during the period, increasing from $1.5 million in 1985 to $9.5 million in 1988 (table 5–8 and figure 5–3) reflecting both the rising volume of subheading 9802.00.80 imports and the increased use of U.S.-made components.

Mexico was the principal source of these imports under subheading 9802.00.80, followed by Canada and Taiwan. In 1988, Mexico accounted for 90 percent of imports under subheading 9802.00.80 and 97 percent of the duty-free content (table 5–9). U.S. firms have established plants in Mexico to perform labor-intensive assembly operations such as printed circuit board assembly and yoke windings. Representatives of U.S. television manufacturers insist that the use of assembly facilities in Mexico is essential for their companies to compete with foreign producers in the U.S. market. The principal suppliers of total U.S. imports of television receivers in 1988 were Mexico, Taiwan, Japan, Korea, Singapore, and Malaysia, together accounting for 95 percent of the total.

Contact John Kitzmiller at 252–1387

Table 5-7

Television receivers: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
	Value (million dollars)		
1985	2,008	278	30
1986	2,443	449	86
1987	2,333	549	109
1988	2,071	859	190
	Change (percent)		
1988 from 1985	3	209	543
Average annual 1988 from 1985	1	46	85

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

Table 5-8

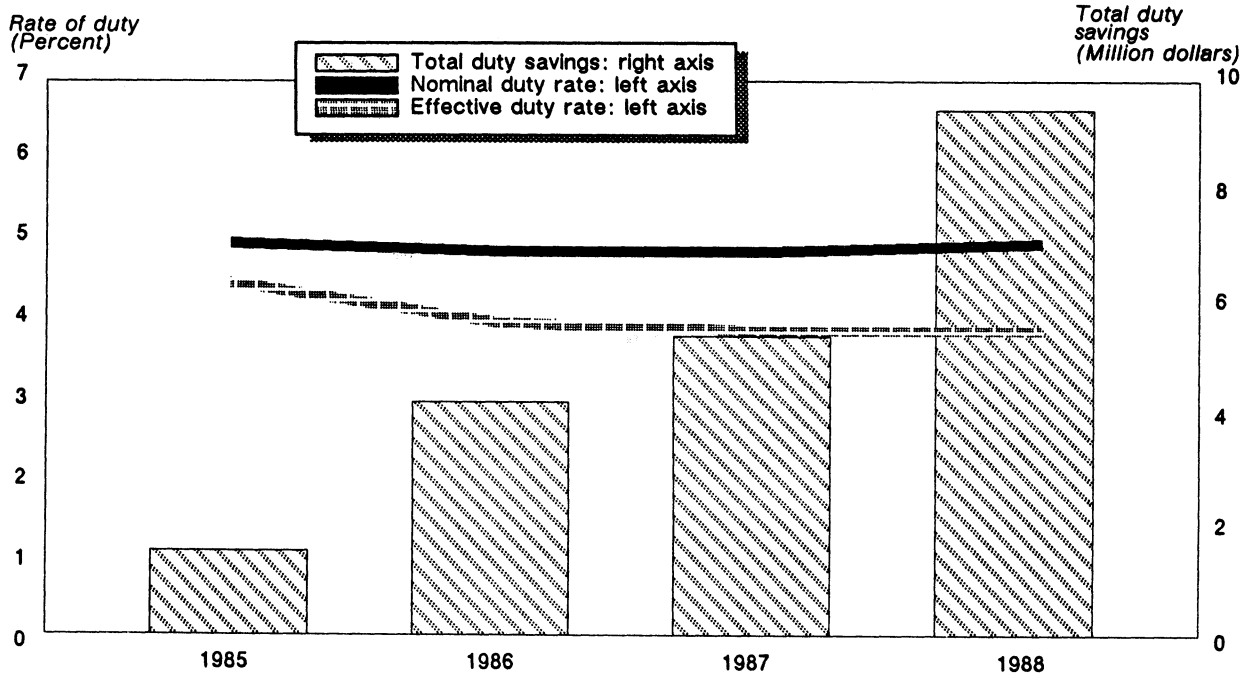
Television receivers: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	9802.00.80 imports to total imports	Duty-free 9802.00.80 to total 9802.00.80 imports	Rate of duty		Total duty savings
			Nominal	Effective	
	Percent				*Million dollars*
1985	14	11	5.0	4.5	1.5
1986	18	19	4.9	4.0	4.2
1987	24	20	4.9	3.9	5.4
1988	41	22	5.0	3.9	9.5

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

Figure 5-3

Television receivers: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

5-8

Table 5-9

Television receivers: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	21	77	104	184	760	73	97
Canada	3	2	2	4	29	10	2
Taiwan	1	0	0	2	51	3	1
Japan	2	3	1	(1)	-87	6	(2)
All others	2	5	2	(1)	-98	8	(2)
Total	30	86	109	190	543	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.

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

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

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for television receivers:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
684.92	8528.10.80	685.00	8529.90.35
	8528.20.00	685.02	8529.90.10
684.94	8528.20.00	685.04	8528.20.00
684.96	8528.10.80		8529.10.20
684.98	8528.10.80		8529.90.35
	8529.90.15		

Tape Recorders, Tape Players, and Dictation Machines

U.S. imports of tape recorders, tape players, and dictation machines fell from $7.6 billion in 1985 to $6.5 billion in 1988, an overall decrease of 14 percent (table 5-10). Imports entered under HTS subheading 9802.00.80, on the other hand, rose by 53 percent during 1985-88, from $430 million to $656 million. The share of total imports entered under subheading 9802.00.80, consequently, increased from 6 percent to 10 percent (table 5-11). The duty-free content of subheading 9802.00.80 imports decreased by 12 percent during the period, from $134 million to $118 million. The nominal rate of duty on U.S. imports of articles entered under subheading 9802.00.80 decreased from 4.0 percent in 1985 to 3.5 percent in 1988, whereas the effective rate of duty remained largely unchanged, increasing from 2.8 percent to 2.9 percent (table 5-11). Total duty savings on these products decreased from $5.3 million in 1985 to $4.1 million in 1988 (table 5-11 and figure 5-4).

Video cassette recorders, parts for tape players, and headset or headphone-equipped tape recorders constituted the largest share of products imported under subheading 9802.00.80 within this commodity group. Duty-free imports of these articles under subheading 9802.00.80, principally from Mexico, accounted for nearly 20 percent of total imports under this provision in 1988. Mexico also supplied nearly 70 percent of total imports under subheading 9802.00.80 and 88 percent of the U.S.-origin content of subheading 9802.00.80 imports in 1988 (table 5-12). U.S. companies have established assembly operations in Mexico to take advantage of lower labor costs and flexibility in production.

Contact Thomas Sherman at 252-1389

Table 5-10
Tape recorders, tape players, and dictation machines: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	7,594	430	134
1986	8,067	379	117
1987	6,744	613	120
1988	6,525	656	118
	Change (percent)		
1988 from 1985	-14	53	-12
Average annual 1988 from 1985	-5	15	-4

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

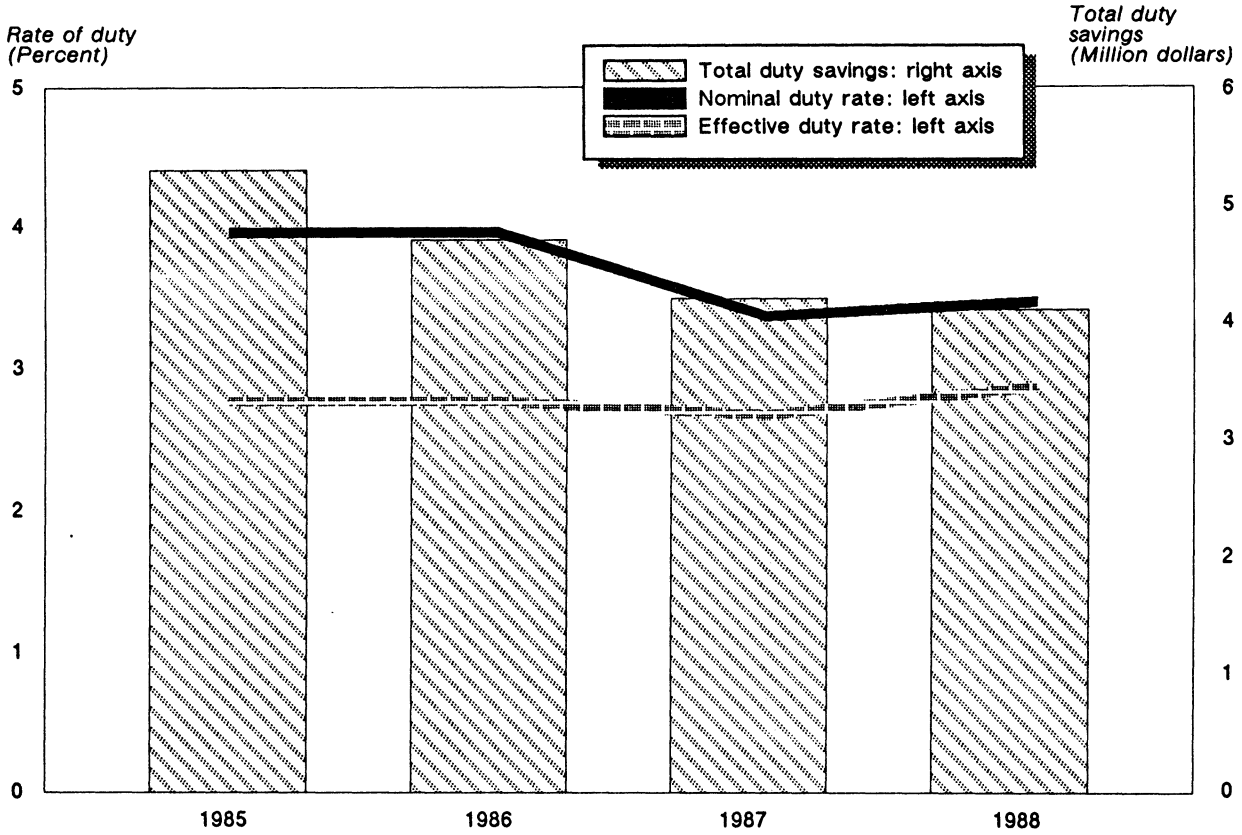
Table 5-11
Tape recorders, tape players, and dictation machines: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	6	31	4.0	2.8	5.3
1986	5	31	4.0	2.8	4.7
1987	9	20	3.4	2.7	4.2
1988	10	18	3.5	2.9	4.1

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

5-10

Figure 5-4
Tape recorders, tape players, and dictation machines: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

5-11

Table 5-12

Tape, recorders, tape players, and dictation machines: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	120	101	110	104	-13	90	88
Brazil	(1)	3	5	11	3,567	(2)	9
Japan	1	(1)	1	1	25	1	1
Canada	10	11	2	1	-91	7	1
All others	3	1	1	(1)	-87	2	(2)
Total	134	117	120	118	-12	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.

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

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

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for tape recorders, tape players, and dictation machines:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
678.50	7527.31.40	685.39—*Cont*	8525.20.00
	8519.91.00-	685.40	8519.40.00
	8520.90.00		8520.31.00-
678.51	8519.91.00		8521.90.00
685.08	8521.10.00-		8525.10.20
	8521.90.00		8528.10.40-
685.39	8522.90.40-		8529.90.35
	8522.90.90		

Electric Household Appliances

Total U.S. imports of electric household appliances increased by 28 percent during 1985–88, from $1.8 billion to $2.3 billion (table 5–13). Imports of these articles under HTS subheading 9802.00.80 rose by 34 percent during 1985–88, from $161 million to $215 million. The duty-free content of imports under HTS subheading 9802.00.80 also climbed during the period, more than doubling from $46 million in 1985 to $96 million in 1988, representing an average annual growth rate of 28 percent. The share of total imports accounted for by HTS subheading 9802.00.80 remained relatively constant during 1985–88, at 9 percent (table 5–14). However, the share of HTS subheading 9802.00.80 imports accounted for by the value of the U.S.-made components nearly doubled, from 28 percent in 1985 to 45 percent in 1988.

The trade-weighted nominal rate of duty on electric household appliances entered under HTS subheading 9802.00.80 declined during this period, from 5.0 in 1985 to 4.2 percent ad valorem in 1988. Concurrently, the effective rate of duty on these articles declined from 3.6 percent in 1985 to 2.3 percent ad valorem in 1988 (table 5–14). The total duty savings rose each year during 1985–88, increasing from $2.2 million to $4.1 million (table 5–14 and figure 5–5).

Mexico was the primary source of imports under 9802.00.80, followed by Canada and the Netherlands. Mexico accounted for 51 percent of all imports and 91 percent of duty-free imports under HTS subheading 9802.00.80 in 1988, compared with 35 percent and 78 percent, respectively, in 1985 (table 5–15). U.S. household appliance producers, as well as U.S. subsidiaries of Japanese producers, have established maquiladora assembly plants in Mexican border cities primarily to take advantage of low local labor costs. Japanese subsidiaries import parts and supplies through the port of San Diego for the border factories in the area.

Electric household appliances are eligible for duty-free entry under GSP. In 1988, GSP imports totaled $1.3 million compared with $1.1 million in 1987, an increase of 12 percent. Taiwan, Hong Kong, Korea, Singapore, and Mexico were the leading sources of GSP imports during the period; however, all but Mexico have lost GSP status.

Contact Georgia Jackson at 252–1399

Table 5–13

Electric household appliances: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	1,766	161	46
1986	2,021	179	56
1987	2,096	206	81
1988	2,304	215	96
	Change (percent)		
1988 from 1985	28	34	110
Average annual 1988 from 1985	9	10	28

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

Table 5-14

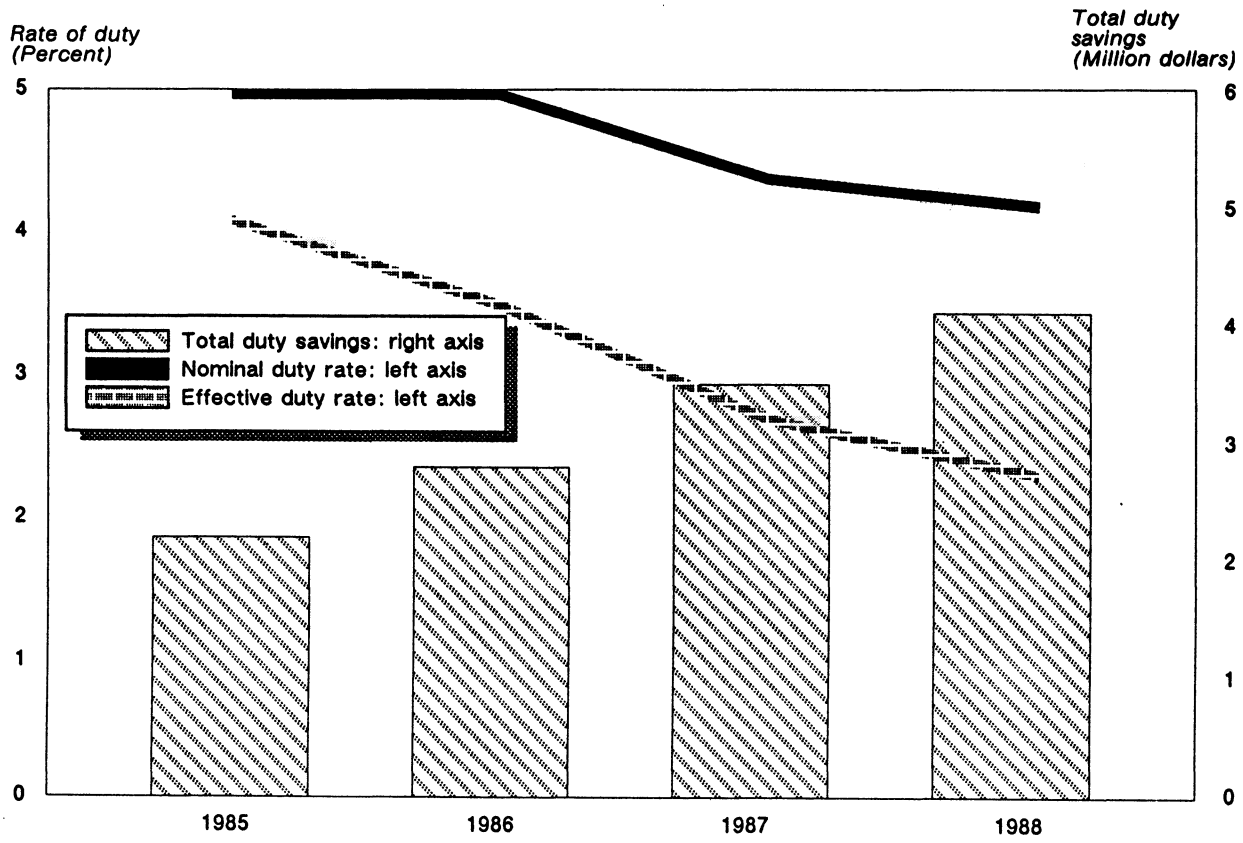
Electric household appliances: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	9	28	5.0	3.6	2.2
1986	9	31	5.0	3.5	2.8
1987	10	39	4.4	2.7	3.5
1988	9	45	4.2	2.3	4.1

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

Figure 5-5

Electric household appliances: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

5-14

Table 5-15

Electric household appliances: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*	*Percent*	
Mexico	36	46	71	87	140	78	91
Canada	2	2	3	3	80	4	3
Netherlands	3	3	2	3	-16	7	3
United Kingdom	(1)	(1)	(1)	2	62,800	(2)	2
Denmark	(1)	(1)	(1)	1	224	(2)	1
Haiti	1	1	1	1	-44	2	1
All others	4	4	3	1	-75	9	1
Total	46	56	81	96	110	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.

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

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

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for electric household appliances:

TSUS item	*HTS subheading*
683.3010	8479.89.30
	8509.10.00
683.3030	8479.89.30
	8509.10.00
683.3033	8479.89.30
	8509.10.00
683.3036	8509.10.00
683.3037	8479.89.30
	8509.10.00
683.3038	8479.89.30
	8509.10.00
683.3040	8479.90.40
	8509.90.20
	9603.50.00
683.3042	8479.90.40
	8509.90.20
	8603.50.00
683.3045	8479.90.40
	8509.90.20
	9603.50.00
683.3060	8479.89.20
	8479.90.80
	8509.20.00
	8509.90.30
	9603.50.00
683.3210	8438.80.00
	8509.40.00
683.3213	8438.80.00
	8509.40.00
683.3220	8479.89.60
	8509.80.00
683.3230	8435.10.00
	8509.40.00
683.3235	8438.80.00
	8509.40.00
	8509.80.00
683.3240	8479.89.10
	8509.80.00
683.3250	8479.89.60
	8479.89.70
	8509.30.00
	8509.80.00
683.3271	8479.89.10
	8479.89.60
	8479.89.70
	8509.30.00
	8509.80.00
683.3290	8435.90.00
	8438.90.90
	8479.90.40
	8479.90.80
	8509.90.40
683.4000	8510.20.00
	8510.90.30
683.5020	8510.10.00
683.5040	8510.90.20
683.5060	8508.80.00
	8508.90.00
684.1000	8516.40.20
684.1500	8516.40.40
684.2010	8516.72.00
684.2020	8516.71.00
684.2040	8516.60.60
	8516.79.00
684.2080	8516.79.00
684.2500	8419.81.10
	8516.50.00
684.2600	8419.81.10
684.2810	8419.81.50
	8516.60.40
684.2815	8419.81.50
	8516.60.40
684.2820	8419.81.50
	8516.60.40
684.2821	8419.81.50
	8516.60.40
684.2830	8419.81.50
684.3100	8419.81.50
684.3510	8516.29.00
684.3515	8516.29.00
684.3600	8516.29.00
684.3730	8419.81.90
	8516.10.00
	8516.21.00
	8516.29.00
684.3740	8516.80.40
	8516.80.80
	8516.90.40
684.3800	8516.10.00
	8516.29.00
	8516.80.40
	8516.80.80
	8516.90.40
684.3900	8419.81.90
	8516.80.40
684.4010	8516.29.00
684.4015	8516.29.00
684.4020	8419.81.90
	8516.10.00
	8516.21.00
	8516.29.00
684.4030	8419.81.90
	8516.10.00
	8516.21.00
	8516.29.00
684.4040	8516.90.40
684.4100	8516.61.00
	8516.90.40
684.4805	8516.31.00
684.4810	8516.32.00
684.4815	8516.32.00
684.4830	8419.81.90
	8516.33.00
684.4850	8512.40.20
684.5100	8419.81.90
684.5300	8516.80.40
	8516.80.80
684.5500	8512.90.70
	8516.80.40
	8516.80.80
	8516.90.60

Radio Receivers and Transceivers and Parts

U.S. imports of radio receivers and transceivers and parts thereof increased by 41 percent during 1985–88, from $2.2 billion to $3.1 billion (table 5–16). Imports of these articles under HTS subheading 9802.00.80 decreased by 43 percent during the period, from $512 million to $292 million. Similarly, the duty-free content of imports under subheading 9802.00.80 decreased by 43 percent to $91 million. The share of total imports accounted for by subheading 9802.00.80 thus fell from 23 percent to 10 percent during 1985–88, and the U.S.-made component of these entries consistently composed slightly less than one-third of the total value of subheading 9802.00.80 imports (table 5–17).

Table 5-16

Radio receivers and transceivers and parts: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
	Value (million dollars)		
1985	2,184	512	160
1986	2,309	449	143
1987	2,734	348	110
1988	3,072	292	91
	Change (percent)		
1988 from 1985	41	-43	-43
Average annual 1988 from 1985	12	-17	-17

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

Table 5-17

Radio receivers and transceivers and parts: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	9802.00.80 imports to total imports	Duty-free 9802.00.80 to total 9802.00.80 imports	Rate of duty		Total duty savings
			Nominal	Effective	
	Percent				*Million dollars*
1985	23	31	7.2	5.0	11.5
1986	19	32	6.7	4.6	9.6
1987	13	32	6.3	4.3	7.0
1988	10	31	6.5	4.5	5.9

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

The trade-weighted nominal rate of duty on radio receivers and transceivers declined moderately during 1985-88, from 7.2 percent ad valorem to 6.5 percent (table 5-17). The effective duty rate showed a similar reduction, decreasing from 5.0 percent to 4.5 percent ad valorem. However, the total duty savings contracted each year during the period, decreasing from $11.5 million to $5.9 million (table 5-17 and figure 5-6).

Mexico was the principal source of imports under subheading 9802.00.80, in terms of duty-free content, followed by Malaysia, Brazil, and Canada. In 1988, Mexico accounted for 55 percent of total imports of these goods under subheading 9802.00.80 and 65 percent of the value of the U.S.-origin components (table 5-18). U.S. firms have established plants in Mexico and in other low-wage-rate countries to reduce labor costs associated with certain assembly operations. The principal suppliers of U.S. imports of radio receivers and transceivers and parts are Japan, Taiwan, Korea, Hong Kong, Singapore, and Mexico. Imports from these sources accounted for 88 percent of total imports in 1988. U.S.-made components constituted 65 percent of the value of imports from Mexico under subheading 9802.00.80, compared with 12 percent for such imports from Malaysia.

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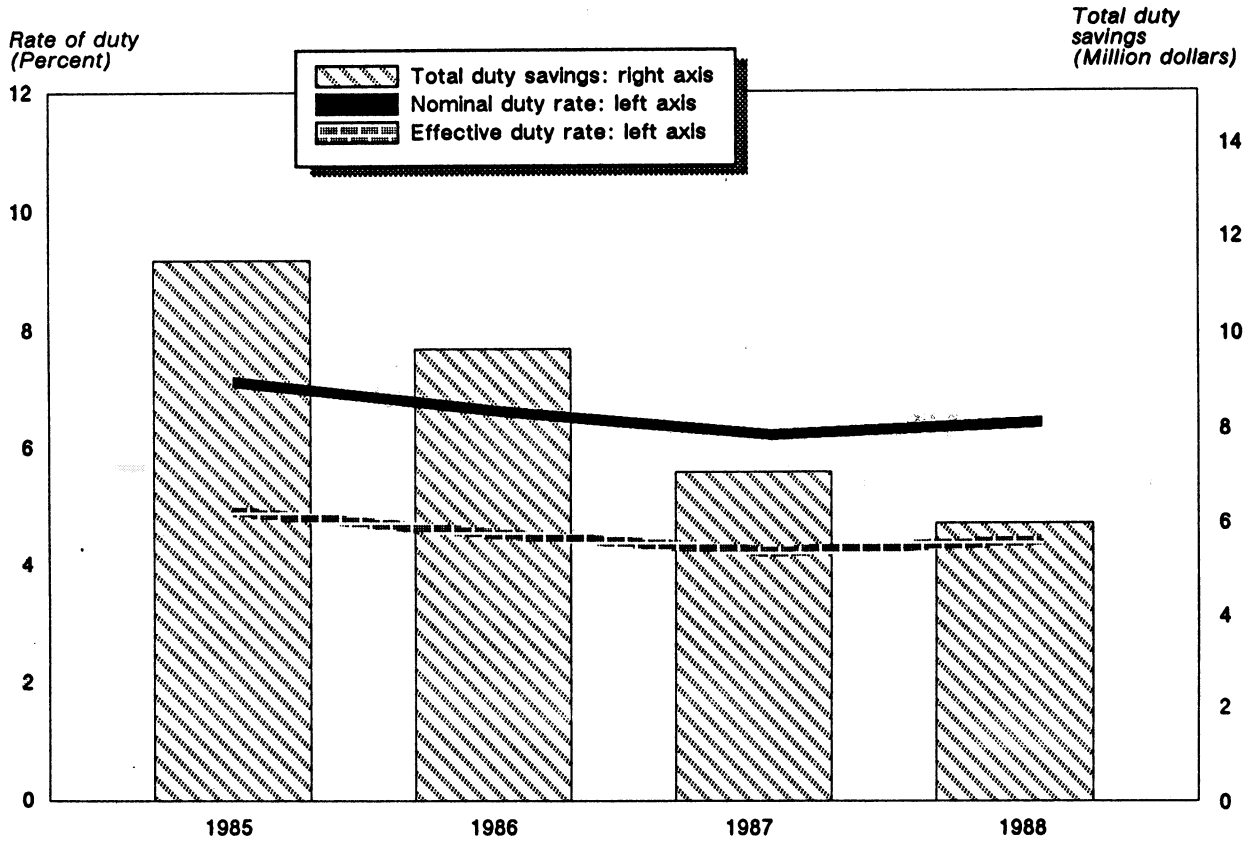
5-17

Figure 5-6
Radio receivers and tranceivers and parts: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

5-18

Table 5-18

Radio receivers and transceivers and parts: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	92	74	62	59	-36	58	65
Malaysia	18	19	13	11	-36	11	12
Brazil	2	1	6	10	350	1	11
Canada	14	18	14	5	-68	9	5
Singapore	26	24	13	2	(92)	16	2
Taiwan	1	1	1	2	203	(1)	2
Philippines	1	1	1	1	-25	1	1
Greece	(2)	1	(2)	1	116	(1)	1
All others	5	3	1	1	78	3	1
Total	160	143	110	91	-43	100	100

[1] Less than 0.5 percent.
[2] Less than $500.000.

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

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

5-19

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for radio receivers and transceivers and parts:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
684.80	8802.50.30	685.20	8525.20.15
	8803.90.30	685.22	8525.20.20
685.10	8527.39.00	685.25	8525.20.50
685.12	8527.29.00	685.28	8525.20.60
685.14	8527.19.00	685.30	8525.10.60
	8527.32.00	685.31	8525.10.80
	8527.39.00		8527.90.80
685.16	8527.90.80		8529.10.60
685.18	8525.20.05		8529.90.50

Mechanical Shovels, Coal-Cutters, Excavators, Scrapers, Bulldozers, and Excavating, Leveling, Boring, and Extracting Machinery Other Than Elevators, Winches, Cranes, and Related Machinery and Parts Thereof

The articles included here are generally referred to as construction and mining machinery. These products are used for excavating, leveling, drilling, boring, and extracting earth minerals or ores. Total U.S. imports of these products increased from $1.8 billion in 1985 to $2.4 billion in 1988, representing an increase of 35 percent. The value of U.S. imports of the products covered here that entered under HTS subheading 9802.00.80 grew by 69 percent during 1985–88 to $365 million (table 5–19). The ratio of imports entered under subheading 9802.00.80 to total imports averaged 13 percent during the period. A rise in U.S. construction activity triggered a sharp increase in subheading 9802.00.80 imports in 1988 over those in 1987. The U.S.-origin content of imports entered under subheading 9802.00.80 increased by 24 percent during the period to $89 million in 1988. The ratio of duty-free content to total value of subheading 9802.00.80 imports declined irregularly from 33 percent in 1985 to 24 percent in 1988.

The nominal rate of duty for this commodity group declined from 2.8 percent to 2.2 percent during 1985–88 (table 5–20); the effective duty rate for the commmodity group declined from 2.2 percent in 1985 to 1.7 percent in 1988. Total duty savings for the commodity group declined irregularly from $2 million in 1985 to $1.9 million in 1988 (table 5–20 and figure 5–7).

Canada was the dominant supplier of the articles imported under subheading 9802.00.80 during 1985–88, accounting for 53 percent of the total value and 79 percent of the duty-free content in 1988 (table 5–21). Japan accounted for 17 percent of the duty-free content in 1988. Canada, Japan, and Sweden were the largest sources of U.S. imports of these articles during the period.

Subheading 9802.00.80 is used extensively by U.S. manufacturers and their Canadian subsidiaries to rationalize production of components and subassemblies. This provision also facilitates the implementation of international joint ventures and licensing arrangements.

Construction and mining machinery are articles eligible for duty-free entry under the GSP. Total GSP imports increased by 8 percent during 1985–88 to $70.4 million, 3 percent of total U.S. imports. Brazil was the leading source of GSP imports during the period.

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Table 5–19
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, leveling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	1,804	216	72
1986	2,060	208	59
1987	2,253	282	66
1988	2,430	365	89
	Change (percent)		
1988 from 1985	35	69	24
Average annual 1988 from 1985	10	19	7

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

Table 5-20

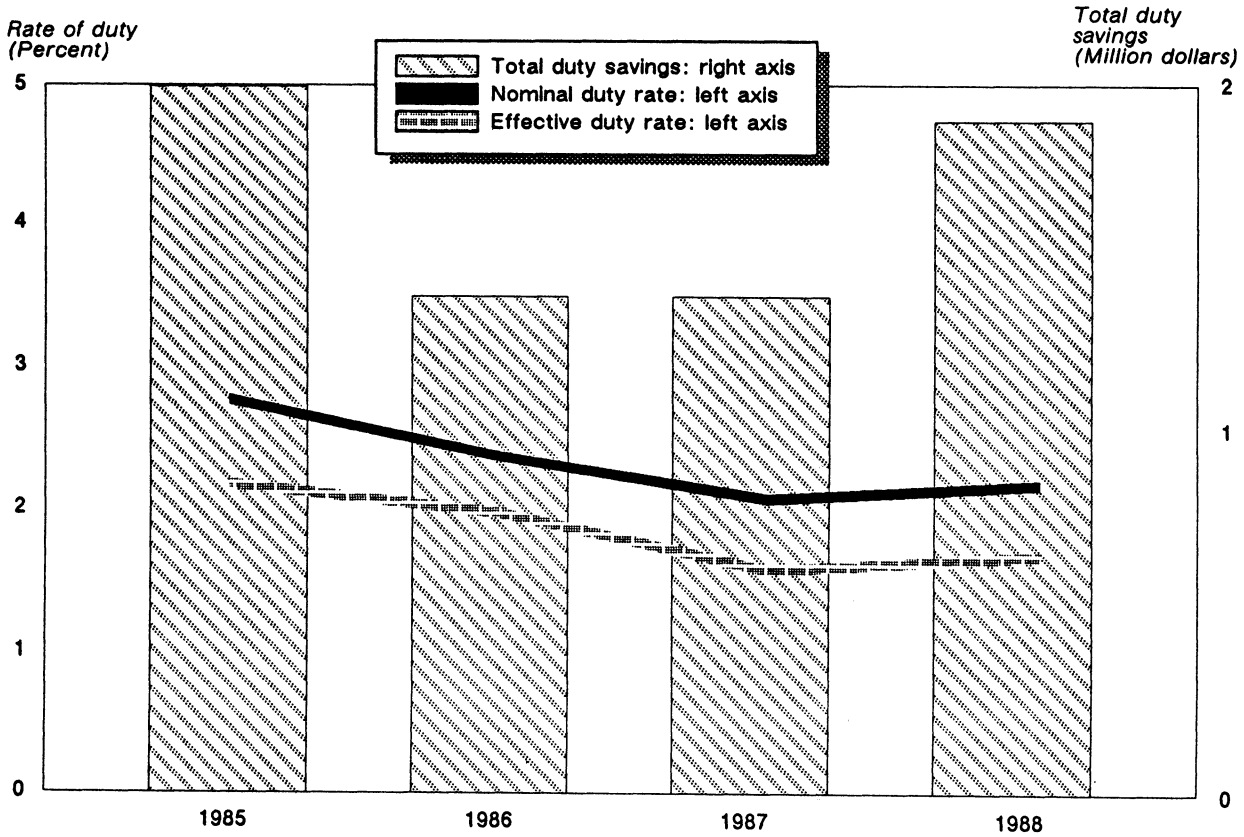
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, leveling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	12	33	2.8	2.2	2.0
1986	10	28	2.4	2.0	1.4
1987	13	23	2.1	1.6	1.4
1988	15	24	2.2	1.7	1.9

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

Figure 5-7

Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, leveling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

5-21

Table 5-21

Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, leveling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Canada	66	54	57	70	6	92	79
Japan	4	4	7	15	240	6	17
France	0	0	1	2	(1)	0	2
All others	1	1	2	2	90	2	2
Total	72	59	66	89	24	100	100

[1] Not applicable.

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

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

5-22

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, leveling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
664.0720	8429.51.10	644.0830—*Cont*	8429.11.00
664.0710	8429.52.10		8429.19.00
	8429.59.10		8429.20.00
664.0805	8430.31.00		8429.30.30
	8430.39.00		8429.40.00
664.0808	8430.31.00		8429.52.50
	8430.39.00		8429.59.50
	8430.41.00		8430.20.00
	8430.49.80		8430.41.00
664.0810	8430.31.00		8430.49.80
	8430.39.00		8430.50.50
	8430.41.00		8430.61.00
	8430.49.80		8430.62.00
644.0830	8429.10.00		8430.69.00

Telephone and Telegraph Apparatus

Imports of telephone and telegraph apparatus increased by 67 percent during 1985–88, from $2.3 billion to $3.8 billion (table 5–22). Imports of these products entered under HTS subheading 9802.00.80 increased by 26 percent, from $167 million to $210 million. During 1985–88, the annual growth rate for U.S. import of telephone and telegraph apparatus was 19 percent per year, whereas the annual growth rate for those entered under subheading 9802.00.80 was 8 percent. The duty-free content returned under subheading 9802.00.80 averaged 30 percent of the overall value of telephone and telegraph apparatus entered under 9802.00.80 each year, totaling $60 million in 1988 (tables 5–22 and 5–23).

The nominal and effective rates of duty for articles entered under subheading 9802.00.80 dropped slightly during 1985–88 from 7.8 percent and 5.4 percent, respectively, in 1985, to 7.6 percent and 5.4 percent, respectively, in 1988. Total duty savings increased from $9 million to $11.4 million during the period (table 5–23 and figure 5–8).

The principal sources of imports for telephone and telegraph apparatus under HTS subheading 9802.00.80 during 1985–88 were Mexico and Canada. Imports from these two countries comprised over one-half of the total in 1988. The share of duty-free subheading 9802.00.80 imports accounted for by Mexico rose from 65 percent to 68 percent during the period, whereas Canada's share rose from 16 percent to 17 percent (table 5–24). U.S.-made components accounted for 54 percent of the value of subheading 9802.00.80 imports from Mexico in 1988 and 12 percent from Canada. A number of U.S. firms have established assembly operations in Mexico. The large percentage of 9802.00.80 imports from Mexico indicates that more U.S. producers are taking advantage of that country's low-cost labor. Imports from Canada under the same provision are largely attributable to Northern Telecom, the manufacturing arm of Bell Canada and the largest foreign-based producer of telephone apparatus in the United States.

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Table 5–22
Telephone and telegraph apparatus: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
		Value (million dollars)	
1985	2,250	167	53
1986	2,623	195	63
1987	3,121	190	55
1988	3,763	210	60
		Change (percent)	
1988 from 1985	67	26	15
Average annual 1988 from 1985	19	8	4

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

5–23

Table 5-23

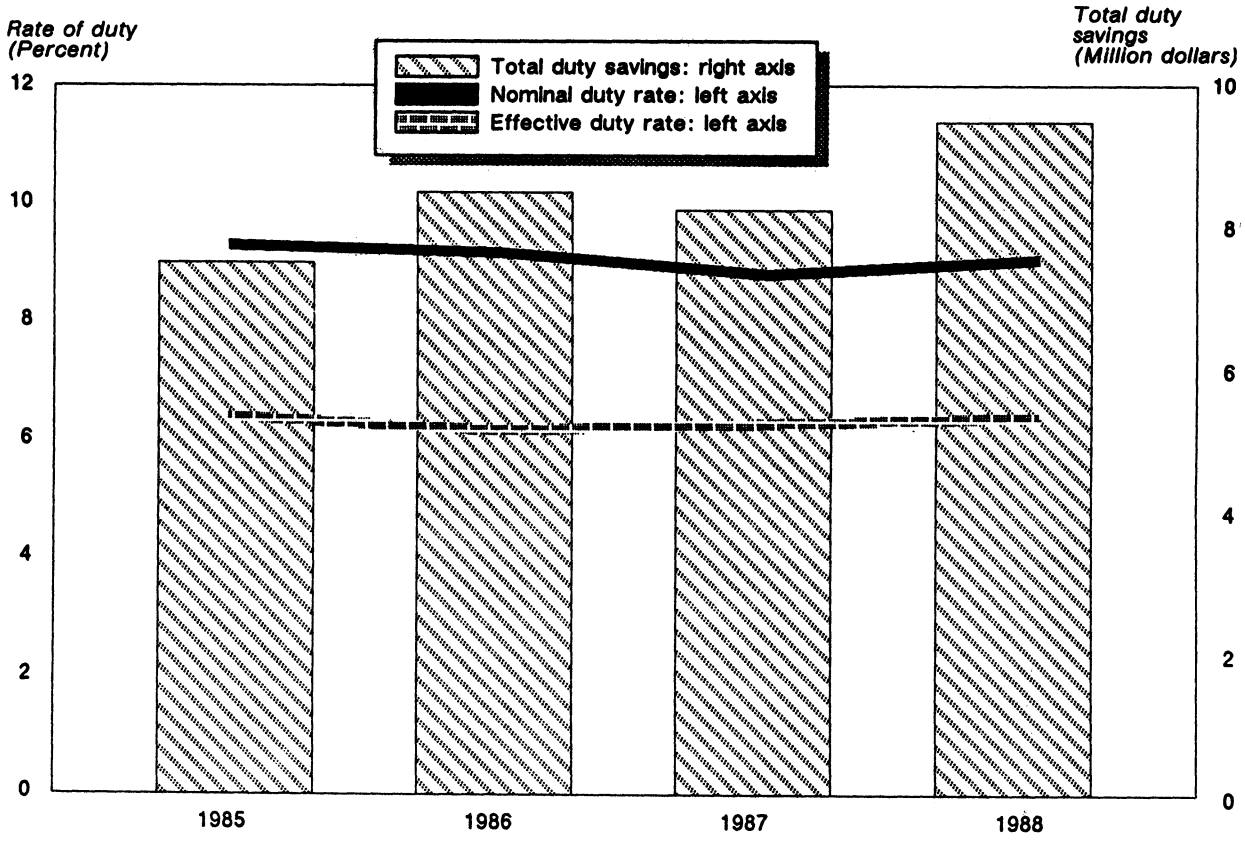
Telephone and telegraph apparatus: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	9802.00.80 imports to total imports	Duty-free 9802.00.80 to total 9802.00.80 imports	Rate of duty		Total duty savings
			Nominal	Effective	
	Percent				Million dollars
1985	7	31	7.8	5.4	9.0
1986	7	32	7.7	5.2	10.2
1987	6	29	7.4	5.3	9.9
1988	6	29	7.6	5.4	11.4

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

Figure 5-8

Telephone and telegraph appartus: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

5-24

Table 5-24

Telephone and telegraph apparatus: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	34	42	41	41	19	65	68
Canada	9	7	7	10	22	16	17
China	0	1	3	2	(1)	0	3
Barbados	0	(2)	(2)	2	(1)	0	3
Hong Kong	1	6	2	1	(3)	3	2
Korea	(2)	(2)	1	1	1,405	(3)	2
All others	8	7	2	3	-66	16	5
Total	53	63	55	60	15	100	100

[1] Not applicable.
[2] Less than $500,000.
[3] Less than 0.5 percent.

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

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

5-25

The following list includes the concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for telephone and telegraph apparatus:

TSUS item	*HTS subheading*
684.57	8517.30.15
	8517.30.20
	8517.30.25
	8517.30.30
	8517.90.05
	8517.90.10
	8517.90.15
	8517.90.40
684.58	8517.10.00
	8517.30.10
	8517.40.50
	8517.90.10
	8517.90.30
	8517.90.35
	8517.90.40
684.59	8517.81.00
	8517.40.10
	8517.40.50
	8517.90.10
	8617.90.40
684.62	8517.10.00
	8517.30.10
	8517.30.15
	8517.30.20
	8517.30.25
	8517.30.30
	8517.40.10
	8517.40.50
	8517.81.00
	8517.90.05
	8517.90.10
	8517.90.15
	8517.90.30
	8517.90.35
684.63	8517.10.00
	8517.30.10
	8517.40.10
	8517.40.50
	8517.81.00
	8517.90.05
	8517.90.10
	8517.90.15
	8517.90.30
	8517.90.35
684.64	8517.20.00
	8517.30.50
	8517.40.10
	8517.40.70
	8517.82.00
	8517.90.55
	8517.90.60
	8517.90.70
	8517.90.80
685.65	8517.30.50
	8517.90.60
684.66	8517.20.00
	8517.40.10
	8517.40.70
	8517.82.00
	8517.90.70
684.67	8517.40.10
	8517.40.70
	8517.82.00
	8517.90.55
	8517.90.80
684.70	8518.10.00
	8518.21.00
	8518.22.00
	8518.29.00
	8518.30.10
	8518.30.20
	8518.40.20
	8518.50.00
	8518.90.30

Chapter 6

Imports Under HTS Subheading 9802.00.80: Textiles, Apparel, and Footwear

U.S. imports of textiles, apparel, and footwear under HTS subheading 9802.00.80 doubled during 1985–88, to $2.4 billion in 1988, more than twice the rate of growth in total imports of these products, as shown in table 6–1. The textile, apparel, and footwear sector accounts for a major share of the total duty-free content of all subheading 9802.00.80 imports. Its share peaked at 15 percent in 1986 before falling to 8 percent in 1988. This decline did not represent a real change in the use of subheading 9802.00.80 by the sector, but rather reflected a surge in the use of the provision by other product sectors to avoid the Customs User Fee, which went into effect in December 1986.

Apparel accounted for about 85 percent of all imports of textiles, apparel, and footwear under subheading 9802.00.80 in 1988. Footwear supplied an additional 9 percent. The duty-free content of apparel imports, unlike most other products entered under subheading 9802.00.80, exceeds the dutiable portion of such imports. During 1985-88, the U.S.-made content averaged 60 percent for apparel versus less than 20 percent for all other product sectors combined (table 6–2). Consequently, the tariff advantage of subheading 9802.00.80 is more significant for apparel, especially since apparel imports were assessed an average tariff of 20.3 percent ad valorem versus only 3.5 percent for all other products in 1988. Duty savings on the sector's imports totaled $251 million in 1988, as shown in table 6–2 and figure 6–1.

Although the duty savings are economically important to the textile, apparel, and footwear sector, the cost savings of performing the labor-intensive assembly operations in low-labor-cost countries are more significant. Most of the foreign sewing operations are located in Mexico and the Caribbean countries, as evidenced by the duty-free content of subheading 9802.00.80 imports shown in table 6–3. U.S. firms own or lease plants, or contract with existing plants, which sew or otherwise assemble mostly U.S. garment parts together. These countries have an abundant supply of low-cost labor, and their proximity to the United States provides U.S. firms with greater control over production and shorter delivery lead-times than over goods from the Far East.

Table 6–1

Textiles, apparel, and footwear: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	26,102	1,172	723
1986	29,976	1,434	906
1987	34,778	1,841	1,065
1988	36,595	2,382	1,312
	Change (percent)		
1988 from 1985	40	103	81
Average annual 1988 from 1985	12	27	22

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

Table 6–2

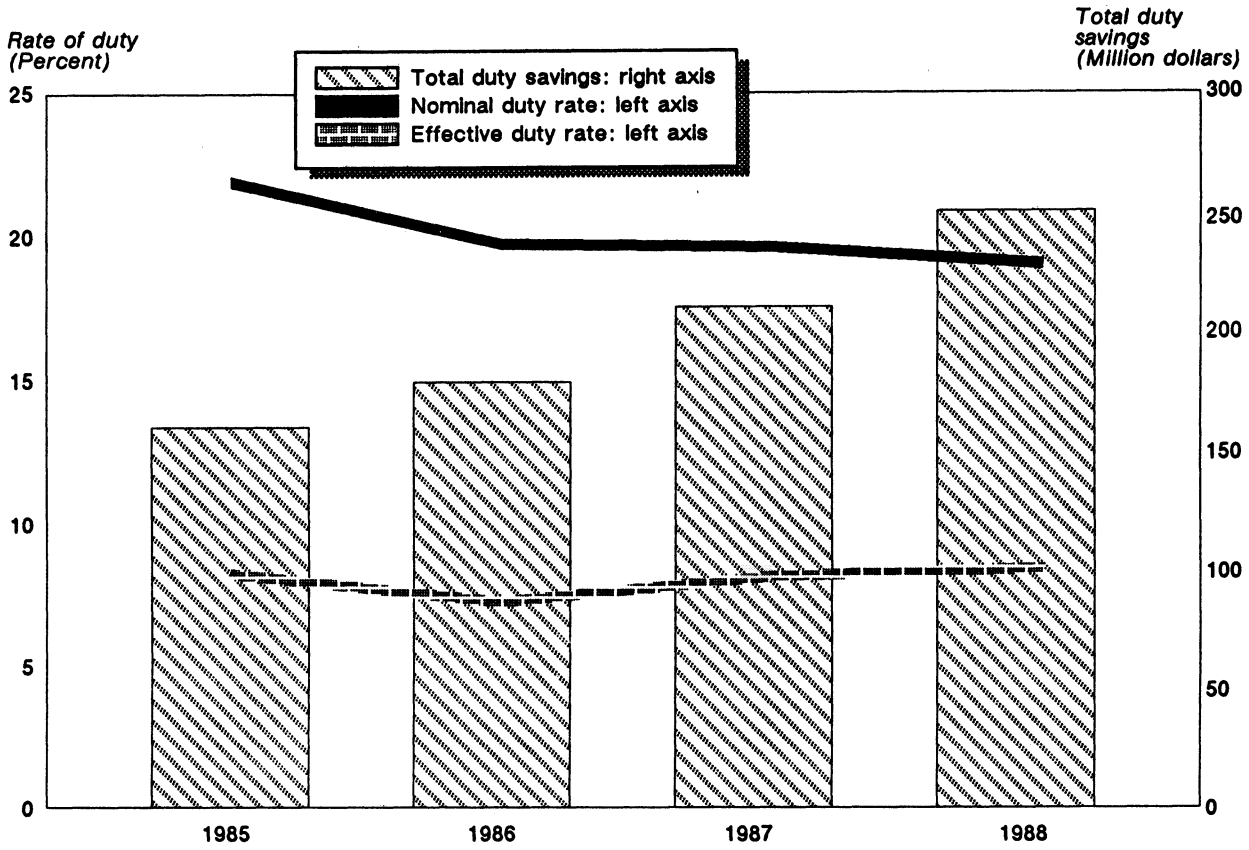
Textiles, apparel, and footwear: Nominal and effective rates of duty under subheading 9802.00.80 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	4	62	22.1	8.4	161
1986	5	63	19.9	7.4	180
1987	5	58	19.8	8.3	211
1988	7	55	19.2	8.6	251

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

6–1

Figure 6-1
Textiles, apparel, and footwear: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

The cost savings of using foreign sewing facilities in the 9802.00.80 apparel industry are shown in table 6-4 for four typical garments. The table compares the costs of producing these garments in the United States, in a sewing operation using subheading 9802.00.80 in the Caribbean Basin, and in Hong Kong, the major source of imported apparel. The figures represent typical costs and are used only to illustrate the significance of labor costs and other costs. The data show that assembly costs in the Caribbean are only one-third of U.S. assembly costs and three-fourths of Hong Kong's costs. Although this cost advantage vis-a-vis U.S. production is partly offset by duties and other expenses associated with importing, the use of Caribbean-assembled products still results in cost savings of between 15 and 30 percent.

Within the Caribbean Basin, the 9802.00.80 apparel trade is dominated by four countries: the Dominican Republic, Jamaica, Costa Rica, and Haiti. Such trade accounts for the majority of total apparel imports from these and other Caribbean countries. However, in more recent years, non-9802.00.80 apparel imports from the Caribbean have been rising more rapidly than subheading 9802.00.80 shipments, although from a much smaller base. Imports of non-9802.00.80 apparel from the Caribbean more than quadrupled during 1985-88, to $327 million in 1988, and those under subheading 9802.00.80 doubled to $1.1 billion.

The tight quota situation facing Hong Kong, Korea, and Taiwan, whose shipments are limited to average annual quota growth of about 1 percent, has encouraged producers there and U.S. importers to shift production to other countries not limited by restrictive quotas, such as those in the Caribbean. The Asian investors usually supply their own fabrics. Historically, Jamaica has had a relatively high balance of non-9802.00.80 shipments, partially because of its attractiveness to Asian investors. Jamaica offers foreign investors preferential access not only to U.S. markets, but also to EC markets under the Lome Conven-

6-2

Table 6-3

Textiles, apparel, and footwear: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*		
Mexico	282	363	380	406	44	39	31
Dominican Republic	143	190	234	318	122	20	24
Costa Rica	62	84	92	131	111	9	10
Haiti	80	78	97	102	47	11	8
Jamaica	28	49	84	96	245	4	7
Colombia	22	26	30	50	122	3	4
Honduras	17	20	27	39	135	2	3
Guatemala	6	9	20	30	424	1	2
Korea	4	4	7	27	593	1	2
El Salvador	6	6	13	17	177	1	1
All other	74	76	81	94	27	10	7
Total	723	906	1,065	1,312	81	100	100

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

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

Table 6-4

Cost comparison of producing selected apparel products among the United States, the Caribbean Basin, and Hong Kong under subheading 9802.00.80, 1987

Country	Materials		Labor and overhead		Freight, duty and related costs	Total costs
	Fabric	Total	Cutting	Assembly		
			Women's blouses[1]			
Domestic	$2.91	$3.33	$0.29	$4.75	$0.04	$8.41
Caribbean	2.90	13.33	.29	1.66	.77	6.05
Hong Kong	2.10	12.53	.09	2.20	1.41	6.23
			Men's sport coats[2]			
Domestic	$9.00	$14.90	$3.84	$15.66	$0.08	$34.48
Caribbean	9.00	14.90	3.84	5.44	3.49	27.67
Hong Kong	7.20	11.63	1.26	7.24	8.12	28.25
			Brassieres[3]			
Domestic	$0.55	$2.19	$0.18	$1.79	$0.01	$4.17
Caribbean	.55	2.19	.18	.73	.45	3.55
Hong Kong	.43	1.65	.07	.83	.87	3.42
			Men's casual slacks[4]			
Domestic	$3.03	$3.59	$0.16	$4.46	$0.02	$8.23
Caribbean	3.03	3.59	.16	1.50	6.57	5.88
Hong Kong	2.51	2.93	.06	2.08	1.26	6.33

[1] Long-sleeve blouses, not ornamented, of 55 percent cotton and 45 percent polyester.
[2] Men's sport coats, not ornamented, of 100 percent polyester.
[3] Manmade-fiber underwire brassieres. The 9802.00.80 cost assumes finishing in the United States. The Hong Kong cost is for a finished package.
[4] Men's casual slacks, not ornamented, of 100 percent cotton canvas fabric.

Source: Compiled by the U.S. International Trade Commission, Textiles Division, from industry sources.

tion.[1] Although the United States is Jamaica's largest market by far, Europe and Canada are also significant markets. Jamaica's history of democratically elected governments and of relatively peaceful transfers of power and Jamaica's use of English as the official language have also encouraged the growth of foreign investment in Jamaica.

One of the principal attractions for foreign investment in the Caribbean is the relatively low labor costs there. Of the four leading Caribbean suppliers, the Dominican Republic and Haiti offer the lowest hourly wage rates, $0.55 and $0.58 (including fringes), respectively. These two countries also offer the largest pools of available labor. Productivity, on the average, in the four Caribbean countries ranges between 75 and 85 percent of the U.S. rate, with Haiti being on the lower end and the Dominican Republic and Costa Rica on the higher end. Costa Rica has a 93.1 percent literacy rate, the highest in the region, compared with Haiti's rate of 25 percent. Liberal social benefits and a better educated workforce account for Costa Rica's relatively higher wage rate of $1.15 per hour (including fringes). However, these higher wages are offset by Costa Rica's ability to handle a full range of production and frequent style changes. Haiti, on the other hand, is more limited to the production of budget articles with few style changes.

Political stability and the ability to provide for a healthy business environment are also key to attracting foreign investment. Costa Rica can attribute much of its success as a leader in production of goods for entry under subheading 9802.00.80 to its history of political stability and to its well-developed infrastructure, communications network, and social programs. Haiti, although the fourth largest 9802.00.80 supplier, suffers from a lack of foreign investment. Political instability, unreliable energy sources, and the concern over the spread of AIDS have discouraged many potential investors from setting up production in Haiti. In recent years, there has been no substantial investment there by U.S. groups and only one significant East Asian business venture. Thus, in Haiti, more emphasis is placed on securing contracts using 9802.00.80 for the local producers than on attracting new foreign investments.[2]

[1] Jamaica is one of 13 Caribbean countries included in the Lome Convention, which provides for preferential access to the EC markets for agricultural and manufactured products. Trade preferences for the Dominican Republic, Costa Rica, and Haiti are restricted to those included under the EC's Generalized System of Preferences (GSP).

[2] Peter Steele, *The Caribbean Clothing Industry: The U.S. and Far East Connections* (New York: The Economist Intelligence Unit, 1988), p. 86.

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The Caribbean countries compete in attracting potential investors through various government incentives such as tax breaks and free zones. All four of the subject countries have free zones, which provide investors with production sites that have substantial tax breaks and duty exemptions. The Dominican Republic has a relatively extensive free zone system and the majority of its apparel exports originate in the nine zones in operation. The Caribbean region also benefits from other existing U.S. programs. Section 936 of the Internal Revenue Code provides a tax break to U.S. companies operating "twin" or complementary plants in Puerto Rico and CBERA beneficiary countries. This program has further increased the attraction of investments in sewing operations using 9802.00.80 in the Caribbean. The use of the Spanish language in the Dominican Republic has helped attract investment in joint offshore assembly operations with apparel producers in Puerto Rico.

Currently, the Caribbean countries are facing the dilemma of choosing between U.S. 9802.00.80-related investments and East Asian investments. East Asian projects usually contribute higher value added, more labor, higher level of investments and higher development of skilled staff to the local economy than the alternative 9802.00.80-sewing operations. However, to promote good relations with the U.S. textile and apparel industries and to avoid tightened U.S. trade restrictions, the Caribbean countries realize that they must be careful to discourage surges of East Asian apparel into the U.S. market. Although East Asian investment was actively encouraged in the early 1980s, in more recent years, promotion has become less active. Potential investors have been encouraged to enter into the less trade-sensitive areas, and, in some cases, East Asian investment in the apparel sector has reportedly been totally discouraged. The more advanced countries in the region are also facing the need to allocate resources to higher technology industry. In some countries, such as Costa Rica, investment in textiles has been deemphasized in order to attract investment in higher technology production.[3]

Imports of most textiles and apparel, including those entered under subheading 9802.00.80, are subject to quantitative restraint under the Multifiber Arrangement (MFA).[4] The MFA initially covered trade in cotton, wool, and man-made-fiber goods, but its product coverage was broadened in 1986 to include subheadings of silk blends and miscellaneous vegetable fibers, such as linen and ramie. MFA-covered products and most footwear are not eligible for duty-free treatment under the GSP (implemented in 1984), nor are the original MFA products and most footwear eligible for such treatment under the CBERA.

At the time the CBERA program was originally announced, President Reagan stated his intention to liberalize quotas for textile and apparel imports from CBERA countries. In February 1986, the President unveiled a "special access program" under former TSUS item 807.00 for apparel and made-up textiles, such as bed linens, from eligible CBERA countries. The program, designed to increase production in these countries and expand sales of U.S. fabrics, grants CBERA countries greater access to the U.S. market for products assembled from fabric produced and cut in the United States. Under the traditional Customs interpretation of HTS subheading 9802.00.80 and its predecessor, the fabric need only be cut (as opposed to being made) in the United States for an imported article to be exempt from duty on the value of the U.S. parts or U.S.-made component materials.

The special access program, often referred to in the trade as 807–A, was formally implemented in September 1986, when a new bilateral textile agreement with Jamaica went into effect. Since then, bilateral agreements have been signed with the Dominican Republic, Costa Rica, Haiti, and Trinidad and Tobago to participate in this program, under which guaranteed access levels (GALs) are established to ensure market access for qualifying products. These GALs are separate from and usually higher than the specific limits (SLs), or quantitative quotas, and designated consultation levels (DCLs) applicable to products not assembled solely from U.S.-made-and-cut fabric. In addition, the GALs may be increased on request by the exporting country and, barring market disruption, increases are virtually automatic and unlimited. Imports of apparel under 807–A in 1988 totaled $219 million, or 20 percent of total subheading 9802.00.80 imports of apparel from CBERA countries. Jamaica and the Dominican Republic supplied 87 percent of the shipments that year. However, none of the five CBERA countries participating in the 807–A program has filled much of its GALs, or even a significant portion of its SLs and DCLs, during 1988–89, as shown in the table 6–5.

The average rate of duty on apparel imports from all countries in 1988 was 20 percent ad valorem. The actual or effective rate on apparel entered under GALS in 1988 averaged 4.9 percent, because three-fourths of the total value of these imports consisted of U.S.-made components exempt from duties under subheadings 9802.00.80. With regard to Caribbean apparel covered by SLs and DCLs, approximately

[3] Ibid., p. 104.

[4] The MFA, an international agreement negotiated under the auspices of the General Agreement on Tariffs and Trade, provides the framework for the negotiation of agreements between importing and exporting nations, or for unilateral action by importing nations in the absence of an agreement, to regulate textile and apparel trade among its signatories. The MFA began in 1974 and was extended in 1986, for a third time, through July 1991. The United States has agreements with 42 countries, including the major 9802.00.80 suppliers—Mexico, the Dominican Republic, Haiti, Costa Rica, and Jamaica.

Table 6-5

Quota Performance of the Dominican Republic, Jamaica, Costa Rica, and Haiti

Country quota period categories	*Description*	*Type of quota*	*Percentage quota filled*[1]
Dominican Republic			
June 1, 1988 - May 31, 1989:			
340/640	Men's woven shirts	SLs	82.1
		GALs	15.9
633	Men's MMF suit-type coats	SLs	68.5
644	Women's MMF suits	SLs	59.9
		GALs	1.0
Dec. 1, 1988 - May 31, 1989:			
338/638	Men's knit shirts	SLs	55.3
		GALs	17.2
339/639	Women's knit blouses	SLs	88.1
		GALs	19.9
342/642	Cotton and MMF skirts	SLs	48.7
		GALs	12.7
347/348/647/648	Cotton and MMF trousers	SLs	88.2
		GALs	76.3
Jamaica			
Jan. 1, 1988 - Dec. 31, 1988:			
331/631	Cotton and MMF gloves	DCLs	26.0
		GALs	12.1
336/636	Cotton and MMF dresses	DCLs	32.0
347/348/647/648	Cotton and MMF trousers	SLs	56.7
		GALs	44.6
338/339/638/639	Cotton and MMF knit shirts and blouses	SLs	65.7
		GALs	65.0
340/640	Men's woven shirts	SLs	65.0
		GALs	13.5
341/641	Women's woven blouses	SLs	66.3
		GALs	5.5
342/642	Cotton and MMF skirts	DCLs	24.9
345/845	Cotton and other vegetable fiber sweaters	SLs	78.4
		GALs	0.0
349/649	Body supporting garments	DCLs	96.9
		GALs	6.5
352/652	Underwear	DCLs	50.6
		GALs	81.0
445/446	Wool sweaters	SLs	28.3
447	Men's wool trousers	DCLs	36.8
632	Hosiery	DCLs	63.6
		GALS	91.5
Costa Rica			
Jan. 1, 1988 - Dec. 31, 1988:			
340/640	Men's woven shirts	SLs	79.8
June 1, 1988 - May 31, 1989:			
342/642	Skirts	SLs	52.0
Jan. 1, 1989 - May 31, 1989:			
347/348	Cotton trousers	DCLs	48.0

See footnote at end of table.

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Table 6-5—*Continued*

Quota Performance of the Dominican Republic, Jamaica, Costa Rica, and Haiti

Country quota period categories	*Description*	*Type of quota*	*Percentage quota filled*[1]
Haiti			
Jan. 1, 1988–Dec. 31, 1988:			
237	Playsuits, sunsuits, etc	DCLs	16.1
		GALs	79.0
331	Cotton gloves	DCLs	79.0
		GALs	15.8
340/640	Men's woven shirts	DCLs	79.2
		GALs	5.7
341/641	Women's woven blouses	DCLs	66.1
		GALs	11.3
347/348	Cotton trousers	DCLs	92.1
		GALs	50.6
349/649	Body supporting garments	GALs	1.7
350	Cotton dressing gowns	DCLs	100.0
		GALs	20.0

[1] U.S. Customs data as of June 30, 1989.

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

three-fourths to these imports in 1988 entered under subheading 9802.00.20, and the nominal and effective rates on such imports in 1988 were 21.3 percent and 7.1 percent, respectively, as shown in the following tabulation.

	Rate of duty	
	1988	
Subheading	*Nominal*	*Effective*
807-A (GALs)	18.7	4.9
Regular 9802.00.80	21.3	7.1
Other (non-9802.00 80)[1]	17.5	17.2

[1] Less than 1 percent of total imports are eligible for duty-free treatment under the CBERA.

A program similar to 807-A was created for Mexico in the new 4-year bilateral textile and apparel agreement that went into effect on January 1, 1988. A "special regime" was established for most apparel, and selected made-up textiles entered under subheading 9802.00.80, whereby a significant portion of the quotas was for the first time set aside for articles assembled with U.S.-made-and-cut fabric. Unlike the 807-A program, which uses separate quotas (GALs) and permits virtually unlimited market access for such products, the special regime combines products of U.S. and foreign fabrics under the same quota and limits quota growth to 6 percent annually. However, the new agreement with Mexico also increases its U.S. quotas significantly above the 1987 base levels to accommodate the special regime, which became effective on January 1, 1989.

Until the special regime was negotiated, the Mexican Government was reluctant to approve additional participation by U.S. apparel producers in the Maquiladora program. The Mexican Government was concerned that so much of the quota would be filled by U.S.-based companies that Mexican firms would be denied access to the U.S. market. The Mexican Government encouraged existing U.S.-affiliated maquila operations that were exporting apparel to foreign markets to do so directly from Mexico rather than export maquila-sewn apparel from related facilities in the United States so that more room would be left in the quotas for production by Mexican companies.

The use of subheading 9802.00.80 is widespread among many importers of apparel products, as shown in table 6-6. However, nearly three-fourths of the sector's imports under the provision, in terms of duty-free content, are concentrated in five products: trousers, slacks, and shorts; body-supporting garments, mostly brassieres; shirts and blouses; footwear; and coats and jackets. These products, for men, women, and children, are analyzed separately in the remainder of this chapter.

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Table 6-6

Apparel: U.S. imports for consumption, total and under HTS subheading 9802.00.80, by types, 1988

Subheading	Total imports	Subheading 9802.00.80 imports: Total	Subheading 9802.00.80 imports: Duty-free value	Ratio of 9802.00.80 imports to total imports	Ratio of duty-free value to total 9802.00.80 imports
	Million dollars			Percent	
Men's trousers	1,606	396	278	25	70
Body-supporting garments	304	232	156	76	67
Women's trousers	1,898	194	118	10	61
Men's shirts	2,658	192	104	7	54
Women's shirts	3,191	164	91	5	56
Underwear	282	77	59	27	76
Men's coats	1,065	75	47	7	63
Women's coats	1,143	57	33	5	58
Skirts	786	64	31	8	49
Nonwoven disposable apparel	41	39	30	95	77
Sleepwear	309	55	30	18	55
Dresses	826	44	26	5	59
Women's suits	193	31	21	16	68
Men's and women's coveralls	87	27	19	31	70
Gloves	840	37	18	4	49
Pantyhose	37	19	16	51	84
Robes and dressing gowns	141	23	16	16	70
Headwear	303	15	10	5	67
All other	5,633	48	25	1	52
Total	21,202	1,766	1,112	8	63

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

Trousers, Slacks, and Shorts

Trousers, including slacks and shorts, are the single largest apparel product entered under HTS subheading 9802.00.80. Trouser imports under subheading 9802.00.80 rose nearly three times as fast as total trouser imports during 1985–88, from $243 million to $590 million, as shown in table 6–7. Consequently, the share of total imports accounted for by subheading 9802.00.80 imports rose from 11 percent in 1985 to 17 percent in 1988 (table 6–8). Subheading 9802.00.80 imports accounted for about 7 percent of the volume of U.S. producers' shipments in 1987.

The duty-free value of subheading 9802.00.80 imports climbed by 127 percent during 1985–88, to a high of $397 million in 1988. The nominal rate of duty for trousers declined during 1985–88, from 23.5 to 21.0 percent, but the effective rate rose from 6.6 to 6.9 percent. However, because of the substantial growth in subheading 9802.00.80 imports, duty savings doubled during the period to $83 million (table 6–8 and figure 6–2).

Trousers entered under subheading 9802.00.80 usually have a relatively large share of U.S. content. This product contains more fabric than most other apparel and, therefore, fabric and trim costs are high compared with assembly costs, especially when low-cost labor is used. The duty-free content slipped from 72 percent of the total value of subheading 9802.00.80 imports in 1985 to 67 percent in 1988. This decline partly reflected an increase in imports of mostly women's trousers from Asia that contained a negligible amount of U.S. content, and also reflected a small decline in U.S. content of shipments primarily from the Dominican Republic.

All but a small part of the imports under subheading 9802.00.80 during 1985–88 came from five countries—Mexico, the Dominican Republic, Costa Rica, Jamaica, and Haiti. Mexico remained the dominent supplier but, although its shipments expanded during 1985–88, the country's share of duty-free content decreased from 41 percent to 32 percent, as shown in table 6–9. In contrast, shipments from the Dominican Republic quadrupled during 1985–88, enabling this supplier to increase its share of duty-free content from 24 percent to 32 percent. Substantial growth also occurred in shipments from Costa Rica and Jamaica, with the value of U.S. content of 9802.00.80 imports from both nearly tripling during 1985–88.

Table 6-7

Trousers, slacks, and shorts: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	2,262	243	174
1986	2,627	324	232
1987	3,174	428	296
1988	3,504	590	397
	Change (percent)		
1988 from 1985	55	143	127
Average annual 1988 from 1985	16	34	32

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

Table 6-8

Trousers, slacks, and shorts: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	11	72	23.5	6.6	41
1986	12	72	22.2	6.2	52
1987	13	69	21.7	6.7	64
1988	17	67	21.0	6.9	83

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

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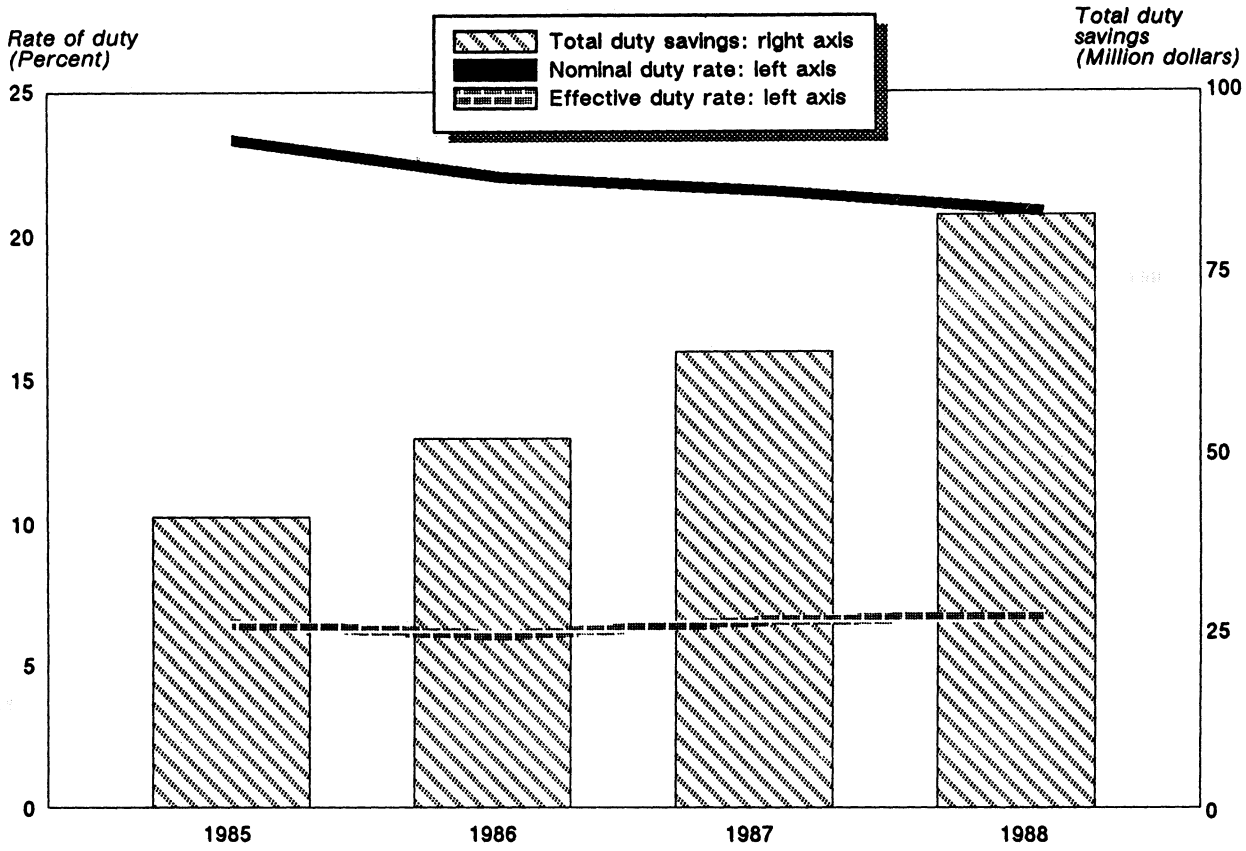
Figure 6-2
Trousers, slacks, and shorts: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

The only countries listed in table 6-9 whose shipments of trousers, including those under subheading 9802.00.80, were subject to specific limits or quotas, during 1988 were Mexico and the Dominican Republic. The quotas for these sources were binding. Quotas that are at least 85 percent filled can be considered binding because, at this level, Customs officials are especially careful about permitting additional imports, and importers become uncertain whether specific shipments will be allowed entry. Mexico filled nearly all of its quotas on trousers of cotton (2.2 million dozen), and man-made fibers (1.2 million dozen), and the Dominican Republic filled 88 percent of its quota on cotton and man-made-fiber trousers.

A more flexible form of import control called designated consultation levels (DCLs), which cannot be exceeded unless the United States agrees to further shipments, was in effect on wool pants from Mexico, cotton pants from Haiti and Costa Rica, and cotton and man-made-fiber pants from Trinidad and Tobago. The only DCL filled at least 85 percent was that for imports from Haiti. GALs were in effect for Haiti, Jamaica, the Dominican Republic, and Trinidad and Tobago, but they were substantially unfilled.

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Table 6-9

Trousers, slacks, and shorts: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*		
Mexico	71	80	99	126	77	41	32
Dominican Republic	43	64	84	125	194	24	32
Costa Rica	16	28	33	47	188	9	12
Jamaica	12	21	32	34	195	7	9
Haiti	18	20	25	27	48	10	7
Colombia	3	3	2	10	193	2	3
Guatemala	2	5	8	9	442	1	2
Honduras	5	5	6	8	58	3	2
Belize	2	2	4	6	204	1	2
All other	3	5	3	5	78	2	1
Total	174	232	296	397	127	100	100

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

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

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for men's and boys' trousers, slacks and shorts:

TSUS item	*HTS subheading*
COTTON	
381.0005	6203.42.20
381.0252	6112.11.00
381.0254	6103.42.10
381.0429	6117.90.00
381.9930	6103.42.10
384.0530	6203.42.40
381.0540	6203.42.40
381.0542	6203.42.40
381.0546	6203.42.40
	6203.43.30
381.0832	6217.90.00
381.3509	6103.42.10
381.3930	6112.11.00
381.3940	6103.42.10
381.4343	6117.90.00
381.6005	6203.42.20
381.6210	6203.42.40
381.6220	6203.42.40
381.6230	6203.42.40
381.6240	6203.42.40
381.6250	6203.42.40
381.6260	6203.42.40
381.6270	6203.42.40
381.6543	6217.90.00
381.6611	6103.42.10
381.6924	6203.42.40
381.8510	6103.42.10
381.8634	6203.19.10
	6203.42.40
WOOL	
381.1330	6103.41.10
	6103.43.10
381.1539	6117.90.00
381.1750	6203.41.10
381.2015	6217.90.00
381.3530	6103.41.10
381.6624	6103.41.10
381.6954	6203.41.10
381.7160	6103.41.10
	6103.43.10
	6103.49.10
381.7580	6103.41.10
	6103.43.10
	6103.49.10
381.7646	6117.90.00
381.7850	6203.41.10
	6203.43.30
381.8360	6203.41.10
	6203.43.30
381.8414	6217.90.00
381.8518	6103.41.10
381.8650	6203.41.10
381.9952	6103.41.10
	6103.43.10
	6103.49.10
MANMADE FIBERS	
381.2350	6103.43.15
381.2370	6103.43.15
	6112.12.00
	6112.20.10
381.2375	6103.43.15
381.2859	6117.90.00
381.3180	6203.43.40
381.3190	6203.43.40
	6211.20.30
381.3335	6217.90.00
381.3549	6103.43.15
381.6679	6103.43.15
	6103.49.10
381.6984	6203.43.40
381.8531	6103.43.15
381.8672	6203.12.20
	6203.43.40
381.8730	6112.12.00
381.8815	6103.43.15
381.8835	6103.43.15
	6112.20.10
381.8840	6103.43.15
381.9234	6117.90.00
381.9310	6203.43.25
381.9575	6203.43.40
	6211.20.30
381.9580	6203.23.00
	6203.43.40
381.9585	6203.43.40
381.9846	6217.90.00
381.9974	6103.43.15
OTHER	
381.3587	6103.49.30
381.6698	6103.49.30
381.6996	6203.49.30
381.8580	6103.49.30
381.8693	6203.49.30
381.9988	6103.49.30

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for women's, girls', and infants' trousers, slacks and shorts:

TSUS item	*HTS subheading*
COTTON	
384.0015	6204.62.20
	6204.62.30
384.0262	6112.11.00
384.0263	6111.20.60
	6112.11.00
384.0265	6112.11.00
384.0266	6103.42.10
384.0267	6104.62.20
	6111.20.50
	6111.20.60
384.0269	6104.62.20
	6111.20.50
384.0350	6117.90.00
384.0608	6204.62.40
384.0612	6204.62.40
384.0614	6203.42.40
384.0618	6204.62.40
	6209.20.30
	6209.20.50
384.0711	6204.12.00
384.0712	6204.12.00
384.0722	6204.22.30
384.0724	6204.62.40
384.0726	6230.42.40
384.0729	6209.20.30
	6209.20.50
384.0731	6204.22.30
	6204.62.40
384.0733	6203.42.40
384.0734	6203.42.40
384.0736	6202.62.40
	6209.20.30
	6209.20.50
384.0738	6203.19.10
	6203.42.40
384.0739	6111.20.50
	6204.12.00
	6204.62.40
	6209.20.30
	6209.20.50
384.0741	6204.12.00
	6204.62.40
	6209.20.30
384.0965	6217.90.00
384.2706	6104.62.20
384.2751	6204.62.40
384.3026	6112.11.00
384.3027	6112.11.00
384.3029	6112.11.00
384.3035	6104.62.20
384.3038	6104.62.20
384.3042	6103.42.10
384.3044	6104.62.20
	6111.20.50
	6111.20.60
384.3122	6103.42.10
384.3123	6104.62.20
	6111.20.50
384.3125	6104.62.20
384.3466	6117.90.00
384.4520	6204.62.30
384.4647	6204.62.40
384.4648	6203.42.40
384.4651	6204.62.40
	6209.20.30
384.4652	6204.62.40
384.4720	6203.19.10
	6203.42.40
384.4723	6204.12.00
	6204.62.40
	6209.20.30
384.4724	6204.12.00
	6204.62.40
384.4724—*Cont*	6209.20.30
384.4735	6204.62.40
384.4740	6203.42.40
384.4746	6204.62.40
384.4747	6204.62.40
384.4750	6204.62.40
384.4755	6203.42.40
384.4763	6204.62.40
384.4764	6204.62.40
384.4765	6204.62.40
384.4770	6203.19.10
	6203.42.40
384.4774	6204.62.40
	6209.20.30
384.5275	6217.90.00
384.5422	6104.62.20
384.5526	6204.62.40
384.7716	6104.62.20
384.7815	6204.62.40
384.9527	6104.62.20
	6204.62.40
791.7420	6204.62.40
WOOL	
376.5623	6204.63.30
	6210.50.10
384.1312	6104.61.00
	6104.63.15
384.1332	6117.90.00
384.1613	6204.61.00
	6204.63.25
	6204.69.20
384.2714	6104.61.00
384.2767	6204.61.00
384.5452	6104.61.00
384.5561	6214.61.00
384.5935	6117.90.00
384.6385	6104.61.00
	6104.63.15
384.6391	6117.90.00
384.6649	6203.41.10
384.6651	6204.61.00
	6204.63.25
	6204.69.20
384.6653	6217.90.00
384.7524	6203.41.10
384.7526	6204.61.00
384.7554	6203.41.10
384.7556	6204.61.00
	6204.63.25
	6204.69.20
384.7558	6217.90.00
384.7736	6104.61.00
384.7835	6204.61.00
384.9650	6104.61.00
	6204.61.00
MANMADE FIBERS	
384.1926	6103.43.15
384.1927	6104.63.20
	6111.30.10
	6111.30.30
	6111.90.50
384.1929	6104.63.15
	6104.63.20
	6104.69.20
384.1950	6104.63.20
384.2010	6112.12.00
384.2015	6111.30.50
	6112.12.00
384.2017	6112.19.10
	6112.19.20
384.2030	6104.63.20
384.2040	6103.43.15
384.2050	6104.63.20

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for women's, girls', and infants' trousers, slacks and shorts—Continued:

TSUS item	*HTS subheading*
384.2050—*Cont*	6111.90.10
	6112.12.00
384.2267	6117.90.00
384.2341	6203.43.40
384.2342	6204.63.35
	6209.30.20
384.2344	6204.63.35
	6209.30.20
384.2345	6204.63.35
	6211.20.60
384.2348	6204.63.35
384.2351	6203.43.40
384.2355	6204.63.35
	6209.30.20
	6209.90.20
384.2667	6217.90.00
384.2722	6104.63.20
384.2783	6204.63.35
384.5482	6104.63.20
384.5684	6204.63.35
384.7756	6104.63.20
384.7858	6204.63.35
384.8241	6112.12.00
384.8242	6112.12.00
	6112.19.10
384.8244	6112.12.00
	6112.19.10
384.8245	6104.63.20
	6112.20.10
384.8247	6104.63.20
384.8256	6103.43.15
384.8258	6104.63.20
	6111.90.10
	6111.90.50
384.8262	6103.43.15
384.8263	6104.63.20
	6111.90.10
	6111.90.50
384.8265	6104.63.20
384.8682	6117.90.00
384.8820	6204.63.20
384.9000	6204.63.35
	6211.20.60
384.9168	6203.43.40
384.9170	6204.63.35
	6209.20.30
	6209.30.20
384.9171	6204.63.35
384.9172	6204.63.35
384.9174	6203.43.40
384.9176	6209.20.30
	6209.30.20
	6204.63.35
384.9372	6217.90.00
384.9678	6104.63.20
791.7458	6103.43.15
	6103.49.10
	6104.63.20
	6104.69.20
791.7481	6204.63.35
OTHER	
384.2737	6104.69.30
384.2794	6204.69.30
	6204.69.90
384.5350	6104.69.30
384.5697	6204.69.90
384.7784	6104.69.30
384.7893	6204.69.30
384.9696	6104.69.30

Shirts and Blouses

The growth in HTS subheading 9802.00.80 imports of shirts, including blouses, far exceeded the growth of total shirt imports during 1985–88, as shown in table 6–10. Subheading 9802.00.80 imports increased 87 percent versus a rise of 39 percent for total imports. Consequently, the ratio of subheading 9802.00.80 imports to total imports rose to 6 percent in 1988, the highest level in at least 5 years (table 6–11). The duty-free content of subheading 9802.00.80 imports rose by 104 percent during the period, resulting in an increase of its share of the total value of subheading 9802.00.80 imports to 55 percent in 1988. However, the relative importance of the duty-free content of subheading 9802.00.80 imports remained significantly lower than that for other apparel products because of the relatively small share of U.S. content in shirts from Hong Kong, Taiwan, and Korea. Although these sources together accounted for 12 percent of the total value of subheading 9802.00.80 imports in 1988, subheading 9802.00.80 trade accounted for only 2 percent of total shirt imports of $2.7 billion from these countries that year.

The nominal and effective rates of duty both declined during 1985–88, to 22.8 percent and 10.2 percent, respectively. However, the substantial increase in subheading 9802.00.80 imports generated an 88-percent increase in total duty savings, from $24 million to $45 million (table 6–11 and figure 6–3).

A major part of the growth in subheading 9802.00.80 imports during 1985–88 was generated by Jamaica, whose shipments of the duty-free content of subheading 9802.00.80 imports rose from $3 million in 1985 to $29 million in 1988, as shown in table 6–12. Jamaica, Honduras, Costa Rica, and Guatemala were the major suppliers in expanding their shares of these imports.

Mexico was the only major subheading 9802.00.80 supplier whose shipments were subject to binding quotas in 1988. It filled all of its quotas on women's woven cotton and manmade-fiber shirts (780,001 dozen). Although subheading 9802.00.80 shipments from Jamaica grew rapidly, its SLs and GALs were largely unfilled. Other major suppliers with SLs or DCLs in 1988 were Haiti, Costa Rica, and the Dominican Republic. All these countries, as well as Trinidad and Tobago, also had GALs, but few imports came under the GALs in 1988.

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Table 6-10

Shirts and blouses: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	4,200	190	95
1986	5,024	235	123
1987	5,956	314	170
1988	5,849	356	195
	Change (percent)		
1988 from 1985	39	87	104
Average annual 1988 from 1985	12	23	27

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

Table 6-11

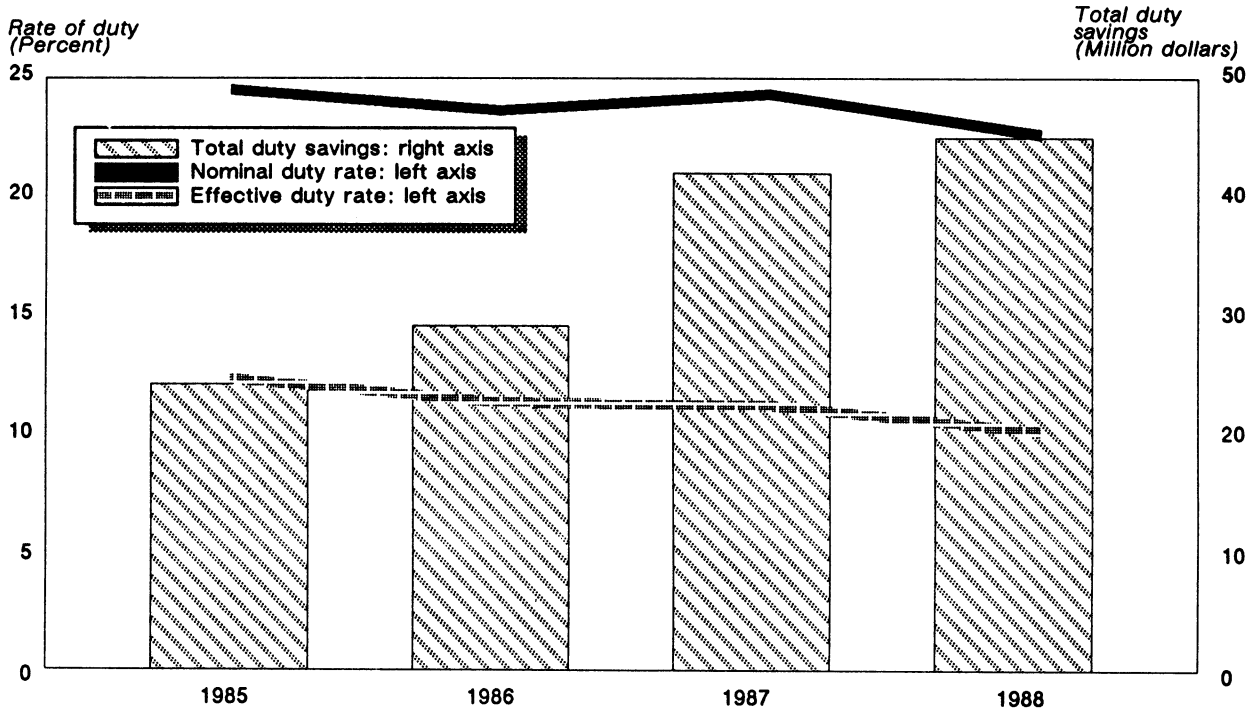
Shirts and blouses: Nominal and effective rates of duty under subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	5	50	24.7	12.4	24
1986	5	52	23.8	11.4	29
1987	5	54	24.5	11.3	42
1988	6	55	22.8	10.2	45

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

Figure 6-3

Shirts and blouses: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

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Table 6-12

Shirts and blouses: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*		
Dominican Republic	25	33	37	46	82	26	24
Mexico	23	32	35	33	40	24	17
Jamaica	3	9	23	29	752	4	15
Costa Rica	12	17	19	25	118	12	13
Haiti	15	16	24	21	45	15	11
Honduras	3	4	9	13	363	3	7
Guatemala	2	2	6	9	408	2	5
Colombia	5	4	7	8	80	5	4
El Salvador	3	2	3	4	8	3	2
St. Lucia	1	1	2	3	551	1	2
All other	4	3	5	4	-14	5	2
Total	95	123	170	195	104	100	100

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

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

The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for men's and boys' knit shirts:

TSUS item	*HTS subheading*
COTTON	
381.0220	6109.10.00
381.0230	6109.10.00
381.0240	6105.10.00
	6110.20.20
381.0425	6117.90.00
381.3516	6105.10.00
	6110.20.20
381.4010	6109.10.00
381.4020	6110.20.20
381.4110	6109.10.00
381.4120	6109.10.00
381.4130	6105.10.00
	6110.20.20
381.4337	6117.90.00
381.6610	6105.10.00
	6110.20.10
	6110.20.20
381.8506	6105.10.00
	6110.20.20
381.9924	6105.10.00
	6110.20.20
WOOL	
381.1510	6105.20.10
	6105.90.10
	6110.10.20
381.3531	6105.90.10
	6110.10.20
381.6621	6105.90.10
	6110.10.20
381.7605	6105.90.10
	6110.10.20
381.8514	6105.90.10
	6110.10.20
381.9946	6105.20.10
	6105.90.10
	6110.10.20
	6110.30.15
MANMADE FIBER	
381.2410	6109.90.10
381.2420	6109.90.10
381.2430	6105.20.20
	6110.30.30
381.2855	6117.90.00
381.3557	6105.20.20
	6110.30.30
381.6676	6105.20.20
	6110.30.30
381.8528	6105.20.20
	6110.30.20
381.8910	6110.30.30
381.8920	6109.90.10
381.8925	6109.90.10
381.8930	6105.20.20
	6110.30.30
381.9225	6117.90.00
381.9964	6105.20.20
	6110.30.30
OTHER	
381.3563	6105.90.30
381.3571	6105.90.30
	6110.90.00
381.6695	6105.90.30
	6110.90.00
381.8540	6105.90.30
381.8550	6105.90.30
381.9982	6105.90.30
	6110.90.00

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The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for women's, girls', and infants' knit shirts and blouses:

TSUS item	*HTS subheading*
COTTON	
384.0205	6109.10.00
384.0207	6109.10.00
384.0208	6109.10.00
384.0212	6109.10.00
	6111.20.20
	6111.20.60
384.0213	6106.10.00
	6111.20.20
384.0214	6106.10.00
384.0216	6105.10.00
384.0217	6106.10.00
	6111.20.10
	6111.20.60
384.0219	6109.10.00
384.0220	6109.10.00
	6111.20.20
	6111.20.60
384.0221	6109.10.00
384.0223	6110.20.20
384.0225	6110.20.20
	6111.20.30
	6111.20.60
384.0227	6110.20.20
384.0229	6105.10.00
384.0230	6106.10.00
	6111.20.10
	6111.20.60
384.0231	6106.10.00
	6110.20.20
	6111.20.10
	6111.20.60
384.0232	6114.20.00
384.0233	6111.20.60
	6114.20.00
384.0235	6114.20.00
384.0330	6117.90.00
384.2704	6106.10.00
384.2806	6109.10.00
384.2810	6109.10.00
384.2812	6109.10.00
384.2814	6109.10.00
	6111.20.20
384.2815	6106.10.00
384.2816	6106.10.00
384.2818	6105.10.00
384.2821	6106.10.00
	6111.20.10
384.2910	6109.10.00
384.2914	6109.10.00
	6111.20.20
384.2915	6109.10.00
	6111.20.20
384.2930	6110.20.20
384.2934	6110.20.20
384.2935	6110.20.20
384.2950	6106.10.00
	6110.20.20
384.2960	6106.10.00
	6110.20.20
384.2970	6105.10.00
384.2980	6110.20.20
	6111.20.10
384.3437	6114.20.00
384.3439	6111.20.60
	6114.20.00
384.3441	6114.20.00
384.3462	6117.90.00
384.5404	6106.10.00
384.7704	6106.10.00
384.9517	6106.10.00
WOOL	
384.1307	6105.90.10
	6106.20.10
384.1309	6106.20.10
	6106.90.10
	6110.10.20
384.2711	6106.90.10
384.5434	6106.90.10
384.5910	6106.20.10
	6106.90.10
	6109.90.20
384.6310	6106.20.10
	6106.90.10
384.7724	6106.90.10
	6110.10.20
384.9640	6106.90.10
MANMADE FIBERS	
384.1802	6109.90.10
384.1804	6109.90.10
384.1805	6109.90.10
384.1806	6109.90.10
	6111.30.30
	6111.30.50
	6111.90.30
384.1807	6106.20.20
384.1809	6106.20.20
384.1811	6105.20.20
384.1812	6111.30.20
	6111.30.40
	6111.30.50
	6111.90.20
	6111.90.40
	6111.90.50
384.1822	6109.90.10
384.1823	6109.90.10
	6111.30.30
	6111.30.50
384.1825	6109.90.10
384.1841	6106.20.20
	6110.30.30
384.1843	6106.20.20
384.1846	6105.20.20
	6110.30.30
384.1848	6106.20.20
	6111.30.40
	6111.30.50
384.1922	6114.30.10
384.1923	6111.30.50
	6114.30.10
384.1925	6109.90.10
384.2266	6117.90.00
384.2719	6106.20.20
384.8128	6110.30.30
	6110.30.40
	6110.30.50
384.8129	6106.20.20
384.5464	6110.30.30
384.7744	6106.20.20
	6110.30.20
384.8002	6109.90.10
384.8007	6109.90.10
384.8009	6109.90.10
384.8011	6109.90.10
	6111.30.30
	6111.30.50
384.8012	6106.20.20
	6110.30.30
384.8014	6106.20.20
384.8017	6105.20.20
384.8019	6106.20.20
	6111.30.20
	6111.30.40
384.8024	6109.90.10
384.8025	6109.90.10
	6111.30.30
	6111.30.50
384.8027	6109.90.10

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The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for women's, girls', and infants' knit shirts and blouses—Continued:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
MANMADE FIBERS—*Cont.*		384.8240	6114.30.10
384.8045	6106.20.20	384.8679	6117.90.00
	6106.30.30	384.9668	6106.20.20
384.8048	6106.20.20	OTHER	
	6110.30.30	384.2724	6105.90.30
384.8050	6105.20.20		6106.90.20
	6110.30.30	384.2731	6105.90.30
384.8052	6106.20.20		6106.90.20
	6111.30.20	384.5310	6106.90.30
	6111.30.40	384.7765	6106.90.20
384.8131	6110.30.30	384.7775	6106.90.20
384.8237	6114.30.10	348.9691	6105.90.30
384.8238	6114.30.10		6106.90.20

The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for men's and boys' woven shirts:

TSUS item	*HTS subheading*
COTTON	
381.0522	6205.20.20
381.0524	6205.20.20
381.0831	6217.90.00
381.3517	6205.20.20
381.5400	6205.20.10
381.5500	6205.20.20
381.5610	6205.20.20
381.5620	6205.20.20
381.5625	6205.20.20
381.5630	6205.20.20
381.5637	6205.20.20
381.5639	6205.20.20
381.5640	6205.20.20
381.5650	6205.20.20
381.5655	6205.20.20
381.5660	6205.20.20
381.5665	6205.20.20
381.6400	6217.90.00
381.6912	6205.20.20
381.8632	6205.20.20
384.9926	6205.20.20
WOOL	
381.1730	6205.10.20
	6205.30.15
381.3532	6205.10.20
381.6942	6205.10.20
381.7830	6205.10.20
	6205.30.15
381.8340	6205.10.20
	6205.30.15
381.8646	6205.10.20
381.9948	6205.10.20
	6205.30.15
MANMADE FIBERS	
381.3132	6205.30.20
381.3134	6205.30.20
381.3142	6203.23.00
	6205.30.20
381.3144	6203.23.00
	6205.30.20
381.3152	6205.30.20
381.3154	6205.30.20
381.3333	6217.90.00
381.3558	6205.30.20
381.6972	6205.30.20
381.8666	6205.30.20
381.9305	6205.30.10
381.9535	6205.30.20
381.9540	6205.30.20
381.9547	6205.30.20
381.9549	6205.30.20
381.9550	6205.30.20
381.9844	6217.90.00
381.9968	6205.30.20
OTHER	
381.3573	6205.90.20
	6205.90.40
381.6993	6205.90.40
381.8676	6205.90.20
381.8689	6205.90.20
381.9984	6205.90.40

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The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for women's, girls', and infants' woven shirts and blouses:

TSUS item	*HTS subheading*
COTTON	
384.0505	6204.22.30
	6206.30.20
	6206.30.30
384.0511	6206.30.30
384.0512	6206.30.30
	6209.20.20
384.0515	6206.30.30
384.0516	6206.30.30
384.0517	6206.30.30
	6209.20.20
384.0570	6205.20.20
	6209.20.20
384.0968	6217.90.00
384.2745	6206.30.20
	6206.30.30
384.4505	6206.30.10
384.4602	6206.30.30
384.4603	6206.30.30
384.4606	6206.30.30
	6209.20.20
384.4608	6206.30.30
384.4610	6206.30.30
384.4612	6206.30.30
	6209.20.20
384.4614	6206.30.30
384.4616	6206.30.30
384.4618	6206.30.30
	6209.20.20
384.4620	6205.20.20
384.4621	6205.20.20
384.4784	6205.20.20
384.4788	6206.30.30
384.4789	6205.20.20
	6206.30.30
384.5276	6217.90.00
384.5504	6206.30.20
	6206.30.30
384.7804	6206.30.30
384.9519	6206.30.30
WOOL	
384.1515	6205.10.20
	6205.30.15
384.1520	6206.20.30
	6206.40.25
384.2757	6206.20.20
	6206.20.30
384.5534	6206.20.30
384.6505	6205.10.20
384.6515	6204.21.00
	6206.20.30
	6206.40.25
384.7010	6205.10.20
384.7020	6206.20.30
	6206.40.25
384.7824	6206.20.20
384.9642	6205.10.20
	6206.20.30
MANMADE FIBERS	
384.2302	6206.40.30
384.2304	6206.40.30
384.2306	6204.23.00
	6206.40.30
384.2307	6209.30.10
	6209.90.10
384.2308	6206.40.30
384.2311	6206.40.30
384.2313	6205.30.20
384.2315	6209.30.10
	6209.90.10
384.2575	6217.90.00
384.2769	6206.40.20
	6206.40.30
384.5564	6206.40.30
384.7850	6206.40.20
384.9110	6206.40.30
384.9115	6206.40.30
384.9120	6206.40.30
384.9125	6206.40.30
384.9127	6205.30.20
384.9129	6206.40.30
	6209.30.10
384.9474	6217.90.00
384.9670	6206.40.30
OTHER	
384.2785	6206.10.00
	6206.90.00
384.7877	6206.10.00
384.7882	6206.10.00
384.9693	6206.90.00
384.2792	6206.10.00
	6206.90.00
384.5687	6206.90.00

Body-Supporting Garments

A greater portion of the U.S. body-supporting garment industry (of which brassieres are the dominant product) is involved in foreign assembly operations than any other apparel sector. Slightly more than one-half of the quantity of the industry's 1987 shipments consisted of goods entered under subheading 9802.00.80. The production of brassieres is particularly suited to subheading 9802.00.80-type operations not only because it is highly labor intensive, but also because brassieres are lightweight, thereby minimizing transportation costs.

Subheading 9802.00.80 imports rose by 31 percent whereas imports not entering under subheading 9802.00.80 increased by 36 percent during 1985–88. During the period, the duty-free content of subheading 9802.00.80 imports increased 34 percent (table 6–13). Body-supporting garments are one of the few apparel products in which subheading 9802.00.80 shipments constitute the major portion of imports. Imports under subheading 9802.00.80 accounted for 76 percent of total imports in 1988 (table 6–14).

U.S. content averaged 66 percent of the total value of subheading 9802.00.80 imports during 1985–88. The figure would have been 74 percent if imports from the Philippines, traditionally the largest supplier overall, had been excluded. U.S. content averaged only 35 percent of the total value of subheading 9802.00.80 imports from the Philippines, whose industry, developed largely under U.S. ownership and financing, uses a significant amount of Asian-made fabric.

The nominal and effective rates of duty changed very little during the period, hovering at 27 and 9 percent, respectively. However, the

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Table 6-13

Body-supporting garments: U.S. Imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	230	177	117
1986	218	159	105
1987	252	181	120
1988	304	232	156
	Change (percent)		
1988 from 1985	32	31	34
Average annual 1988 from 1985	10	9	10

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

Table 6-14

Body-supporting garments: Nominal and effective rates of duty under subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	77	66	27.7	9.4	32
1986	73	66	27.0	9.2	28
1987	72	66	27.6	9.4	33
1988	76	67	28.0	9.2	44

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

31-percent increase in total subheading 9802.00.80 imports resulted in a 38-percent increase in total duty savings, from $32 million to $44 million as shown in table 6-14 and figure 6-4.

Costa Rica, the Dominican Republic, and the Philippines were the leading suppliers of total subheading 9802.00.80 imports in 1988, furnishing over $40 million each. However, the Philippines ranked fifth in terms of the duty-free content of subheading 9802.00.80 imports in 1988, accounting for only 9 percent of the total. The largest suppliers of duty-free content were the Dominican Republic, Costa Rica, and Mexico, which together composed 59 percent of the total duty-free content in 1988 (table 6-15). Imports from Costa Rica are likely to grow substantially soon because a major U.S. producer is expanding its production capacity there by 740,000 dozen, to 1.2 million dozen. Costa Rica's current brassiere production totals 1.7 million dozen annually.

The Philippines, which filled all of its 4.6 million dozen quota for manmade-fiber brassieres, was the only country of the major subheading 9802.00.80 suppliers in 1988 to have a binding quota. Jamaica filled 97 percent of its 250,000 dozen DCLs for cotton and manmade-fiber brassieres. Jamaica and Haiti filled 7 percent and 2 percent of their respective GALs amounting to 2.2 million dozen and 2.5 million dozen, respectively. Shipments from the Dominican Republic and Costa Rica, the other major suppliers, were covered neither by SLs, nor by DCLs, nor by GALs.

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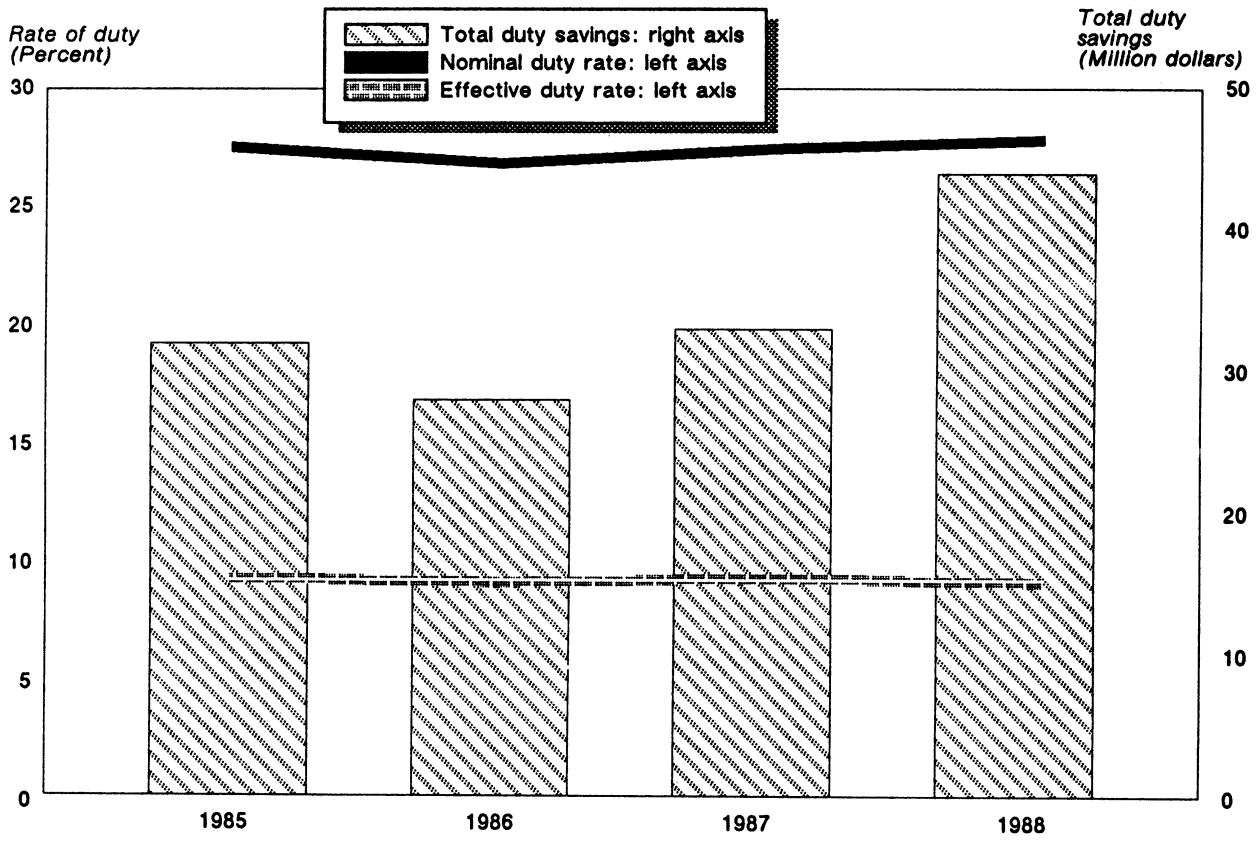
Figure 6-4
Body-supporting garments: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

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Table 6-15

Body-supporting garments: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent		
Dominican Republic	19	19	24	33	68	17	21
Costa Rica	18	16	21	31	72	15	20
Mexico	21	18	22	28	37	18	18
Haiti	15	11	13	14	-1	12	9
Philippines	9	12	12	14	56	8	9
Jamaica	10	9	11	11	8	9	7
Honduras	4	5	6	10	142	4	7
St. Lucia	2	2	3	3	18	2	2
Indonesia	0	0	(1)	2	(2)	0	1
St. Christopher-Nevis	2	2	3	2	11	2	1
All other	17	11	7	8	-54	14	5
Total	117	105	120	156	34	100	100

[1] Less than $500,000.
[2] Not applicable.

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

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

The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for body-supporting garments:

TSUSA item	*HTS subheading*	*TSUSA item*	*HTS subheading*
COTTON		MANMADE FIBERS-*Cont.*	
376.2425	6212.10.10	376.2876-*Cont*	6212.30.00
376.2466	6212.20.00	OTHER	
376.2825	6212.10.20	376.2436	6212.10.10
376.2866	6212.20.00	376.2456	6212.10.10
	6212.30.00	376.2476	6212.20.00
		376.2496	6212.20.00
MANMADE FIBERS		376.2836	6212.10.20
376.2430	6212.10.20	376.2856	6212.10.20
376.2470	6212.20.00	376.2888	6212.20.00
	6210.30.00		6212.30.30
376.2830	6210.10.20	376.2898	6212.20.00
376.2876	6212.20.00		6212.30.00

Footwear

Imports of footwear under subheading 9802.00.80 grew by 235 percent during 1985–88, nearly 6 times faster than the growth in total footwear imports, as shown in table 6–16. Consequently, the ratio of subheading 9802.00.80 imports to total imports rose to its highest level of 6 percent in 1988 (table 6–17). However, the relative importance of duty-free content of subheading 9802.00.80 imports continued to remain lower for footwear than that for apparel, and such content for imports of footwear declined significantly, from 49 percent in 1985 to 26 percent in 1988. This decline was attributed primarily to rapid growth in subheading 9802.00.80 shipments from Korea and Taiwan that contained a relatively small amount of U.S. content (11 percent in 1988). Although these countries supplied 64 percent of the total value of subheading 9802.00.80 imports, they accounted for only 28 percent of the total duty-free value. In contrast, footwear from Mexico and the Dominican Republic, having relatively higher U.S. content (79 percent and 66 percent, respectively, in 1988), showed relatively smaller growth rates.

The nominal rate of duty declined to 12.4 percent, whereas the effective rate of duty rose to 9.2 percent. However, the substantial growth in subheading 9802.00.80 imports generated a 50-percent increase in duty savings to $15 million, as shown in table 6–17 and figure 6–5.

A major part of growth in subheading 9802.00.80 imports during 1985–88 was generated by Korea and Taiwan, whose combined shipments of subheading 9802.00.80 imports rose by 652 percent. The duty-free content in those shipments rose from $3 million in 1985 to $35 million in 1988, as shown in table 6–18. Although the relatively slow growth in subheading 9802.00.80 imports from Mexico resulted in a significant decline in its share of total duty-free value, Mexico accounted for 53 percent of total duty-free value in 1988, by far the largest of any country.

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Table 6-16

Footwear: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	5,965	142	70
1986	6,735	173	74
1987	7,537	301	89
1988	8,396	476	123
	Change (percent)		
1988 from 1985	41	235	75
Average annual 1988 from 1985	12	50	21

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

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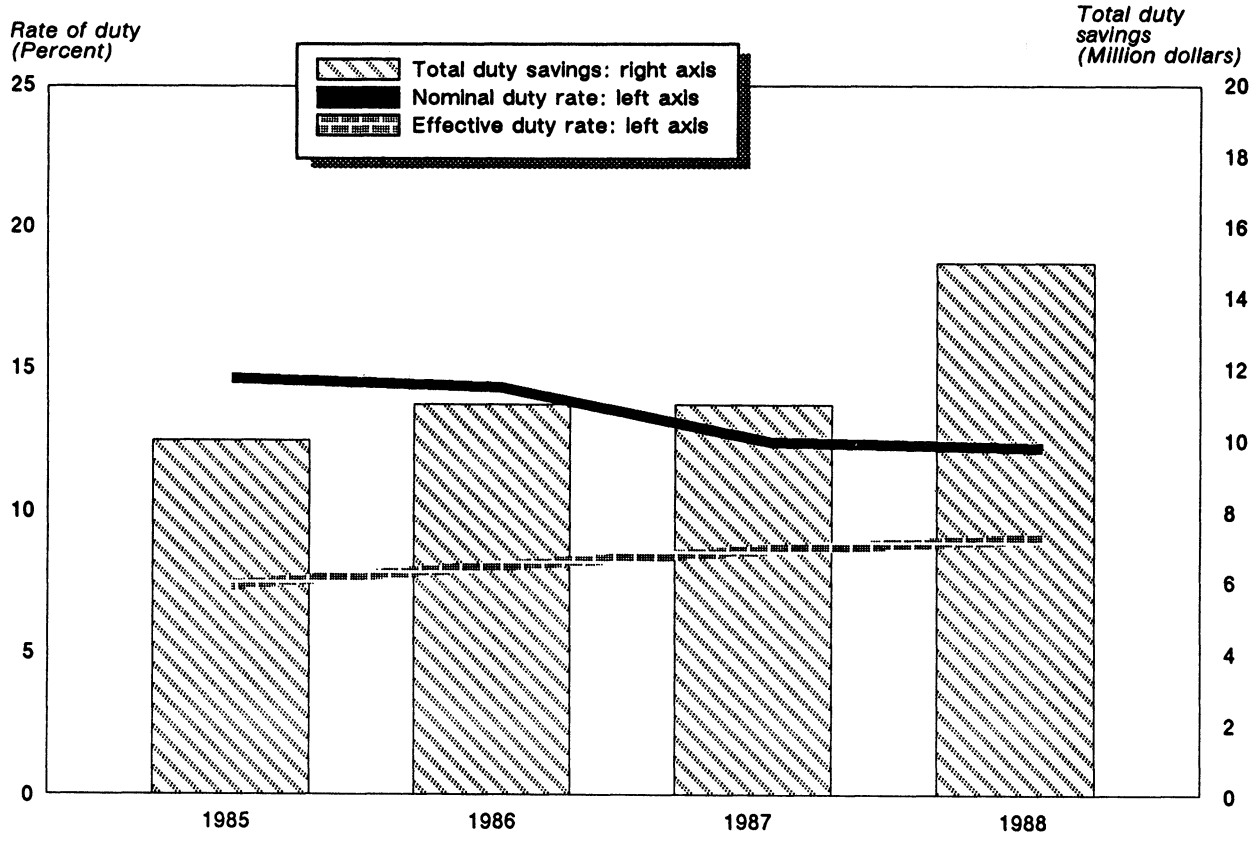
Table 6-17
Footwear: Nominal and effective rates of duty under subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	2	49	14.8	7.5	10
1986	3	43	14.5	8.2	11
1987	4	30	12.6	8.8	11
1988	6	26	12.4	9.2	15

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

Figure 6-5
Footwear: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

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Table 6-18

Footwear: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*		
Mexico	54	53	64	65	21	76	53
Korea	2	3	6	26	1,231	3	21
Dominican Republic	10	10	11	15	57	14	13
Taiwan	1	2	3	9	1,293	1	7
Brazil	(1)	1	2	2	771	(2)	2
India	2	2	2	2	(3)	3	2
Yugoslavia	(1)	1	1	1	576	(2)	1
All other	2	2	2	2	29	2	2
Total	70	74	89	123	75	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.
[3] Less than (0.5) percent.

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

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

The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for footwear

TSUSA item	*HTS subheading*
700.0500	6403.59.60
	6403.59.90
700.1000	6403.51.60
	6403.51.90
	6403.59.60
	6403.59.90
	6403.99.60
	6403.99.90
700.1500	6403.59.60
	6403.59.90
700.2020	6403.59.15
	6403.99.60
700.2045	6403.59.15
	6403.99.90
700.2050	6403.59.15
	6403.99.90
700.2060	6403.51.90
	6403.59.90
700.2500	6403.99.40
700.2610	6403.91.30
700.2630	6403.91.30
	6403.99.40
700.2650	6403.91.30
	6403.99.40
700.2718	6403.91.30
700.2738	6403.91.30
	6403.99.40
700.2748	6403.91.30
	6403.99.40
700.2800	6403.11.30
700.2920	6403.19.15
700.2940	6403.40.30
	6403.91.30
700.2942	6403.40.30
	6403.91.30
700.2946	6403.40.30
	6403.91.30
700.2960	6403.51.30
	6403.59.30
	6403.91.30
	6403.99.40
700.2962	6403.51.30
	6403.59.30
	6403.91.30
	6403.99.40
700.2966	6403.51.30
	6403.59.30
	6403.91.30
	6403.99.40
700.2980	6403.51.30
	6403.59.30
	6403.91.30
	6403.99.40
700.3000	6403.59.90
700.3200	6403.59.60
	6403.59.90
	6403.99.60
	6403.99.90
700.3505	6403.11.60
700.3515	6403.19.45
	6403.91.60
	6403.99.60
	6404.11.20
	6406.10.05
700.3517	6403.19.45
	6403.91.60
	6403.99.60
	6404.11.20
	6406.10.05
700.3522	6403.19.45
	6403.91.60
	6403.99.60
	6404.11.20

TSUSA item	*HTS subheading*
700.3522-*Cont*	6406.10.05
700.3527	6403.40.60
	6403.91.60
700.3529	6403.91.60
700.3530	6403.99.60
703.3535	6403.99.60
700.3540	6403.51.60
	6403.91.60
	6403.99.60
700.3545	6403.51.60
	6403.91.60
	6403.99.60
700.3548	6403.51.60
	6403.59.60
	6403.91.60
	6403.99.60
	6404.19.15
700.3550	6403.51.60
	6403.59.60
	6403.91.60
	6403.99.60
	6404.19.15
700.3552	6403.51.60
	6403.59.60
	6403.91.60
	6403.99.60
	6404.19.15
700.3555	6403.51.60
	6403.59.60
	6403.91.60
	6403.99.60
	6404.19.15
700.3575	6403.20.00
	6403.51.60
	6403.59.60
	6403.91.60
	6403.99.60
	6404.19.15
	6405.10.00
	6406.10.05
	6406.10.20
700.3580	6403.51.60
	6403.59.60
	6403.91.60
	6403.99.60
	6404.19.15
	6405.10.00
	6406.10.05
	6406.10.20
700.4110	6403.20.00
700.4120	6403.20.00
700.4130	6403.20.00
700.4140	6403.20.00
700.4306	6403.19.60
	6403.99.75
	6404.11.20
	6406.10.10
700.4307	6403.19.60
	6403.99.75
	6404.11.20
	6406.10.10
700.4310	6403.99.75
	6404.19.15
700.4315	6403.99.75
700.4320	6403.99.75
700.4325	6403.99.75
700.4330	6403.99.75
700.4335	6403.99.75
700.4340	6403.99.75
	6404.19.15
700.4342	6403.99.75
700.4344	6403.99.75
	6404.19.15

The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for footwear—*Continued*

TSUSA item	*HTS subheading*
700.4345	6403.99.75
700.4350	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.75
700.4355	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.75
700.4360	6403.99.75
	6404.19.15
	6406.10.10
	6406.10.20
700.4365	6403.99.75
	6406.10.10
	6406.10.20
700.4370	6403.59.90
	6403.91.90
	6403.99.75
	6406.10.10
	6406.10.20
700.4375	6403.59.90
	6403.99.75
	6406.10.10
	6406.10.20
700.4502	6403.11.60
	6403.19.60
	6403.99.90
	6404.11.20
	6406.10.10
700.4505	6403.11.60
	6403.19.60
	6403.99.90
	6404.11.20
	6406.10.10
700.4506	6403.11.60
	6403.19.60
	6403.99.90
	6404.11.20
	6406.10.10
700.4507	6403.11.60
	6403.19.60
	6403.99.90
	6404.11.20
	6406.10.10
700.4510	6403.59.90
	6403.99.90
	6404.19.15
700.4512	6403.59.90
	6403.99.90
	6404.19.15
700.4514	6403.59.90
	6403.99.90
	6404.19.15
700.4515	6403.59.90
	6403.99.90
	6404.19.15
700.4520	6403.59.90
	6403.99.90
700.4525	6403.59.90
	6403.99.90
700.4530	6403.91.90
	6403.99.90
700.4535	6403.91.90
	6403.99.90
700.4540	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.90
700.4542	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.90
700.4544	6403.51.90
	6403.59.90
700.4544-*Cont*	6403.91.90
	6403.99.90
700.4545	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.90
	6404.19.15
700.4550	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.90
	6404.19.15
700.4555	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.90
	6404.19.15
700.4560	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.90
	6404.19.15
	6405.10.00
	6406.10.20
700.4565	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.90
	6405.10.00
	6406.10.10
	6406.10.20
700.4570	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.90
	6404.19.15
	6405.10.00
	6406.10.10
	6406.10.20
700.4575	6403.51.90
	6403.59.90
	6403.91.90
	6403.99.90
	6405.10.00
	6406.10.10
	6406.10.20
700.5100	6401.91.00
	6401.92.60
700.5200	6401.99.30
700.5320	6401.10.00
	6401.91.00
	6401.92.90
	6402.30.50
	6406.10.50
700.5340	6401.10.00
	6401.92.90
	6401.99.60
	6401.99.90
	6402.30.50
	6406.10.50
700.5400	6402.20.00
700.5605	6401.92.30
	6402.11.10
700.5610	6401.99.80
	6402.19.10
	6402.99.15
700.5615	6401.99.80
	6402.19.10
	6402.99.15
700.5620	6402.19.10
	6402.99.15
700.5625	6402.99.15
700.5630	6401.99.80
	6402.99.15

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The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for footwear—*Continued*

TSUSA item	*HTS subheading*
700.5636	6401.99.80
	6402.30.30
	6402.91.40
	6402.99.15
700.5638	6401.99.80
	6402.30.30
	6402.91.40
	6402.99.15
700.5646	6402.91.40
	6402.99.15
700.5648	6402.91.40
	6402.99.15
700.5656	6402.91.40
	6402.99.15
700.5658	6402.91.40
	6402.99.15
	6401.99.80
	6402.30.30
	6402.91.40
	6402.99.15
	6406.10.45
700.5669	6401.99.80
	6402.30.30
	6402.91.40
	6402.91.50
	6402.99.15
	6406.10.45
700.5670	6402.91.40
	6402.99.15
	6404.19.20
	6404.19.35
	6406.10.45
700.5671	6402.91.40
	6402.91.50
	6402.99.15
	6404.19.20
	6404.19.35
	6406.10.45
700.5672	6402.91.40
	6402.91.50
	6402.99.15
	6406.10.45
700.5673	6402.91.40
	6402.91.50
	6402.99.15
	6406.10.45
700.5700	6402.30.50
	6402.91.50
	6402.99.20
	6404.19.20
	6406.10.50
700.5900	6402.99.30
	6404.19.35
	6404.20.60
	6406.10.50
700.6100	6402.19.30
	6402.19.50
	6404.11.40
	6404.11.60
	6404.19.40
	6404.19.60
700.6200	6402.19.70
	6404.11.80
	6404.19.80
700.6300	6402.19.90
	6402.91.90
	6402.99.90
	6404.11.90
	6404.19.90
700.6400	6402.30.60
	6402.91.60
	6402.99.60
	6404.11.50
	6404.19.50
	6406.10.25
700.6700	6402.19.50
	6402.30.70
	6402.91.70
	6402.99.70
	6404.11.70
	6404.19.70
	6406.10.30
700.6900	6402.19.70
	6402.30.80
	6402.91.80
	6402.99.80
	6404.11.80
	6404.19.80
	6406.10.35
700.7100	6402.19.90
	6402.30.90
	6402.91.90
	6402.99.90
	6404.11.90
	6404.19.90
	6406.10.40
700.7220	6404.20.20
700.7240	6404.20.20
700.7260	6404.20.20
700.7320	6404.20.40
700.7340	6404.20.40
	6404.20.60
700.7360	6404.20.40
	6404.20.60
700.7420	6404.19.50
	6404.19.60
	6404.19.70
	6405.20.30
700.7465	6404.19.25
	6405.20.30
700.7470	6404.19.25
	6405.20.30
700.7475	6404.19.50
	6404.19.70
	6405.20.30
700.7480	6405.20.30
700.7510	6405.20.60
700.7520	6405.20.60
700.7530	6405.20.60
700.7540	6405.20.60
700.7550	6405.20.60
700.7560	6405.20.60
700.8020	6404.19.30
	6404.19.50
	6404.19.60
	6404.19.70
	6405.20.90
700.8065	6404.19.30
	6405.20.90
700.8070	6404.19.30
	6405.20.90
700.8075	6404.19.30
	6405.20.90
700.8080	6405.20.90
700.8310	6402.99.05
	6403.30.00
	6403.99.20
700.8320	6402.99.05
	6403.30.00
	6403.99.20
700.8330	6402.99.05
	6403.30.00
	6403.99.20
700.8340	6402.99.05
	6403.30.00
	6403.99.20
700.8350	6402.99.05
	6403.30.00
	6403.99.20

The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for footwear—*Continued*

TSUSA item	*HTS subheading*	*TSUSA item*	*HTS subheading*
700.8360	6402.99.05		6404.11.20
	6403.30.00		6404.19.15
	6403.99.20		6405.90.90
700.9000	4818.50.00	700.9530	6115.93.20
	6405.90.20		6404.11.20
700.9515	6115.93.20		6404.19.15
	6404.11.20		6405.90.90
	6404.19.15	700.9535	6404.11.20
	6405.90.90		6404.19.15
	6812.50.10		6405.90.90
700.9525	6115.91.00	700.9545	6404.11.20
	6115.93.20		6404.19.15
	6402.99.10		6405.90.90

Coats and Jackets

The total value and U.S. content of subheading 9802.00.80 imports of coats and jackets each rose approximately twice as fast as the growth of total imports of these goods during 1985–88 (table 6–19). Consequently, the ratio of subheading 9802.00.80 shipments to total imports increased slightly during the period, to 6 percent, as shown in table 6–20. The duty-free content, which averaged 60 percent of the total value of these subheading 9802.00.80 imports, is lower than for most other apparel articles, primarily because more direct labor is required to assemble coats and jackets. The nominal and effective rates of duty averaged 25.2 percent and 10.1 percent, respectively, during 1985–88. Total duty savings increased to $23 million in 1988 (figure 6–6).

The Dominican Republic and Mexico remained the major suppliers of coats and jackets under subheading 9802.00.80, increasing their combined share of the duty-free content of subheading 9802.00.80 imports from 55 percent in 1985 to 59 percent in 1988, as shown in table 6–21. Although imports (in terms of U.S. content) from Mexico grew by only 30 percent during 1985–88, such imports from the Dominican Republic more than tripled. Imports from Costa Rica, also nearly tripled during the period, raising its share of the duty-free content of subheading 9802.00.80 imports to 18 percent in 1988. Colombia, remained a significant supplier as well. In 1988, only Mexico and the Dominican Republic had some of their shipments covered by quotas. Mexico's shipments were covered by SLs and DCLs in four different coat categories and by the special regime in three coat categories whereas only one category from the Dominican Republic was covered by SLs. However, all these quotas were largely unfilled. None of the major suppliers had any quotas under GALs.

Contact Sundar A. Shetty at 252–1457

Table 6–19

Coats and jackets: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	1,674	81	46
1986	1,756	88	55
1987	1,983	103	61
1988	2,208	132	81
	Change (percent)		
1988 from 1985	32	63	76
Average annual 1988 from 1985	10	18	21

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

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Table 6-20

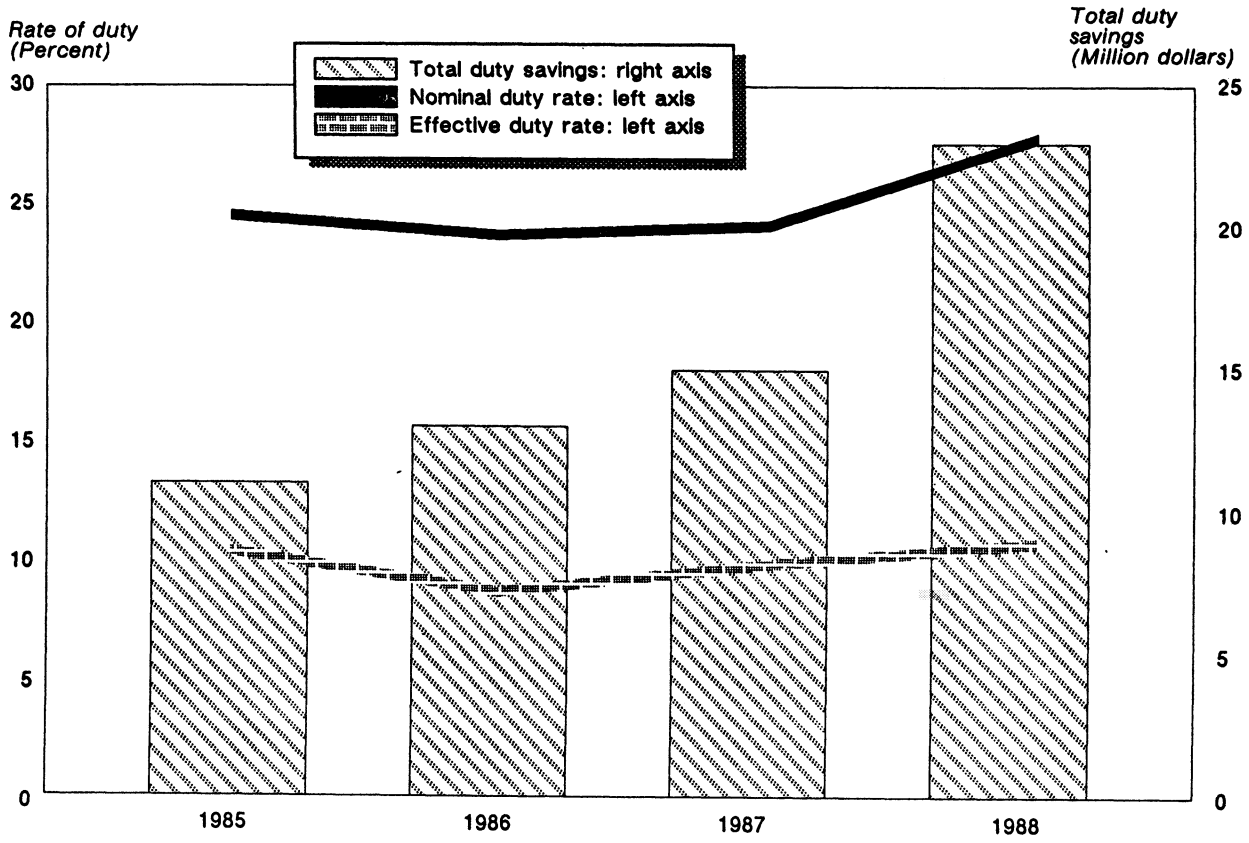
Coats and jackets: Nominal and effective rates of duty under subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	5	57	24.7	10.5	11
1986	5	63	23.9	8.8	13
1987	5	59	24.3	10.0	15
1988	6	61	28.0	10.9	23

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

Figure 6-6

Coats and jackets: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

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Table 6-21

Coats and jackets: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*		
Dominican Republic	8	13	15	25	224	17	31
Mexico	18	18	20	23	30	38	28
Costa Rica	5	10	11	14	174	12	18
Colombia	7	7	7	11	53	16	14
Honduras	1	1	1	2	13	3	2
Guatemala	(1)	(1)	(1)	1	8,421	(2)	1
Haiti	2	1	2	1	-52	5	1
El Salvador	(1)	1	(1)	1	488	(2)	1
All other	4	4	4	2	-47	9	3
Total	46	55	61	81	76	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.

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

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

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The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for men's and boys' coats and jackets (except suit-type):

TSUSA item	*HTS subheading*
COTTON	
376.5408	6210.20.20
	6201.92.15
376.5425	6201.92.15
	6210.40.20
	6210.50.20
381.0211	6101.20.00
	6112.11.00
381.0212	6101.20.00
381.0256	6101.20.00
	6114.20.00
381.0418	6101.20.00
381.0427	6117.90.00
381.0515	6201.12.20
	6201.92.20
381.0552	6201.92.20
	6211.32.00
381.0827	6201.12.20
	6201.92.20
381.0838	6217.90.00
381.3514	6101.20.00
381.3905	6101.20.00
	6112.11.00
381.3915	6103.32.00
381.3925	6101.20.00
381.3947	6101.20.00
	6110.20.20
381.4332	6101.20.00
381.4341	6117.90.00
381.4510	6201.12.20
381.4520	6201.12.20
	6201.92.20
381.4600	6201.92.20
381.4715	6201.12.20
381.4770	6201.12.20
	6201.92.20
	6203.22.30
381.4810	6201.12.20
381.4850	6201.12.20
	6201.92.20
381.4860	6201.12.20
	6201.92.20
381.5910	6201.92.20
	6203.22.30
381.6505	6201.12.20
	6201.92.20
381.6546	6217.90.00
381.6604	6101.20.00
381.6903	6201.12.20
	6201.92.20
381.8504	6101.20.00
381.8626	6201.12.20
	6201.92.20
381.9922	6101.20.00
791.7413	6201.92.00
WOOL	
381.1310	6101.10.00
	6101.30.15
381.1537	6117.90.00
381.1720	6201.11.00
	6201.13.30
	6201.91.20
	6201.91.20
	6210.93.25
381.2017	6217.90.00
381.3527	6101.10.00
381.6620	6101.10.00
381.6936	6201.11.00
381.6937	6201.91.20
381.7120	6101.10.00
	6101.30.15
	6103.31.00
	6103.33.10
381.7535	6101.10.00
	6101.30.15
381.7643	6117.90.00
381.7820	6201.11.00
WOOL—*Cont.*	
381.7820—*Cont*	6201.13.10
	6201.91.20
	6201.93.25
381.8315	6201.11.00
	6201.13.30
381.8318	6201.91.20
	6201.93.25
381.8416	6217.90.00
381.8513	6101.10.00
381.8644	6201.11.00
	6201.91.20
381.9944	6101.10.00
	6101.30.15
MANMADE FIBERS	
376.5609	6201.93.30
	6210.40.10
376.5635	6201.93.30
	6210.40.10
	6210.50.10
381.2315	6101.30.20
	6112.12.00
381.2325	6101.30.20
381.2835	6101.30.20
381.2857	6117.90.00
381.3120	6201.13.40
	6201.93.35
	6211.20.15
381.3323	6201.13.40
	6201.93.35
381.3331	6201.93.35
381.3341	6217.90.00
381.3551	6101.30.20
	6112.12.00
381.3554	6101.30.20
381.6671	6101.30.20
	6112.12.00
	6112.19.10
381.6673	6101.30.20
381.6968	6201.93.35
381.8523	6101.30.20
381.8664	6201.13.40
	6201.93.35
381.8706	6101.30.20
	6112.12.00
381.8808	6101.30.20
381.8811	6101.30.20
381.9222	6101.30.20
381.9223	6101.30.20
381.9232	6117.90.00
381.9505	6201.13.40
381.9520	6201.13.40
381.9525	6201.93.35
381.9530	6201.13.40
	6201.93.35
	6211.20.20
381.9836	6201.93.20
381.9838	6201.13.40
	6201.93.35
381.9842	6217.90.00
381.9962	6101.30.20
791.7460	6101.30.10
791.7471	6201.93.35
DOWN	
748.4541	6201.92.10
748.4543	6201.92.10
748.4553	6201.93.10
	6211.20.10
748.4555	6201.93.10
	6211.20.10
OTHER	
381.3568	6101.90.00
381.6692	6101.90.00
381.6989	6201.19.00
	6201.99.00
381.8566	6101.90.00

The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for men's and boys' suit-type coats and jackets:

TSUSA item	*HTS subheading*
COTTON	
791.7412	6203.32.20
381.0205	6103.19.20
381.0210	6103.32.00
381.0507	6203.32.20
381.0509	6203.19.10
381.0600	6203.32.20
381.3511	6103.32.00
381.3512	6103.32.00
381.3910	6103.19.20
381.3915	6103.32.00
381.4400	6203.32.20
381.4740	6203.32.20
381.4820	6203.32.20
381.4830	6203.32.20
381.6217	6203.32.20
381.6219	6203.19.10
381.6602	6103.19.20
381.6603	6103.32.00
381.6901	6203.19.10
381.6902	6203.32.10
	6203.32.20
381.8502	6103.19.20
381.8503	6103.32.00
381.8622	6203.19.10
381.8624	6203.32.20
381.9920	6203.32.20
	6103.32.00
WOOL	
381.1710	6203.31.00
	6203.33.10
	6203.39.00
381.3526	6103.31.00
381.6618	6103.31.00
381.6934	6203.31.00
381.7525	6103.31.00
	6103.33.10
381.7810	6203.31.00
	6203.33.10
	6203.39.10

TSUSA item	*HTS subheading*
WOOL—*Cont.*	
381.8311	6203.31.00
	6203.33.10
	6203.39.10
381.8312	6203.31.00
	6203.33.10
	6203.39.10
381.8512	6103.31.00
381.8642	6203.31.00
381.9942	6103.31.00
	6103.33.10
MANMADE FIBERS	
381.2310	6103.29.10
	6103.33.20
	6103.39.10
381.3110	6203.33.20
	6203.39.20
381.3552	6103.33.20
381.6672	6103.33.20
	6103.39.10
381.6964	6203.33.20
381.8522	6103.33.20
381.8662	6203.12.20
	6203.33.20
381.8804	6103.33.20
	6103.39.10
381.8805	6103.33.20
	6103.39.10
381.9510	6203.33.20
381.9515	6203.33.20
381.9960	6103.33.20
791.7459	6103.33.20
791.7470	6203.33.20
OTHER FIBERS	
381.3567	6103.39.20
381.6691	6103.39.20
381.6987	6203.39.40
381.8560	6103.39.20
381.8683	6203.39.40
381.9978	6103.39.20

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The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for women's, girls', and infants' coats and jackets:

TSUSA item	*HTS subheading*
COTTON	
376.5412	6202.92.15
	6213.30.20
	6210.50.20
376.5430	6202.92.15
	6210.40.20
	6210.50.20
384.0240	6112.11.00
384.0241	6112.11.00
384.0243	6112.11.00
384.0250	6104.12.00
384.0252	6104.12.00
384.0254	6101.20.00
	6103.32.00
384.0255	6102.20.00
	6104.32.00
	6111.20.60
384.0257	6102.20.00
	6104.32.00
384.0340	6117.90.00
384.0423	6102.20.00
384.0424	6102.20.00
384.0520	6201.92.20
384.3013	6104.12.00
384.0521	6204.92.20
	6209.20.50
384.0522	6202.12.20
	6202.92.20
	6204.32.20
384.0645	6201.92.20
	6202.92.20
	6209.20.50
	6211.42.00
384.0646	6202.92.20
	6211.42.00
384.0702	6204.32.20
384.0705	6204.32.20
384.0707	6204.12.00
384.0708	6204.12.00
384.0709	6204.32.20
384.0710	6204.32.20
384.0924	6202.12.20
	6202.92.20
384.0927	6202.12.20
	6202.92.20
384.0970	6217.90.00
384.2702	6102.20.00
384.2746	6204.32.20
384.2747	6204.12.00
384.2748	6204.32.20
384.2749	6204.32.10
	6204.32.20
384.2750	6202.12.20
	6202.99.00
384.3007	6112.11.00
384.3008	6112.11.00
384.3010	6112.11.00
384.3011	6104.12.00
384.3013	6104.12.00
384.3114	6102.20.00
	6104.22.00
	6104.32.00
384.3116	6102.20.00
	6104.22.00
	6104.32.00
384.3118	6101.20.00
	6103.22.00
	6103.32.00
384.3121	6102.20.00
	6111.20.60
384.3431	6102.20.00
384.3433	6102.20.00
384.3464	6117.90.00
384.3500	6202.92.20
	6209.20.50
384.3600	6202.92.20
384.3705	6202.12.20
COTTON—*Cont.*	
384.3710	6202.12.20
384.3715	6202.12.20
384.3716	6202.12.20
384.3721	6202.12.20
384.3722	6202.12.20
384.3724	6202.12.20
384.3732	6202.12.20
	6209.20.30
384.3741	6201.12.20
	6202.12.20
384.3742	6202.12.20
384.3745	6202.12.20
384.3747	6202.12.20
384.3751	6203.32.20
384.3752	6204.32.20
384.3755	6204.32.20
384.3756	6204.32.20
384.3757	6204.32.20
384.3760	6204.32.20
384.3769	6202.12.20
	6202.92.20
384.3770	6202.92.20
	6202.12.20
384.3772	6201.12.20
	6201.92.20
384.3774	6202.12.20
384.3775	6201.12.20
	6201.92.20
384.3776	6202.92.20
384.3777	6202.92.20
384.3780	6202.12.20
	6202.92.20
384.3782	6201.92.20
384.3790	6202.12.20
	6202.92.20
	6209.20.50
384.4415	6202.92.20
	6211.42.00
384.4416	6202.92.20
	6211.42.00
384.4706	6204.32.20
384.4707	6204.32.00
384.4711	6204.12.00
384.4712	6204.12.00
384.4714	6204.32.00
384.4716	6204.32.00
384.5201	6202.12.20
	6202.92.20
384.5202	6202.12.20
	6202.92.20
384.5277	6217.90.00
384.5424	6102.20.00
384.5506	6204.32.10
384.5507	6204.12.00
384.5509	6204.32.10
384.5510	6204.32.10
	6204.32.20
384.5511	6202.12.20
	6202.19.00
	6202.92.20
	6202.99.00
384.7706	6102.20.00
384.7817	6204.12.00
384.7819	6204.12.00
384.7820	6204.32.00
384.7821	6202.12.20
	6202.19.00
	6202.92.20
	6202.99.00
384.9508	6102.20.00
791.7415	6204.32.20
WOOL	
384.1205	6102.10.00
	6102.30.10
	6104.31.00
	6104.33.10

The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for women's, girls', and infants' coats and jackets:—Continued

TSUSA item	*HTS subheading*
WOOL—*Cont.*	
384.1220	6102.10.00
	6102.30.10
	6104.31.00
	6104.33.10
384.1330	6117.90.00
384.1560	6201.11.00
	6201.13.30
	6201.91.20
384.1580	6202.11.00
	6202.13.10
	6204.31.20
	6204.33.40
	6204.39.20
384.2708	6102.10.00
	6104.31.00
384.2754	6204.31.10
	6204.31.20
384.2755	6202.11.00
	6202.91.20
384.5453	6102.10.00
384.5547	6204.31.20
384.5548	6202.11.00
	6202.91.20
384.5710	6101.10.00
384.5715	6102.10.00
	6102.30.10
	6111.10.00
384.5800	6102.10.00
	6102.30.10
384.5934	6117.90.00
384.6200	6102.10.00
	6102.30.10
	6104.31.00
	6104.33.10
384.6388	6117.90.00
384.6525	6201.11.00
	6201.91.20
	6201.93.25
384.6530	6202.11.00
	6202.13.30
	6202.91.20
	6202.93.40
	6204.31.20
384.7205	6202.11.00
	6202.13.30
384.7215	6204.31.20
	6204.33.40
	6204.39.20
384.7220	6202.11.00
	6202.13.30
	6202.91.20
	6202.93.40
384.7733	6102.10.00
384.7825	6204.31.10
384.7826	6202.11.00
	6202.19.00
	6202.91.20
	6202.99.00
384.9634	6104.31.00
	6204.31.20
384.9636	6102.10.00
MANMADE FIBERS	
376.5612	6202.93.45
	6210.20.10
	6210.50.10
376.5640	6202.93.45
	6210.40.10
	6210.50.10
384.1902	6101.30.20
384.1903	6101.30.20
	6102.30.20
	6111.30.50
384.1905	6102.30.20
384.1906	6112.12.00
	6112.19.10
384.1907	6111.30.50

TSUSA item	*HTS subheading*
MANMADE FIBERS—*Cont.*	
384.1907—*Cont*	6111.90.50
	6112.12.00
384.1908	6112.12.00
	6112.19.10
384.1911	6101.30.20
	6103.33.20
384.1912	6102.30.20
	6104.23.00
	6104.33.20
	6111.30.50
384.1914	6102.30.20
	6104.23.00
	6104.33.20
	6104.39.10
384.2206	6102.30.20
	6114.30.30
384.2208	6102.30.20
	6114.30.30
384.2265	6117.90.00
384.2316	6202.13.40
384.2318	6202.13.40
	6204.33.50
	6211.20.50
384.2321	6201.13.40
	6201.93.20
	6201.93.35
	6203.33.20
384.2323	6204.13.20
	6209.30.30
384.2554	6202.93.20
	6209.90.30
384.2556	6202.93.20
	6209.90.30
384.2565	6217.90.00
384.2604	6202.13.40
	6202.93.50
384.2605	6202.13.40
	6202.93.50
384.2717	6102.30.20
384.2770	6204.13.20
	6204.33.10
	6204.33.20
	6204.33.50
384.2771	6202.13.40
	6202.93.50
	6204.23.00
	6204.29.20
384.5483	6102.30.20
384.5565	6204.33.20
	6204.33.50
384.5566	6202.13.40
	6202.93.50
384.7753	6102.30.20
384.7859	6204.33.10
384.7860	6202.13.40
	6202.19.00
	6202.93.50
	6202.99.00
384.8201	6102.30.20
384.8202	6102.30.20
384.8203	6102.30.20
384.8204	6102.30.20
384.8206	6112.12.00
	6112.19.10
384.8207	6112.12.00
	6112.19.10
384.8209	6103.33.20
	6104.33.20
	6104.39.10
384.8211	6103.33.20
	6104.33.20
	6104.39.10
384.8213	6102.30.20

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The following list includes a concordance that shows the TSUSA items and the Harmonized Tariff Schedule subheadings for women's, girls', and infants' coats and jackets:—Continued

TSUSA item	*HTS subheading*
MANMADE FIBERS—*Cont.*	
384.8214	6102.30.20
	6104.23.00
	6104.33.20
384.8217	6101.30.20
384.8219	6102.30.20
	6111.30.50
384.8670	6111.30.50
	6111.90.50
384.8671	6104.23.00
	6104.29.10
384.8681	6117.90.00
384.8805	6202.93.50
384.9132	6201.13.40
	6201.93.35
	6203.33.20
384.9135	6202.13.40
384.9136	6202.13.40
384.9138	6202.13.40
384.9140	6202.13.40
384.9141	6202.13.40
384.9144	6202.13.40
	6209.30.30
384.9145	6204.13.20
	6204.33.50
384.9146	6204.13.20
	6204.33.50
384.9152	6202.13.40
	6202.93.50
	6211.20.50
384.9153	6202.93.50
384.9154	6202.93.50
	6209.30.30
384.9401	6202.13.40
	6202.93.50
MANMADE FIBERS—*Cont.*	
384.9402	6202.13.40
	6202.93.50
384.9464	6202.92.20
384.9465	6202.92.20
384.9475	6217.90.00
384.9664	6104.33.20
384.9666	6102.30.20
791.7461	6102.30.05
	6104.33.20
791.7473	6204.33.50
DOWN	
748.4545	6202.92.10
748.4547	6202.92.10
748.4549	6202.92.10
	6211.20.10
748.4563	6202.93.10
748.4565	6202.93.10
	6211.20.10
748.4570	6202.93.10
	6211.20.10
OTHER	
384.2729	6102.90.00
384.2789	6202.99.00
	6204.39.40
	6204.63.35
384.5325	6102.90.00
	6104.29.20
384.5690	6202.99.00
	6204.19.30
	6204.39.40
384.7778	6104.39.20
384.7894	6204.39.40
384.9684	6104.39.20
384.9685	6102.90.00

Chapter 7

Imports Under HTS Subheading 9802.00.80: Other Manufactured Articles

U.S. imports of other manufactured articles increased by 30 percent during 1985–88, from $102 billion to $132 billion (table 7–1). Other manufactured articles include a much wider spectrum of products than the other major overview groups—transportation equipment, machinery and mechanical appliances, and textiles and apparel. The ratio of TSUS item 807.00 (now HTS subheading 9802.00.80) imports to total imports for other manufactured articles was much smaller than was for the other major groups, totaling 1.8 percent in 1988, up slightly from 1.0 percent in 1985 (table 7–2).

Imports of other manufactured articles entering under HTS subheading 9802.00.80 increased by 82 percent during 1985–88, from $1.3 billion to $2.4 billion. These imports rose sharply between 1985 and 1987, from $1.3 billion to $2.1 billion, because many importers began entering goods under subheading 9802.00.80 to avoid the Customs User Fee. For example, the greatest level of growth occurred in subheading 9802.00.80 imports of furniture, most of which was for motor-vehicle use and qualified for duty-free status under APTA. Furniture imports under subheading 9802.00.80 increased 431 percent during 1985–88, to $541 million, nearly one-quarter of all imports of other manufactured article under this provision.

Imports of other manufactured articles entering under HTS subheading 9802.00.80 are concentrated in HTS sections XVIII (Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Parts and Accessories Thereof), XX (Miscellaneous Manufactured Articles), XV (Base Metals and Articles of Base Metals), and X (Pulp of Wood or Other Fibrous Cellulosic Material; Paper and Paperboard and Articles Thereof).

Table 7-1

Other manufactured articles: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	101,995	1,305	544
1986	109,277	1,396	657
1987	117,439	2,100	898
1988	132,701	2,377	1,039
	Change (percent)		
1988 from 1985	30	82	91
Average annual 1985 from 1985	9	22	24

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

Table 7-2

Other manufactured articles: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	1	42	6.1	3.6	34
1986	1	47	5.9	3.1	39
1987	2	43	4.2	2.4	38
1988	2	44	4.4	2.5	48

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

In 1988, imports of these products under subheading 9802.00.80 were composed chiefly of furniture (primarily automotive seats) at $541 million; minerals and metals (e.g., locks, handtools, wire, and chain) at $360 million; surgical instruments at $270 million; scientific instruments at $249 million; industrial papers and packaging at $153 million; and photographic equipment and supplies at $113 million.

Although, in general, the ratio of subheading 9802.00.80 imports to total imports for the other manufactured articles group was low, certain subgroups had a substantially higher ratio. The ratio of subheading 9802.00.80 imports to total imports for scientific instruments was 10 percent; surgical instruments 10 percent; furniture 11 percent; and industrial papers and packaging 14 percent. Imports under subheading 9802.00.80 also nearly doubled during 1985–88 in terms of the duty-free content, from $544 million to $1.1 billion (table 7–1). The share of subheading 9802.00.80 imports of other manufactured articles accounted for by U.S.-made components was fairly stable during 1985–88, averaging 44 percent annually. In 1988, subheading 9802.00.80 imports of disposable paper garments and other articles had the highest level of duty-free content, 85 percent. Minerals and metals and furniture had the lowest level of duty-free content, only 35 percent each in 1988.

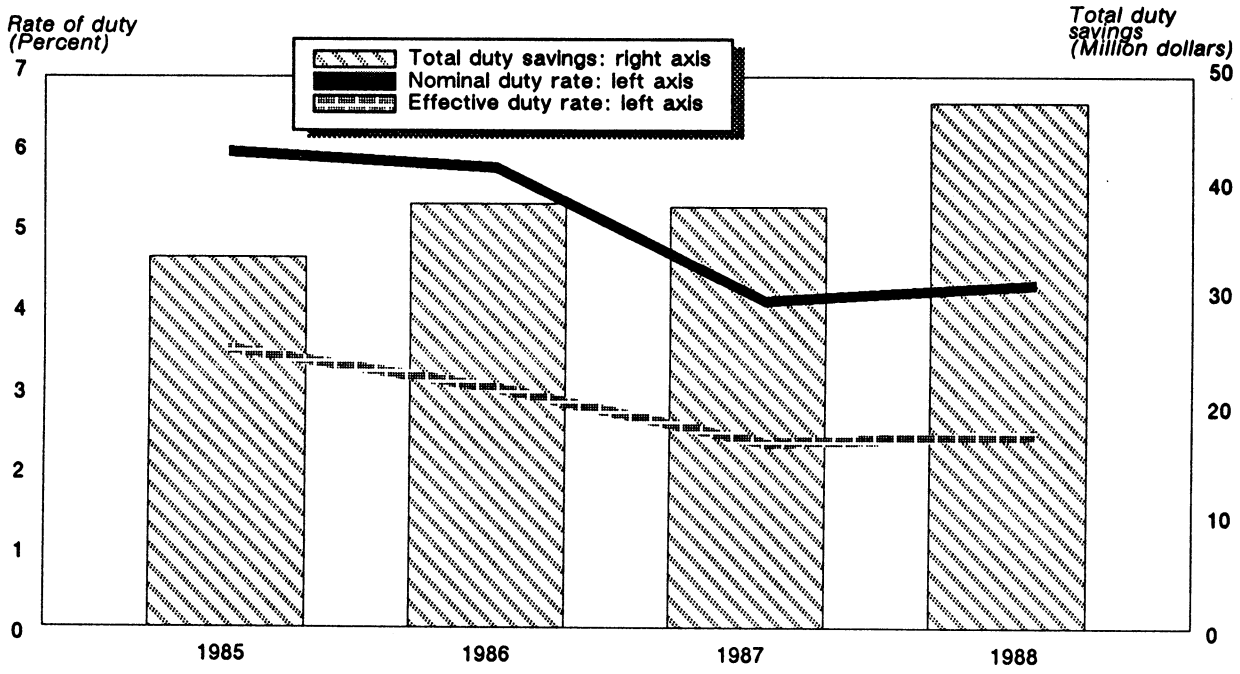
The nominal and effective rates of duty each shrank by approximately one-third during 1985–88, but, because of the rising volume of trade under subheading 9802.00.80, the duty savings for the category rose by almost 50 percent (table 7–2 and figure 7–1). The duty savings, by major subgroup, ranged from $1.8 million (photographic equipment and supplies) to $7.0 million (surgical and medical instruments) in 1988.

Mexico supplied 53 percent ($1.3 billion) and Canada, 25 percent ($593 million) of all U.S. imports entering under subheading 9802.00.80 for this grouping in 1988. Mexico and Canada were the major suppliers for all of the major subgroupings within this section with two exceptions. Mexico was by far the dominant beneficiary of the duty-free treatment of subheading 9802.00.80 throughout the period. In 1988, Mexico accounted for 66 percent ($686 million) of the value of U.S.-made components assembled into the other manufactured goods imported under subheading 9802.00.80 (table 7–3). Canada was the second leading supplier at 17 percent, followed by the Netherlands with 3 percent.

The principal articles imported from Mexico under subheading 9802.00.80 in 1988, in terms of U.S. content, were disposable paper garments ($125 million, 18 percent of the total from Mexico); surgical and medical instruments and apparatus ($112 million, 16 percent); and scientific instruments ($108 million, 6 percent). Furniture ($120 million), principally for use in motor vehicles, accounted for 69 percent of such imports from Canada in 1988 (app. B).

Contact Hazel Robinson at 252–1496

Figure 7–1
Other manufactured articles: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985–88



Source: Based on official statistics of the U.S. Department of Commerce.

Table 7-3

Other manufactured articles: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	335	419	567	686	105	62	66
Canada	49	53	128	174	253	9	17
Netherlands	9	17	23	31	240	2	3
Domincan Republic	19	34	33	28	47	4	3
United Kingdom	19	19	30	27	40	3	3
Haiti	27	27	44	26	-2	5	3
Philippines	6	12	19	18	186	1	2
Thailand	0	0	(1)	9	(2)	0	1
West Germany	4	3	4	7	89	1	1
Japan	5	34	9	7	49	1	1
All others	71	38	41	25	-65	13	2
Total	544	657	898	1,039	91	100	100

[1] Less than $500,000.
[2] Not applicable.

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

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

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Furniture and Parts

U.S. imports of furniture and parts increased 42 percent during 1985–88, to $4.7 billion. During the period, imports of these products under HTS subheading 9802.00.80 grew by 431 percent, to $541 million (table 7–4). The ratio of imports under subheading 9802.00.80 to total imports climbed from 3 percent in 1985 to 11 percent in 1988 (table 7–5).

The duty-free content of imports entered under subheading 9802.00.80 doubled to $36 million in 1986 over 1985. Between 1986 and 1988, such imports increased 425 percent, to $190 million; much of the rise was caused by increased use of subheading 9802.00.80 to avoid the Customs User Fee. The ratio of duty-free content to total value of imports under this provision experienced an overall gain during the 4-year period, rising to 35 percent in 1988, as shown in table 7–5.

Subheading 9802.00.80 is used most often by producers of furniture designed for motor-vehicle use (mainly seats); generally, manufacturers of household, business, and institutional furniture do not use subheading 9802.00.80. In 1985 and 1986, virtually all of the furniture imports under subheading 9802.00.80 were from Mexico. During 1987–88, furniture imports from Mexico continued to grow rapidly. However, because of even more rapid growth in furniture imports from Canada, imports from Mexico accounted for only 50 percent of total furniture imports under subheading 9802.00.80. U.S. automotive manufacturers have located plants along the Mexican border to take advantage of the lower Mexican labor costs. Because the production of automotive seats is labor intensive, it is to the advantage of U.S. companies to send the parts, which are more capital intensive to manufacture, to Mexico for final assembly and importation to the United States.

In 1988, Mexico accounted for just under 40 percent of the U.S.-origin content total furniture imports under subheading 9802.00.80, and Canada accounted for just over 60 percent (table 7–6). Virtually all of the imports from Canada consisted of furniture and parts thereof designed for motor-vehicle use that qualify for duty-free treatment under the APTA. The sudden increase in furniture imports from Canada under subheading 9802.00.80 resulted from Canadian exporters sending automotive furniture and parts to the United States under subheading 9802.00.80 in order to avoid paying the Customs User Fee.

Table 7–4

Furniture and parts: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	3,332	102	18
1986	4,067	161	36
1987	4,540	422	117
1988	4,722	541	190
	Change (percent)		
1988 from 1985	42	431	983
Average annual 1988 from 1985	12	75	121

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

Table 7–5

Furniture and parts: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	3	17	3.9	3.3	0.7
1986	4	22	3.1	2.4	1.1
1987	9	28	1.4	1.0	1.8
1988	11	35	1.7	1.1	3.2

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

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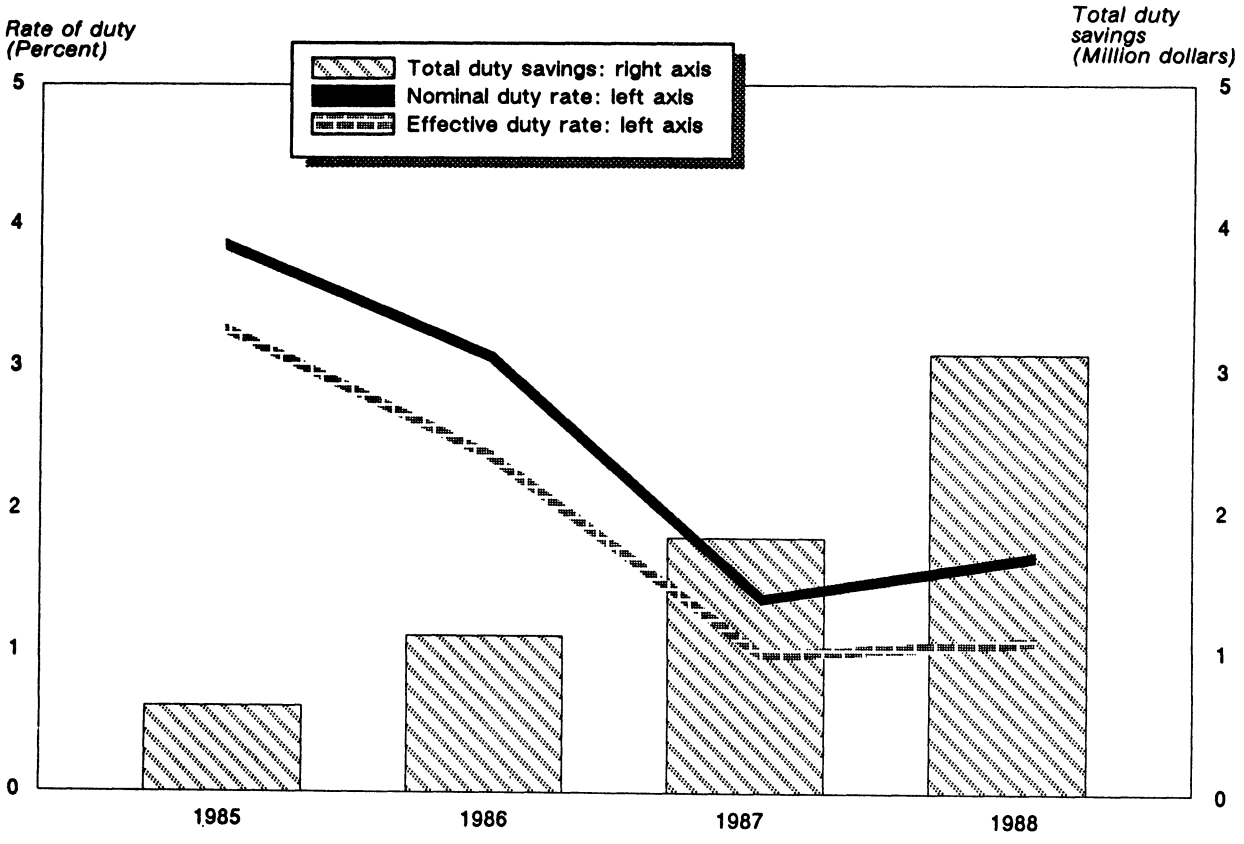
The ratio of duty-free imports to total imports under subheading 9802.00.80 increased from 28 percent to 35 percent during 1987–88 largely because of the entry of APTA imports under subheading 9802.00.80. The use of subheading 9802.00.80 in conjunction with APTA affected the nominal and effective rates of duty, which declined to 1.7 and 1.1 percent, respectively, in 1988, after remaining relatively stable during 1985–88 (table 7–5). Although subheading 9802.00.80 imports increased by 226 percent during 1986–88, duty savings increased by only 186 percent, reflecting the reduced nominal rate of duty because of the volume of subheading 9802.00.80 imports receiving APTA treatment (table 7–5 and figure 7–2).

Most articles of furniture were eligible for duty-free entry under the GSP (exceptions include waterbed mattresses and liners and mattresses of cotton) with approximately $702 million entering under this provision in 1988. During 1985–88, imports entering under the GSP increased at an annual rate of around 3 percent. During the same period, goods entering under subheading 9802.00.80 increased at an average annual rate of 75 percent, with the duty-free portion increasing 121 percent. Although Taiwan was the leading supplier of goods eligible for duty-free entry under the GSP through 1986, the country became ineligible for such treatment under many tariff provisions in 1987, thus allowing Mexico to become the top supplier of furniture under the GSP.

Contact Linda A. Linkins at 252–1499

Figure 7-2
Furniture and parts: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

7-5

Table 7-6

Furniture and parts: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Canada	1	3	70	120	146	5	63
Mexico	17	33	46	69	318	95	37
All others	(1)	(1)	(1)	(1)	217	1	(2)
Total	18	36	117	190	983	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.

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

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

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The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for furniture and parts:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
727.0200	9402.10.00	727.4700—*Cont*	9403.90.40
727.0600	9401.20.00	727.4900	9401.10.10
	9401.90.10	727.5300	3926.90.77
	9403.90.10	727.5900	9401.10.80
727.0700	9401.20.00		9401.30.80
	9401.90.10	727.5900	9401.80.45
	9403.20.00		9401.90.35
	9403.60.80		9403.80.60
	9403.70.40		9403.90.50
	9403.70.80	727.6500	9401.80.50
	9403.80.60		9403.20.00
	9403.90.10		9401.90.80
727.2900	9401.30.40	727.7040	9404.10.00
	9401.61.40	727.7045	9403.10.00
	9401.69.60		9403.20.00
727.3525	9403.30.80	727.7055	9403.10.00
	9403.60.80		9403.20.00
727.3535	9403.30.80	727.7065	9403.10.00
	9403.40.90		9403.20.00
	9403.60.80	727.7075	9403.10.00
727.3555	9403.30.80		9403.20.00
	9403.40.90	727.7080	9401.10.40
	9403.60.80		9401.10.80
727.3590	9401.61.60		9401.30.80
	9401.69.80		9401.71.00
	9403.30.80		9401.79.00
	9403.40.90		9401.80.60
	9403.60.80		9401.90.50
727.4040	9401.90.40		9403.80.60
	9403.90.70		9403.90.80
727.4140	9403.90.70	727.4700	9401.30.80
727.4540	9401.90.50	727.8200	9404.29.10
	9403.80.60		9404.90.10
727.4700	9401.80.20	727.8610	9404.90.20
	9401.90.35	727.8650	9404.90.20
	9403.90.70		9404.90.90

Minerals and Metals

U.S. imports of minerals and metals rose from $42.8 billion to $53.5 billion during 1985–88, a 25 percent increase. However, imports of these goods under HTS subheading 9802.00.80 rose 84 percent to $360 million in 1988 as shown in table 7–7. The ratio of imports under subheading 9802.00.80 to total imports was 1 percent or less throughout the reporting period (table 7–8).

The duty-free content of imports entered under subheading 9802.00.80 rose to $126 million during 1985–88, or by 62 percent. The ratio of duty-free content to total value of subheading 9802.00.80 imports averaged 40 percent during the period. The nominal rate of duty for these products decreased from 6.1 percent in 1985 to 3.9 percent in 1988; similarly, the effective rate of duty decreased from 3.7 percent to 2.5 percent. The total duty savings resulting from subheading 9802.00.80 also fluctuated during 1985–88, totaling $4.9 million in 1988, as shown in table 7–8 and figure 7–3.

The principal commodity groups imported under subheading 9802.00.80 during 1985–88 were metallic containers; locks and padlocks; handtools; structures of base metal; nonelectric heating and cooking apparatus, except cast-iron stoves; and miscellaneous metal products such as wire and chains.

The principal sources of these imports throughout the period were Mexico and Canada, accounting for 77 percent and 17 percent, respectively, of the total in 1988, in terms of duty-free content (table 7–9). Assembly operations in Mexico accounted for 75 percent of the increase in subheading 9802.00.80 imports during 1985–88 as measured by the value of the U.S.-made components, from $29 million to $97 million. Typically, U.S. companies encountering stiff competition from East Asian suppliers seek to reduce their production costs by moving such labor-intensive activities as polishing, grinding, and welding to Mexico, where wage rates are relatively low.

Although U.S. imports under CBERA and GSP were essentially unimportant for the minerals and metals commodity group during 1985–88, a small but growing number of firms with metal assembly facilities in Mexico are performing production activities, purchasing raw materials, and raising the wages of their workers sufficient to meet the 35 percent value added in Mexico required to qualify for duty-free entry under the GSP. Use of the GSP for these firms is a preferable alternative to subheading 9802.00.80 because the entire value of the imported article

7–7

can enter free of duty under the GSP rather than just the value of the U.S.-made components as under subheading 9802.00.80.

Contact Deborah McNay at 252-1425

Table 7-7

Minerals and metals: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	42,760	196	78
1986	42,008	259	110
1987	44,600	396	163
1988	53,472	360	126
	Change (percent)		
1988 from 1985	25	84	62
Average annual 1988 from 1985	8	22	17

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

Table 7-8

Minerals and metals: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	(1)	40	6.1	3.7	4.8
1986	1	42	5.8	3.4	6.3
1987	1	41	4.0	2.4	6.6
1988	1	35	3.9	2.5	4.9

[1] Less than 0.5 percent.

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

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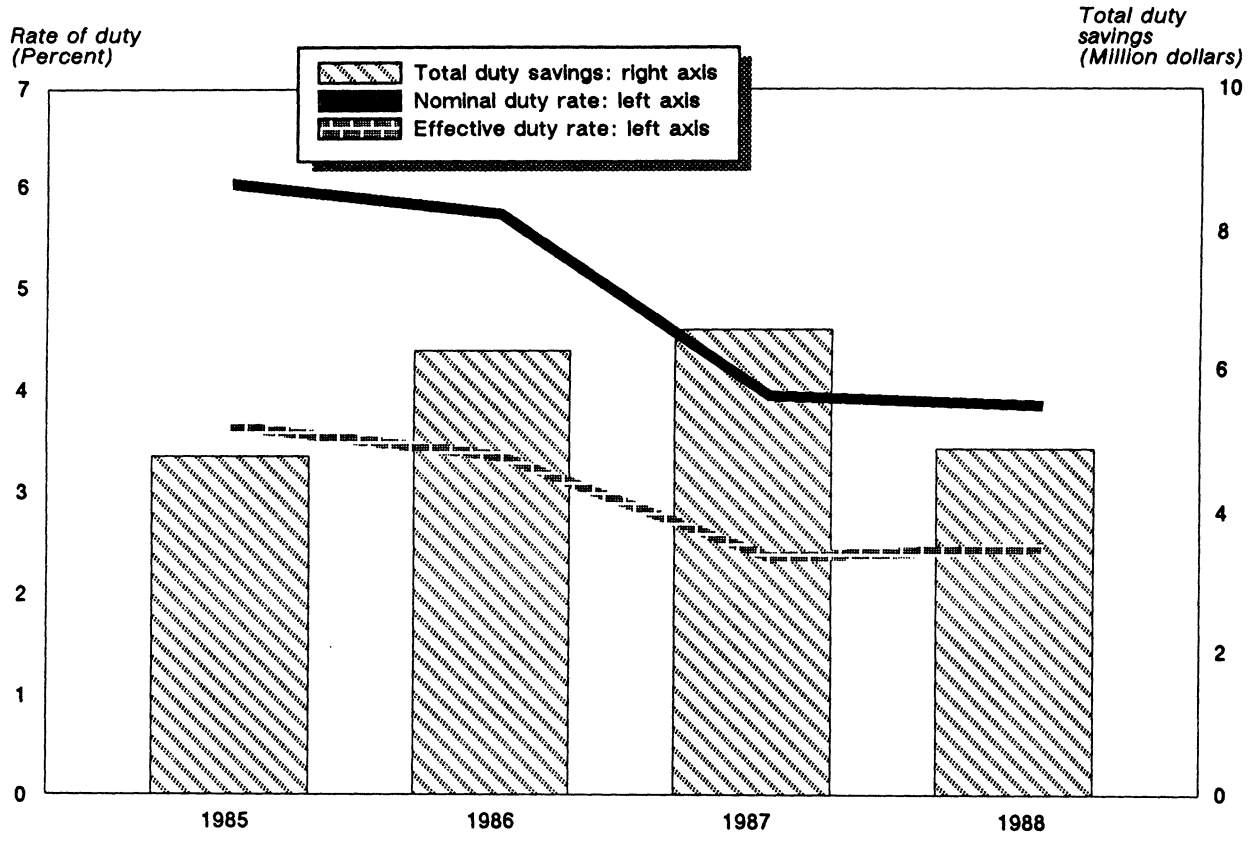
Figure 7-3
Minerals and metals: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Table 7-9

Minerals and metals: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	29	62	121	97	232	37	77
Canada	14	17	20	22	60	18	17
Philippines	0	0	3	4	(2)	0	3
Brazil	(1)	(1)	6	1	978	(3)	1
All others	35	30	12	2	-94	45	2
Total	78	110	163	126	61	100	100

[1] Less than $500,000.
[2] Not applicable.
[3] Less than 0.5 percent.

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

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

The following list includes TSUS items and the Harmonized Tariff Schedule subheadings for minerals and metals:

TSUS item	*HTS subheading*
511.65	6810.19.50
	6810.99.00
516.94	6814.10.00
	6814.90.00
517.81	3801.10.10
	8545.20.00
517.91	3801.90.00
	6815.10.00
	8545.19.40
	8545.90.40
518.21	6812.10.00
	6812.40.00
	6812.50.50
	6812.70.00
	6813.90.00
519.51	6805.10.00
	6805.30.10
519.86	6804.22.40
520.51	7103.10.40
	7103.91.00
	7116.20.50
534.11	6913.10.10
	6913.90.10
534.91	6911.90.00
	6913.10.20
535.11	8546.20.00
535.12	8504.90.00
	8505.19.00
	8529.90.35
535.14	8546.20.00
	8547.10.80
535.31	6910.10.00
	6910.90.00
	6911.90.00
	6912.00.50
540.43	7002.20.50
	7002.32.00
540.71	7019.31.00
	7019.39.50
	7019.90.50
544.31	7007.11.00
	7007.19.00
544.41	7007.21.10
	7007.21.50
544.51	7009.10.00
	7009.91.10
	7009.92.10
544.52	7009.10.00
	7009.91.50
	7009.92.50
544.54	7009.10.00
	7009.91.50
	7009.92.50
544.61	7009.00.00
545.17	7010.90.30
545.53	9405.91.20
545.57	9405.91.60
	7112.90.00
545.67	7014.00.50
547.37	7011.10.50
	7011.90.00
548.05	7010.90.20
	7010.90.30
	7018.90.50
	7020.00.00
605.70	7112.10.00
	7112.90.00
608.13	7210.31.00
	7210.49.00
	7210.60.00
	7210.70.60
	7210.90.90
	7212.21.00
	7212.29.00
	7212.30.50
	7212.40.50
608.13—*Cont*	7212.50.00
608.32	7305.11.10
	7305.12.10
	7305.19.10
	7305.31.40
	7305.39.10
	7305.90.10
	7306.10.10
	7306.20.60
	7306.30.50
	7306.90.10
610.49	7304.10.10
	7304.20.50
	7304.20.70
	7304.31.60
	7304.39.00
	7304.90.50
	7306.30.10
	7306.60.50
610.84	7307.91.50
	7307.21.50
610.93	7307.91.50
	7307.92.30
	7307.99.50
613.18	7412.20.00
618.17	7604.10.10
	7604.29.10
640.10	7311.00.00
	7613.00.00
640.30	7310.10.00
	7310.29.00
	7612.90.50
	8609.00.00
640.35	7309.00.00
	7611.00.00
642.18	7412.10.90
	7613.00.50
	7614.10.10
	7614.90.10
642.20	7312.10.05
	7312.10.20
	7312.10.50
	7312.10.70
	7312.90.00
	7413.00.90
	7614.10.50
	7614.90.50
642.45	7314.19.00
646.20	8305.20.00
646.26	7317.00.55
646.45	8302.42.30
646.47	8302.42.30
646.54	7318.15.20
646.80	8301.10.20
646.89	8301.30.00
646.90	8301.40.30
	8301.50.00
646.92	8301.20.00
	8301.30.00
	8301.40.60
	8301.60.00
	8301.70.00
646.95	8302.41.30
	8302.60.30
	8302.60.90
647.01	8207.10.30
	8302.30.30
647.02	8302.10.30
	8302.30.30
647.03	8302.10.60
	8302.41.60
	8302.42.30
	8302.49.60
647.05	8302.10.90
	8302.30.60
	8302.41.90

The following list includes TSUS items and the Harmonized Tariff Schedule subheadings for minerals and metals—Continued:

TSUS item	*HTS subheading*
647.05—*Cont*	8302.42.60
	8302.49.80
648.53	8201.30.00
648.57	8201.30.00
648.80	8203.20.40
648.82	8203.20.40
648.85	8203.20.60
648.93	8203.30.00
	8203.40.30
649.11	8202.10.00
649.23	8202.40.30
649.24	8202.40.60
649.33	8205.80.00
649.37	8205.70.00
649.43	8207.11.00
	8207.12.30
	8207.30.30
	8207.40.30
	8207.50.20
	8207.60.00
	8207.70.30
	8207.80.30
	8207.90.30
649.49	8207.12.60
	8207.30.60
	8207.50.80
	8207.70.60
	8207.80.60
	8207.90.75
650.15	8211.91.50
	8211.92.20
	8214.90.60
650.21	7114.19.00
	8211.91.60
	8211.92.80
	8214.10.00
	8214.90.60
650.71	8212.10.00
	8212.90.00
651.27	8205.10.00
651.37	8205.40.00
651.48	8203.40.30
	8203.40.60
	8205.51.30
	8205.59.55
	8205.99.50
651.55	8205.51.75
	8205.59.80
	8215.91.90
	8215.99.50
651.75	7114.11.45
	7114.11.70
652.10	8307.10.60
	8307.90.60
652.15	7315.11.00
	7315.19.00
	7315.12.00
652.35	7315.89.50
652.65	8309.10.00
652.70	8306.30.00
	9701.10.00
	9701.90.00
	9702.00.00
652.84	7320.10.00
	7320.20.10
652.85	7320.10.00
	7320.20.10
652.88	7320.20.50
	7320.90.50
	7416.00.00
652.89	7320.20.50
	7320.90.50
	7416.00.00
652.92	7308.30.50
652.94	7301.20.10
652.94—*Cont*	7308.90.30
652.96	7301.20.50
	7308.90.60
653.00	7304.00.00
	7308.10.00
	7308.20.00
	7308.90.90
	7308.00.80
653.01	7610.10.00
	7610.90.00
	7907.10.00
	9406.00.80
653.03	7326.90.90
653.20	8303.00.00
653.35	9405.20.40
653.37	9405.10.40
	9405.40.40
	9405.50.30
	9405.60.20
	9405.99.20
653.39	7305.31.20
	7306.30.30
	7306.40.60
	7306.50.30
	8512.10.20
	8512.90.40
	9405.10.60
	9405.20.60
	9405.40.60
	9405.50.40
	9405.60.40
	9405.99.40
653.45	7321.11.10
	7321.12.00
	7321.81.10
	7321.82.00
653.48	7321.13.00
	7322.90.00
653.52	7321.13.00
	7321.81.50
	7321.82.50
	7321.83.00
	7322.11.00
	7322.90.00
	7417.00.00
	8403.90.00
653.75	7323.99.30
	7418.10.10
653.90	7323.99.50
653.96	7324.10.00
	7324.21.50
	7324.90.00
654.00	7323.93.00
	7323.99.90
	7324.90.00
	9604.00.00
654.25	7418.10.20
	7418.20.10
	9604.00.00
	9616.10.00
654.45	7615.10.70
	9604.00.00
654.50	7615.10.90
	7615.20.00
654.55	7615.10.10
654.60	7615.10.30
654.65	7615.10.90
	7615.20.00
654.75	7907.90.30
	7114.20.00
	7115.90.20
656.15	7114.11.70
	7114.20.00
	7115.90.20
656.25	7326.90.60

7-12

The following list includes TSUS items and the Harmonized Tariff Schedule subheadings for minerals and metals—Continued:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
656.25—*Cont*	7419.99.30	657.40	7616.90.00
657.09	7325.10.00		8302.50.00
	8306.29.00		8306.29.00
	8320.00.00		9006.91.00
657.25	7325.91.00		9007.91.80
	7325.99.50	657.75	7806.00.00
	7326.19.00		8309.90.00
	7326.20.00	657.90	8104.90.00
	7326.90.90	658.00	8101.99.00
	8305.10.00		8102.99.00
	8306.29.00		8103.90.00
	9010.90.80		8105.90.00
	9604.00.00		8107.90.00
657.30	7419.91.00		8108.90.30
	7419.99.50		8109.90.00
657.35	7419.91.00		8110.00.60
	7419.99.50		8112.19.00
	8302.50.00		8112.30.90
	8306.29.00		8112.40.60
	8310.00.00		8112.99.00
	8485.10.00		8113.00.00

Surgical and Medical Instruments and Apparatus

During 1985–88, the value of U.S. imports of surgical and medical instruments and apparatus rose from $1.6 billion to $2.7 billion, or by an average annual increase of 20 percent (table 7–10). Imports of these products under HTS subheading 9802.00.80 grew faster, increasing at an average annual rate of 33 percent during the period to $270 million in 1988. Subheading 9802.00.80 imports, by 1988, represented 10 percent of total imports of medical goods, up from 7 percent in 1985.

The duty-free content, or U.S.-manufactured portion, of subheading 9802.00.80 imports rose from $57 million in 1985, slightly less than one-half of the value of all medical goods imported under subheading 9802.00.80, to $144 million in 1988, 53 percent of total 9802.00.80 imports in that year. The total duty savings of firms using subheading 9802.00.80 in the importation of medical goods increased from $3 million in 1985 to $7 million in 1988. The nominal rate averaged 4.9 percent annually during 1985–88; the effective rate averaged 2.3 percent (table 7–11 and figure 7–4).

Mexico was by far the largest source of imported medical goods under subheading 9802.00.80 during 1985–88; the duty-free content of such imports from Mexico totaled $112 million in 1988, accounting for 78 percent of the U.S.-origin content of all U.S. imports of medical apparatus and equipment imported under that provision of the HTS (table 7–12). However, the largest growth in subheading 9802.00.80 imports was exhibited by the Dominican Republic. The duty-free content of such imports from that country grew from none in 1985 to $9.3 million in 1988, making the Dominican Republic the second leading source of subheading 9802.00.80 imports of medical goods in terms of duty-free content. The United Kingdom, West Germany, Japan, and Canada accounted for the bulk of the remaining duty-free content of subheading 9802.00.80 imports.

Table 7–10
Surgical and medical instruments and apparatus: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
		Value (million dollars)	
1985	1,596	116	57
1986	2,033	131	75
1987	2,299	195	105
1988	2,738	270	144
		Change (percent)	
1988 from 1985	72	134	153
Average annual 1988 from 1985	20	33	37

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

7–13

Table 7-11

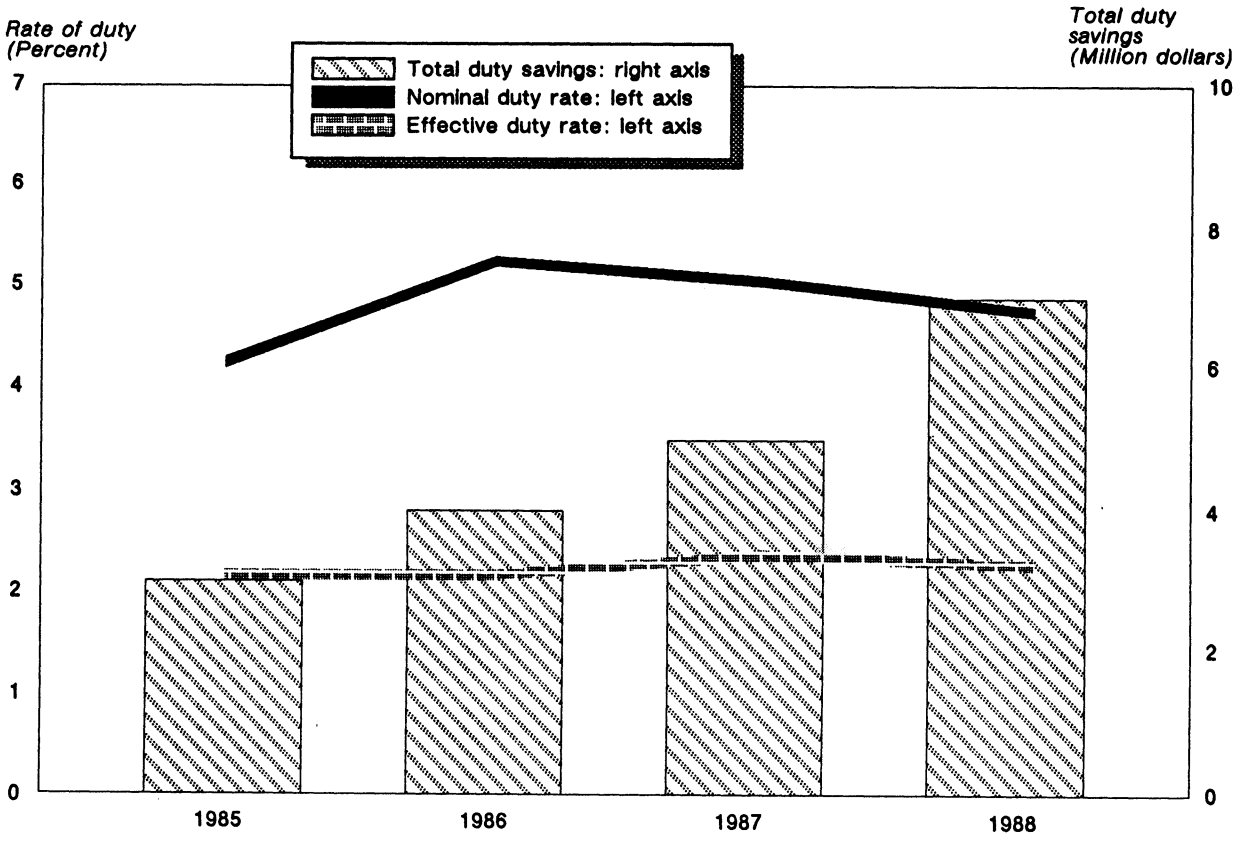
Surgical and medical instruments and apparatus: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	7	49	4.3	2.2	3
1986	6	58	5.3	2.2	4
1987	8	54	5.1	2.4	5
1988	10	53	4.8	2.3	7

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

Figure 7-4

Surgical and medical instruments: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

7-14

Table 7-12

Surgical and medical instruments: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value	
						1985	1988
	Million dollars				Percent	Percent	
Mexico	44	64	85	112	155	77	78
Dominican Republic	0	0	(1)	9	(2)	0	6
United Kingdom	6	3	7	5	-16	11	4
West Germany	1	(1)	2	5	418	2	3
Japan	2	3	3	4	136	3	3
Canada	1	2	3	4	265	2	3
France	(1)	(1)	(1)	1	2,525	(2)	2
Netherlands	(1)	(1)	1	1	5,536	(2)	1
Korea	0	(1)	(1)	1	(2)	0	1
All others	3	3	2	1	-58	5	1
Total	57	75	105	144	153	100	100

[1] Less than $500,000.
[2] Not applicable.

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

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

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The types of medical products most frequently imported into the United States under subheading 9802.00.80 during 1985–88 included bougies, catheters, and drains, and other miscellaneous medical, surgical, and veterinary instruments and parts not specifically provided for in the HTS; artificial respiration, oxygen therapy, and similar apparatus; and electromedical and x-ray apparatus and parts for medical and dental use.

Mexico was the dominant source of subheading 9802.00.80 imports of bougies, catheters, drains, and sondes; artificial respiration and oxygen therapy equipment; and other miscellaneous medical, surgical, and veterinary instruments and parts not specifially provided for in the HTS. However, subheading 9802.00.80 imports of catheters, drains, and other miscellaneous medical instruments and parts from the Dominican Republic grew dramatically when several major U.S. producers established assembly facilities in that country in 1988 to take advantage of preferential tax treatment provided in the Tax Reform Act of 1986. That legislation provided incentives for U.S. producers with Puerto Rican manufacturing operations to establish assembly facilities in Caribbean Basin Countries to promote development there. The Puerto Rican subsidiaries of the U.S. medical producers perform the more capital-intensive functions in the manufacture of medical devices, then send the semifinished goods and components to Dominican Republic subsidiaries for final assembly. The primary reason that U.S. producers of these products have established assembly operations in Mexico and the Caribbean is to take advantage of lower labor costs and preferential tariff treatment afforded by subheading 9802.00.80. The establishment of the Customs User Fee in late 1986 had little impact on the use of subheading 9802.00.80 by importers of these goods in 1988.

West Germany, Mexico, and Japan were the primary sources for subheading 9802.00.80 imports of electromedical and x-ray apparatus and parts for medical and dental use in 1988. France, the Netherlands, and Spain were also important suppliers. The U.S.-made content of subheading 9802.00.80 imports from Japan and the EC suppliers was less than 10 percent of the total value of such imports, whereas about three-fourths of the value of subheading 9802.00.80 imports of electromedical and x-ray equipment from Mexico consisted of U.S.-made components in 1988. Japanese and West European manufacturers of high-technology x-ray equipment still rely highly on securing critical components for their systems from the United States. Subheading 9802.00.80 benefits accruing to the foreign supplier of these goods containing U.S.-made components to the U.S. market appear to have been incidential. Subheading 9802.00.80 imports of electromedical equipment from Mexico primarily reflect an increase in the use of Mexican assembly facilities by both large and smaller U.S. medical goods producers to save on labor costs.

All surgical and medical instruments and apparatus were eligible for GSP treatment during 1985-88. However, Mexico lost its GSP eligibility under HTS subheading 709.09 for bougies, catheters, drains, and sondes on March 31, 1983, after exceeding the competitive-need limitations. Imports under the GSP were 7 percent of total U.S. imports of medical instruments and apparatus in 1988. Imports under the U.S.-Israel Free Trade Area Implementation Act of 1985 and under the CBERA accounted for less than 2 percent of total U.S. imports in 1988.

Contact Chris Johnson at 252–1488

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for surgical and medical instruments and apparatus:

TSUS item	*HTS subheading*
709.0100	9018.90.1000
709.0300	9018.50.0000
709.0500	9018.50.0000
	9018.90.2000
709.0600	9018.90.3000
709.0700	9018.90.8000
709.0920	9018.39.0020
709.0940	9018.39.0040
709.1000	9018.90.4000
709.1120	9018.90.5040
709.1140	9018.90.5080
709.1320	9018.31.2040
	9018.31.6000
709.1340	9018.31.2080
	9018.31.6000
709.1520	9018.90.6000
709.1540	9018.19.4000
	9018.90.6000
709.1705	9021.50.0000
709.1710	9018.90.7060
709.1715	9018.90.7020
709.1720	9018.90.7060
709.1750	9018.11.0040
709.1760	9018.19.8040
709.1765	9018.19.8020
709.1790	9018.11.0000
	9018.19.8000
	9018.20.0000
	9018.90.7080
	9018.90.4080
	9033.00.0000
709.7700	9018.19.8040
	9018.20.0000
	9019.10.4000
709.1790	9018.11.0080
	9018.19.8000
	9018.20.0000
	9018.90.7080
	9033.00.0000
709.1900	9018.49.4000
709.2100	9018.32.0000
709.2320	9018.32.0000
709.2340	9018.41.0000
	9018.49.8080
709.2520	9018.49.8080
709.2540	9018.41.0000
	9018.49.8080
709.2700	9018.90.8000
	9019.10.6000
709.4000	9019.10.2000
709.4500	9019.20.0000
	9020.00.8000
709.4600	9020.00.8000
709.5020	9021.40.0000
709.5040	9021.90.4040
709.5400	9021.21.4000
	9021.29.4000
709.5500	9021.21.8000
	9021.29.8000
709.5600	9021.11.0000
	9021.19.4000
709.5700	9021.19.8000
	9021.30.0000
709.6120	9022.30.0000
709.6140	9022.90.4000
709.6320	9022.11.0000
	9022.90.2000
709.6340	9022.19.0000
	9022.90.2000
	9022.90.6000
709.6620	9022.11.0000
	9022.90.8000
709.6640	9022.29.0000
	9022.90.9000
709.6660	9022.29.0000
	9022.90.8000
	9022.90.6000

Scientific Instruments

U.S. imports of scientific instruments and parts increased by 58 percent during 1985–88, from $1.5 billion to $2.4 billion (table 7–13). During the same period, U.S. imports of these products under HTS subheading 9802.00.80 grew by 68 percent to $249 million. The ratio of U.S. imports under subheading 9802.00.80 to total imports averaged 10 percent during 1985–88 (table 7–14).

The duty-free content of U.S. imports entering under subheading 9802.00.80 during 1985–88 rose to $126 million, or by 65 percent. During the period, the ratio of duty-free content of subheading 9802.00.80 imports to total value of imports under subheading 9802.00.80 slipped from 52 percent to 51 percent.

The trade-weighted nominal rate of duty dropped from 6.1 percent ad valorem in 1985 to 4.4 percent ad valorem in 1988. The trade-weighted effective duty rate fell from 2.9 percent ad valorem in 1985 to 2.2 percent ad valorem in 1988 (table 7–14 and figure 7–5).

Mexico was the leading source of imports under subheading 9802.00.80 in 1988 in terms of U.S. content, accounting for 85 percent of such imports under this provision, followed by Canada, with 6 percent, and the Netherlands, with 3 percent of the total, as shown in table 7–15.

Subheading 9802.00.80 is used by U.S. instrument manufacturers for various reasons. For the most part, U.S. producers take advantage of this provision to lower production costs of certain manufacturing processes requiring labor-intensive operations. These operations are performed primarily in countries with a relatively low-wage-rate labor force. Many of the facilities in these countries are affiliates or subsidiaries of U.S. instrument manufacturers. The work performed in Canada and in other developed countries under subheading 9802.00.80 is carried out primarily by related parties; related party transactions account for about 90 percent of the total value of U.S. imports under this provision.

Table 7-13

Scientific instruments: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
	Value (million dollars)		
1985	1,545	148	76
1986	1,850	151	85
1987	2,199	291	115
1988	2,447	249	126
	Change (percent)		
1988 from 1985	58	68	65
Average annual 1988 from 1985	17	19	18

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

Table 7-14

Scientific instruments: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	9802.00.80 imports to total imports	Duty-free 9802.00.80 to total 9802.00.80 imports	Rate of duty		Total duty savings
			Nominal	Effective	
	Percent				*Million dollars*
1985	10	52	6.1	2.9	5
1986	8	57	5.3	2.3	5
1987	13	39	3.1	1.9	4
1988	10	51	4.4	2.2	6

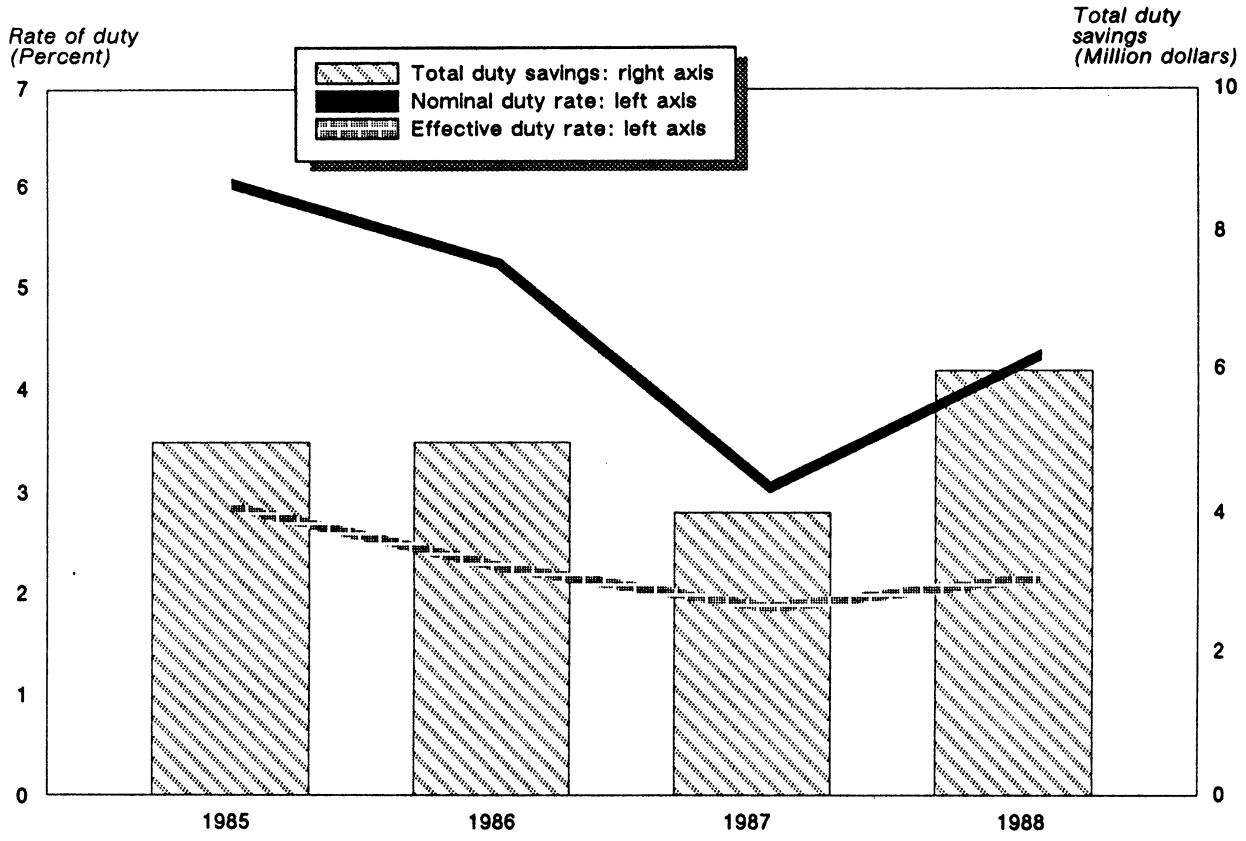
Source: Compiled by the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce.

In 1988, the bulk of the articles imported under subheading 9802.00.80 were apparatus for measuring, checking, or for automatically controlling variables of liquids or gases, or temperature, and parts; instruments and apparatus for measuring or checking electrical quantities, and parts; and tachometers and miscellaneous speedometers.

During 1985-88, all scientific instruments and parts, except bicycle speedometers, were eligible articles under the GSP. Imports under the GSP amounted to $250 million in 1988; the leading suppliers were Taiwan, Israel, Korea, and Brazil. Other duty-free imports were those entering under the Agreement on Trade in Civil Aircraft, which amounted to $203 million in 1988 (the leading suppliers were Canada, France, and the United Kingdom); those entering under the APTA, which reached $58 million in 1988; and those under the U.S.-Israel Free Trade Area Implementation Act of 1985, which reached $64 million in 1988. Duty-free imports under the Caribbean Basin Economic Recovery Act accounted for less than 1 percent of total U.S. imports in 1988. Total duty-free imports amounted to $575 million in 1988, or 24 percent of total U.S. imports.

Contact Ruben Moller at 252-1495

Figure 7-5
Scientific instruments: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Table 7-15

Scientific instruments: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	62	70	87	108	73	82	85
Canada	3	4	15	8	146	4	6
Netherlands	3	2	2	4	34	4	3
United Kingdom	6	4	5	2	-59	8	2
Haiti	(1)	1	2	2	24	(1)	2
Japan	(1)	2	2	1	164	1	1
All others	1	2	1	1	-47	1	1
Total	76	85	115	126	65	100	100

[1] Less than $500,000.

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

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

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for scientific instruments

TSUS item	*HTS subheading*
710.04	9015.40.80
	9015.90.00
710.06	9015.10.80
710.08	9014.10.10
	9014.20.20
	9014.80.10
	9014.90.60
	9015.10.80
	9015.20.80
	9015.30.80
	9015.80.20
	9015.90.00
	9033.00.00
710.09	9014.10.10
	9014.20.20
	9014.90.60
710.12	9014.10.90
	9014.90.60
710.14	9014.10.60
	9014.90.60
710.15	9014.10.60
	9014.10.90
	9014.90.60
710.16	9014.10.90
	9014.90.60
710.17	9014.90.60
710.20	9014.80.20
710.21	9014.90.60
710.26	9015.80.80
710.27	9015.90.00
710.30	9014.20.40
	9014.80.50
	9014.90.60
710.31	9014.90.60
	9014.20.40
710.34	9015.80.60
	9015.90.00
710.36	9015.80.60
	9015.90.00
710.40	9015.20.80
	9015.30.80
	9015.80.80
	9015.90.00
710.42	9015.20.80
	9015.30.80
	9015.80.80
	9015.90.00
710.46	9014.20.80
	9014.80.20
	9014.80.50
	9014.90.20
	9014.90.40
	9014.90.60
710.47	9014.20.80
	9014.90.10
	9014.90.60
710.50	9014.88.80
	9014.90.00
711.04	9016.00.40
711.80	8423.90.00
	9016.00.60
711.25	9024.10.00
	9024.80.00
	9024.90.00
711.30	9025.80.20
711.31	9025.11.00
711.32	9025.11.00
711.33	9025.11.00
711.38	9025.19.00
711.39	9025.19.00
711.40	9025.80.30
711.42	9025.80.30
711.45	9025.20.80
711.47	9025.20.80
711.49	9025.20.80

TSUS item	*HTS subheading*
711.55	9025.80.30
711.60	9025.80.40
711.67	9025.80.50
711.75	9026.10.40
	9026.80.40
711.76	9026.10.40
	9026.80.40
711.77	9026.90.40
711.78	9026.10.60
	9026.20.80
	9026.80.60
	9026.90.60
	9032.10.00
	9032.20.00
	9032.81.00
	9032.89.00
	9033.00.00
711.79	9026.10.60
	9026.20.80
	9026.80.60
	9026.90.60
	9026.10.00
	9032.10.00
	9032.20.00
	9032.81.00
	9032.89.60
	9032.90.60
	9033.00.00
711.81	9032.10.60
	9026.20.80
	9026.80.60
	9032.10.00
	9032.20.00
	9032.81.00
	9032.89.60
711.86	9027.10.40
	9027.30.80
	9027.50.80
	9027.90.60
711.88	9027.10.60
	9027.20.80
	9027.80.80
	9027.90.20
	9027.90.80
711.90	9029.10.40
	9029.90.20
711.91	9029.10.40
	9029.90.20
711.93	9029.20.20
	9029.90.40
711.98	9029.20.40
	9029.90.00
	9029.10.00
712.00	9029.20.40
712.05	9014.10.10
	9014.20.20
	9014.80.10
	9014.90.60
	9015.10.40
	9015.20.40
	9015.30.40
	9015.40.40
	9015.80.20
	9015.90.00
	9025.19.00
	9025.80.10
	9025.90.00
	9026.10.20
	9026.20.40
	9026.80.20
	9026.90.20
	9031.30.00
	9031.40.00
	9031.90.20
	9031.90.40

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for scientific instruments—*Continued:*

TSUS item	*HTS subheading*
712.05—*Cont*	9033.00.00
712.06	9014.10.10
	9014.20.20
	9014.90.60
	9015.10.40
	9025.19.00
	9026.10.20
	9026.20.40
	9026.80.20
712.10	9014.80.20
712.12	9014.90.60
712.15	9030.10.00
712.20	9015.80.60
712.25	9015.80.80
712.27	9015.90.00
712.47	9014.20.40
	9014.90.10
712.48	9014.20.40
	9014.90.10
712.49	8471.10.00
	8473.30.00
	9014.10.60
	9014.10.70
	9014.20.60
	9014.80.40
	9014.90.60
	9015.10.40
	9015.20.40
	9015.30.40
	9015.40.40
	9015.80.80
	9015.90.00
	9016.00.20
	9017.10.00
	9017.20.00
	9017.90.00
	9024.10.00
	9024.80.00
	9024.90.00
	9025.19.00
	9025.20.40
	9025.80.10
	9025.90.00
	9026.10.20
	9026.20.40
	9026.80.20
	9026.90.20
	9027.10.20
	9027.20.40
	9027.30.40
	9027.50.40
	9027.80.40
	9027.90.40
	9030.20.00
	9030.31.00
	9030.39.00
	9030.40.00
	9030.81.00
	9030.89.00

TSUS item	*HTS subheading*
712.49—*Cont*	9030.90.00
	9031.10.00
	9031.20.00
	9031.80.00
	9031.90.60
	9032.10.00
	9032.20.00
	9032.89.60
	9032.90.60
	9033.00.00
712.51	8471.10.00
	9025.19.00
	9025.90.00
	9026.10.20
	9026.20.40
	9026.90.20
	9030.20.00
	9030.39.00
	9030.40.00
	9030.81.00
	9030.89.00
	9030.90.00
	9031.80.00
	9031.90.60
	9032.10.00
	9032.20.00
	9032.89.00
	9032.90.00
	9033.00.00
712.52	8471.10.00
	9014.10.60
	9014.10.70
	9014.20.60
	9014.90.60
	9015.10.40
	9025.19.00
	9026.10.20
	9026.20.40
	9026.80.20
	9030.20.00
	9030.39.00
	9030.40.00
	9030.81.00
	9031.80.00
	9031.89.00
	9032.10.00
	9032.20.00
	9032.89.60
713.05	9028.10.00
	9028.20.00
	9028.30.00
713.07	9028.30.00
713.09	9028.30.00
713.11	9028.10.00
	9028.20.00
713.15	9028.90.00
713.17	9028.20.60
713.19	9028.90.60

7-22

Disposable Paper Garments and Other Articles

Total U.S. imports of disposable paper garments and other articles expanded 30 percent during 1985–88, from $135 million to $175 million. Imports of these articles under HTS subheading 9802.00.80 increased 28 percent during the period, from $115 million to $147 million (table 7–16). This is less than the 46-percent rise in total imports for all pulp and paper products during the period.

The value of the U.S.-origin content contained in these imports under subheading 9802.00.80 averaged about 81 percent over the past 4 years. The nominal trade-weighted duty rate was 5.6 percent annually. The effective trade-weighted duty rate was 1.0 percent in 1988. The total duty savings resulting from imports under subheading 9802.00.80 rose from $5.2 million in 1985 to $6.8 million in 1988 (table 7–17 and figure 7–6). This 30-percent increase directly corresponds to the increase in subheading 9802.00.80 imports during the period.

The articles entering under HTS subheading 9802.00.80 are made from precut paper that is glued or sewn to form disposable hospital apparel, footwear, surgical hoods, nurse caps, hospital bed drapes, and other similar articles. Almost all of this precut paper is shipped from the United States to Mexico, where the articles are assembled; about 95 percent of the jobs associated with these operations are in Mexico. In 1986, five U.S. companies operating assembly operations (Maquiladoras) in Mexican border States accounted for over 90 percent of such imports. Mexico accounted for all of the duty-free content U.S. imports of these articles under subheading 9802.00.80 during 1985–88 (table 7–18).

Contact Rick Rhodes at 252–1322

Table 7–16

Disposable papers garments and other articles: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	135	115	93
1986	139	118	94
1987	154	138	113
1988	175	147	121
	Change (percent)		
1988 from 1985	30	28	30
Average annual 1988 from 1985	9	9	9

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

Table 7–17

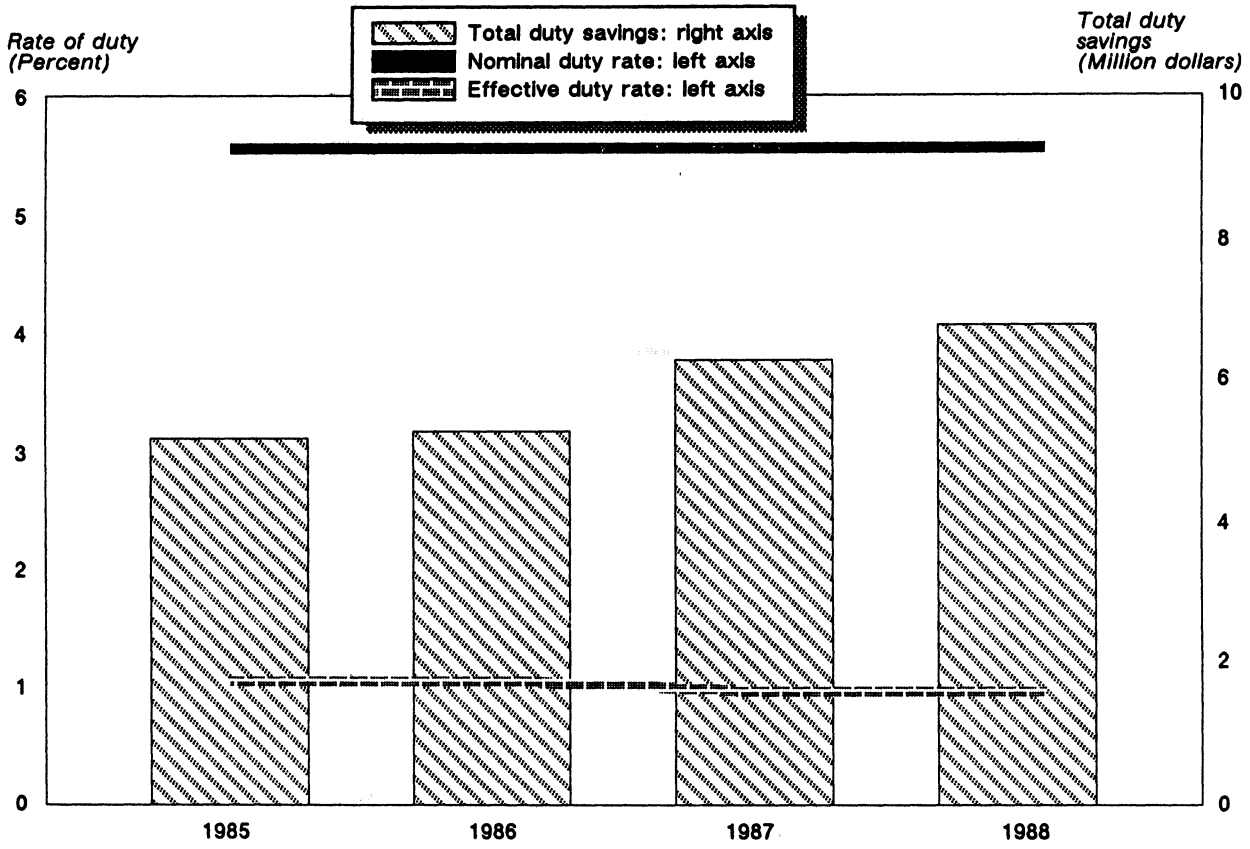
Disposable papers garments and other articles: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	85	81	5.6	1.1	5.2
1986	84	80	5.6	1.1	5.3
1987	90	81	5.6	1.0	6.3
1988	84	82	5.6	1.0	6.8

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

7–23

Figure 7-6
Disposable paper garments and other articles: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

7-24

Table 7-18

Disposable paper garments and other articles: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	92	93	113	121	32	98	100
All others	1	1	(1)	0	(2)	2	0
Total	93	94	113	121	30	100	100

[1] Less than $500,000.
[2] Not applicable.

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

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

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for disposable paper garments and other articles:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
256.87	4818.50.00	256.87—*Cont*	4823.90.65

Photographic Equipment and Supplies

In 1988, the duty-free value of U.S. imports of photographic equipment and supplies under HTS subheading 9802.00.80 was $53 million. This figure represents a 478 percent rise from 1985, when the duty-free value of 9802.00.80 imports of these products totaled just $9 million. Total U.S. imports of photographic equipment and supplies increased from $1.8 billion in 1985 to $2.4 billion in 1988, an average annual growth rate of 10 percent (table 7-19). The ratio of duty-free content to total value of imports under the provision remained fairly constant during the 4-year period, beginning at 42 percent in 1985 and rising slightly to 47 percent in 1988 (table 7-20). However, the ratio of total imports under subheading 9802.00.80 to total imports climbed from 1 percent to 5 percent during 1985-88. The nominal and effective rates of duty each fell by roughly one quarter during 1985-88; but, because of the expanded volume of trade under subheading 9802.00.80, the duty savings rose from $0.4 million to $1.9 million (table 7-20 and figure 7-7).

Instant print cameras, instant print (integral) film, and 110mm cameras are the major commodity groups brought in under subheading 9802.00.80. In 1988, the top supplier countries of photographic products under subheading 9802.00.80 were the Netherlands, supplying 49 percent of the U.S.-origin content ($25.8 million); and the United Kingdom, supplying 35 percent ($18.4 million). A major U.S.-based multinational manufacturer of cameras and film imports these articles from facilities in the Netherlands and the United Kingdom to supplement its U.S. production. Since these products contain U.S.-made components, the company imports them under subheading 9802.00.80 to reduce its tariff obligation. Mexico was the third leading supplier at 14 percent of the total ($7.3 million) (table 7-21). A second major U.S.-based multinational manufacturer of cameras and film uses assembly facilities in Mexico to reduce its labor costs and takes advantage of subheading 9802.00.80.

A small amount of the products in this category receives preferential tariff treatment under the GSP; duty-free imports under the GSP totaled $134 million, or 6 percent of the total value of imports in 1988. Such treatment accounted for $113 million of total imports in 1985, $142 million in 1986, and $123 million in 1987.

Contact Kate Bishop at 252-1494

Table 7-19

Photographic equipment and supplies: U.S. imports for consumption, total and under HTS subheading 9802.00.80, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	1,761	22	9
1986	2,198	71	29
1987	2,293	80	38
1988	2,374	113	53
	Change (percent)		
1988 from 1985	35	412	478
Average annual 1988 from 1985	10	72	79

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

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Table 7-20

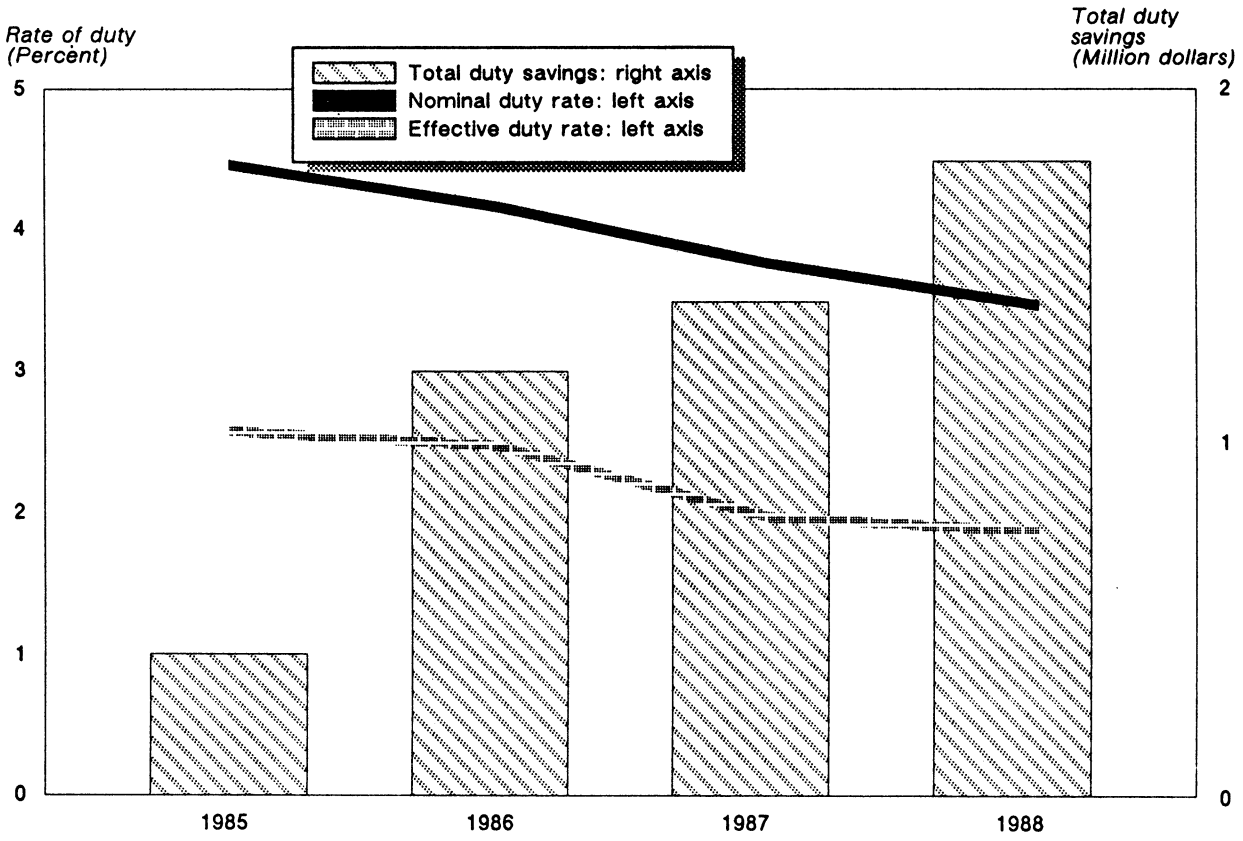
Photographic equipment and supplies: Nominal and effective rates of duty under HTS subheading 9802.00.80 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	1	42	4.5	2.6	0.4
1986	3	41	4.2	2.5	1.2
1987	3	48	3.8	2.0	1.4
1988	5	47	3.5	1.9	1.9

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

Figure 7-7

Photographic equipment and supplies: U.S. rate of duty and total duty savings under HTS subheading 9802.00.80, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Table 7-21

Photographic equipment and supplies: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Netherlands	3	14	19	26	870	29	49
United Kingdom	5	12	17	18	244	58	35
Mexico	0	(1)	(1)	7	(2)	0	14
Ireland	1	1	1	1	81	8	2
All others	(1)	3	1	(1)	-38	5	1
Total	9	29	38	53	478	100	100

[1] Less than $500,000.
[2] Not applicable.

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

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

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for photographic equipment and supplies:

TSUS item	*HTS subheading*
273.4500	3705.90.00
273.5500	3705.20.00
274.4500	3705.90.00
274.5000	3705.90.00
274.7040	3704.00.00
	3705.20.00
	3705.90.00
356.2510	3703.10.60
356.4000	3703.10.60
386.5050	3703.90.60
386.5300	3703.90.60
389.6270	3703.90.60
668.3800	3705.10.00
723.0515	3702.92.00
723.0535	3702.52.00
723.0555	3702.52.00
723.1020	3702.94.00
	3702.95.00
723.1040	3702.55.00
	3702.56.00
723.1060	3702.56.00
	3702.55.00
723.1507	3701.10.00
	3702.10.00
723.1509	3701.10.00
	3702.10.00
723.1521	3701.99.60
	3702.39.00
	3701.30.00
723.1525	3701.99.60
	3702.32.00
	3701.30.00
723.1533	3701.99.60
	3701.30.00
723.1537	3702.44.00
723.1545	3702.91.00
	3702.93.00
	3701.20.00
	3702.32.00
	3702.20.00
723.1560	3702.51.00
723.1565	3702.54.00
	3702.53.00
723.1570	3702.54.00
	3701.91.00
	3701.20.00
	3702.53.00
	3702.20.00
	3702.31.00
723.1574	3701.91.00
723.1578	3702.54.00
	3701.20.00
	3702.53.00
	3702.20.00
	3702.31.00
723.1580	3701.99.60
	3702.39.00
	3701.30.00
723.1590	3702.41.00
	3702.42.00
	3702.43.00
	3702.44.00
	3701.99.60
	3702.32.00
	3701.91.00
	3701.30.00
	3702.31.00
	3702.95.00
	3702.52.00
	3702.56.00
	3702.55.00
	3702.94.00
723.2000	3707.10.00
723.2500	3701.99.30
723.3025	3703.90.30

TSUS item	*HTS subheading*
	3703.10.30
723.3030	3703.20.30
	3703.10.30
723.3050	3703.20.30
	3703.10.30
723.3060	3703.20.30
	3703.10.30
	3703.90.30
723.3200	3703.20.60
	3703.10.60
	3703.90.60
723.3500	3703.90.60
724.0500	3704.00.00
	3706.10.30
724.1025	3706.10.60
724.1035	3706.10.60
	3704.00.00
724.1045	3706.10.60
	3706.90.00
724.1055	3706.90.00
	3704.00.00
	3706.10.60
724.1500	3706.10.30
	3706.90.00
724.2000	3706.10.30
	3706.90.00
960.5009	3705.90.00
	3705.20.00
960.5509	3706.90.00
	3706.10.60
	3706.10.30
	3704.00.00
389.6265	9006.91.00
	9006.91.00
657.2580	9010.90.80
657.2585	9010.90.80
657.2590	9010.90.80
657.4010	9006.91.00
	9007.91.80
676.3010	9008.20.40
676.3012	9008.20.40
676.3016	9008.20.40
676.5250	9008.90.40
676.5650	9008.90.40
678.5097	9010.20.60
	9010.90.80
686.5000	9006.62.00
688.4280	9007.92.00
688.4360	9007.92.00
722.0200	9007.11.00
722.0305	9007.11.00
722.0310	9007.11.00
722.0315	9007.11.00
722.0340	9007.19.00
722.0360	9007.19.00
722.0410	9007.11.00
722.0415	9007.11.00
722.0440	9007.19.00
722.0460	9007.19.00
722.0600	9006.10.00
	9006.20.00
	9006.30.00
	9006.52.90
	9006.40.40
	9006.40.90
	9006.51.00
	9006.59.40
	9006.59.90
	9006.52.50
	9006.53.00
	9006.52.30
722.0805	9006.52.10
	9006.30.00
722.0812	9006.52.10
	9006.30.00

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for photographic equipment and supplies—*Continued:*

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
722.0814	9006.59.40	722.1645	9006.40.90
722.0900	9006.40.40	722.1650	9006.52.90
722.1000	9006.30.00		9006.59.90
	9006.20.00		9006.30.00
	9006.10.00	722.1660	9006.20.00
	9006.52.90	722.1670	9006.59.90
	9006.40.90		9006.52.90
	9006.40.40		9006.10.00
	9006.51.00		9006.30.00
	9006.59.40	722.1820	9008.40.00
	9006.59.90	722.1840	9008.40.00
	9006.53.00	722.3000	9006.91.00
	9006.52.50		9007.91.40
	9006.52.30		9008.90.80
722.1100	9006.52.30	722.3200	9007.91.40
	9006.30.00	722.3400	9006.91.00
	9006.59.40		9008.90.80
	9006.53.00	722.4020	9008.10.00
722.1205	9006.52.10	722.4040	9008.20.80
	9006.30.00	722.4060	9008.30.00
722.1212	9006.52.10	722.4220	9007.21.40
	9006.30.00	722.4240	9007.29.40
722.1214	9006.59.40	722.4260	9007.29.40
722.1215	9006.40.40	722.4420	9007.21.80
722.1225	9006.52.30	722.4440	9007.29.80
	9006.59.40	722.4600	9007.21.80
	9006.30.30	722.5000	9007.92.00
722.1227	9006.52.30		9008.90.40
	9006.30.00	722.5200	9010.20.30
	9006.59.40		9010.90.40
	9006.53.00	791.5400	9006.91.00
722.1235	9006.20.00	722.5500	9010.20.40
722.1250	9006.30.00		9010.90.40
	9006.10.00	722.5600	9010.20.50
	9006.59.40		9010.90.40
	9006.52.50	722.6000	9006.91.00
722.1335	9006.20.00		9007.91.80
722.1350	9006.30.00	722.7000	9010.30.00
	9006.52.50	722.7212	9006.61.00
	9006.59.40	722.7214	9006.61.00
	9006.10.00	722.7220	9006.61.00
722.1400	9006.52.60	722.7230	9006.69.00
	9006.40.60		9006.99.00
	9006.59.60	722.8600	9010.20.10
722.1605	9006.52.90	722.8800	9010.20.20
722.1615	9006.52.90	722.9000	9010.20.20
	9006.51.00	722.9200	9008.90.80
722.1625	9006.51.00	722.9400	9010.10.00
722.1630	9006.53.00		9010.20.60
	9006.30.00	722.9600	9010.10.00
722.1640	9006.53.00		9010.20.60
	9006.30.00		

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Chapter 8

Trends in Imports Under HTS Subheading 9802.00.60

Imports under HTS subheading 9802.00.60 more than doubled during 1985–88, to $929 million in 1988 (table 8–1). This substantial increase in imports under subheading 9802.00.60 was primarily due to importers of products entitled to MFN duty-free treatment entering goods under subheading 9802.00.60 to avoid the Customs User Fee. Despite the sharp increase in use of subheading 9802.00.60 during the period, the ratio of subheading 9802.00.60 imports to total imports was less than 0.5 percent in each year during 1985–88 (table 8–2).

The duty-free content of imports under subheading 9802.00.60 increased by 71 percent during 1985–88, to $470 million, but the ratio of the duty-free content to total value of imports under subheading 9802.00.60 fell from 66 percent in 1985 to 51 percent in 1988 (table 8–2). This was principally attributable to the increased share of total 9802.00.60 imports accounted for by parts of aircraft and spacecraft during 1985–88, from 4 percent to 43 percent, and to the diminished importance of aluminum, from 63 percent to 24 percent. The U.S.-origin content was 75 percent of the value of aluminum imported under 9802.00.60 in 1988, but only 27 percent of the parts of aircraft and spacecraft. The nominal and effective rates of duty for all imports under 9802.00.60 both fell during the period, from 4.0 percent to 2.2 percent and from 2.8 percent to 1.7 percent, respectively. Total duty savings fluctuated during the period, rising from $5.3 million in 1985 to $8 million in 1986, then dropping back to $4.5 million in 1988 (table 8–2 and figure 8–1).

Table 8–1

U.S. imports for consumption, total and under HTS subheading 9802.00.60, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	203,252	420	275
1986	229,547	466	308
1987	253,423	954	416
1988	283,136	929	470
	Change (percent)		
1988 from 1985	39	121	71
Average annual 1988 from 1985	12	30	20

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

Table 8–2

Nominal and effective rates of duty under HTS subheading 9802.00.60 and duty savings, 1985–88

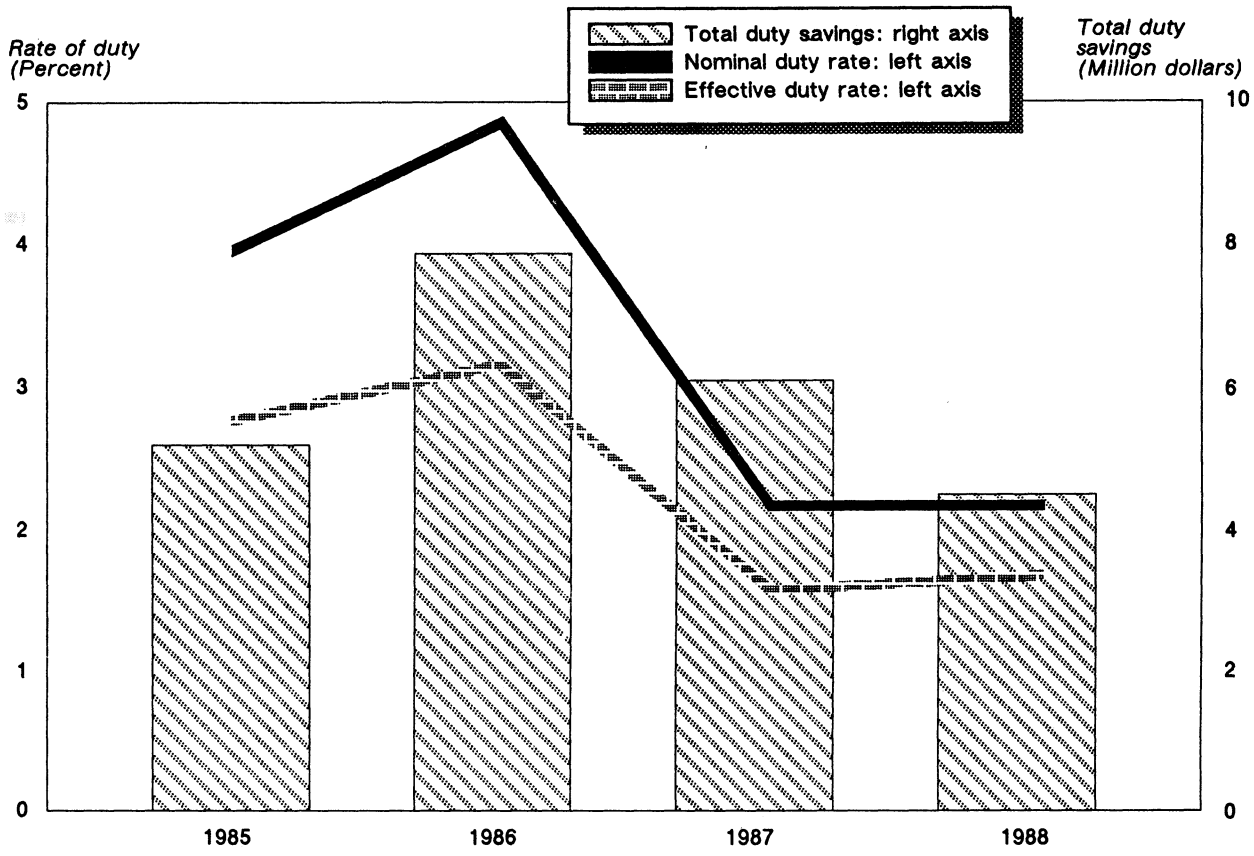
Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	(1)	66	4.0	2.8	5.3
1986	(1)	66	4.9	3.2	8.0
1987	(1)	44	2.2	1.6	6.1
1988	(1)	51	2.2	1.7	4.5

[1] Less than 0.5 percent.

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

8–1

Figure 8-1
HTS subheading 9802.00.60: U.S. rate of duty and total duty savings under HTS subheading 9802.00.60, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Articles in the minerals and metals category (chiefly articles of aluminum and, to a lesser extent, iron and steel) accounted for 56 percent of all imports under subheading 9802.00.60 in terms of the value of the U.S.-origin content in 1988 (table 8-3). Although these imports grew by 15 percent during 1985-88 (to $262 million), the share in 1988 was significantly less than the 83 percent share of the total in 1985. Most of the 71 percent increase in the U.S.-origin content of 9802.00.60 imports during 1985-88 was accounted for by categories in which products with a free rate of duty played a significant role. Aircraft parts entering free of duty under the Civil Aircraft Agreement but also entering under 9802.00.60 in 1987 and 1988 to avoid the Customs User Fee were chiefly responsible for imports in the "other" machinery and equipment category, jumping from $18 million to $133 million during 1985-88. Similarly, imports of internal combustion engines and parts, in terms of the U.S.-origin content entering under 9802.00.60, climbed from $1.5 million to $19.1 million during 1985-88. Most of these imports were accounted for by engines and parts already entering free of duty under either APTA or the Civil Aircraft Agreement.

Aluminum, specifically wrought sheet for making cans, was the most significant product imported under subheading 9802.00.60 during 1985-88. Wrought aluminum accounted for 63 percent of the duty-free content of total imports under subheading 9802.00.60 in 1985; by 1988, this share dropped to 35 percent (table B-6). This was partially caused by the appreciation of the yen relative to the U.S. dollar, decreasing the competitive position of Japanese rolled sheet in the U.S. market. In contrast to the drop in nondutiable content of imports of wrought aluminum, from $175 million to $164 million during this period, was the rise in imports of aircraft and spacecraft parts from $9 million to $110 million, to account for 23 percent of such imports.

8-2

Table 8-3

U.S. imports under HTS subheading 9802.00.60, total and duty free, by industry groups, 1985 and 1988

Industry group	Duty-free value 1985	Duty-free value 1988	Change, 1988 from 1985	Average annual change, 1988 from 1985	Share of total 1988	Ratio of duty-free value to total value 1985	Ratio of duty-free value to total value 1988	Total value 1985	Total value 1988	Change, 1988 from 1985	Average annual change, 1988 from 1985	Share of total 1988
	1,000 dollars		Percent					1,000 dollars		Percent		
Agricultural and forest products	1	0	(1)	(1)	(1)	(1)	(1)	4	0	0	(1)	(1)
Textiles, apparel, and footwear	0	0	(1)	(1)	(1)	(1)	(1)	0	0	0	(1)	(1)
Chemicals, coal petroleum, natural gas, and related products	5,010	4,643	-7	-3	1	60	45	8,330	10,301	24	7	1
Minerals and metals	228,298	262,001	15	5	56	68	71	337,056	369,593	10	3	40
Internal combustion engines and parts	1,490	19,109	1,182	134	4	85	41	1,753	47,173	2,590	200	5
Office machines and parts	2,469	190	-92	-57	(2)	40	27	6,200	706	-89	-52	(2)
Motors, generators, transformers, and related equipment	5,698	10,262	80	22	2	72	79	7,925	12,967	64	18	1
Radio and telephone equipment and parts	352	33	-91	-55	(2)	33	41	1,075	80	-93	-58	(2)
Semiconductors	4,478	524	-88	-51	(2)	57	60	7,852	871	-89	-52	(2)
Other electrical articles	5,146	7,642	49	14	2	61	76	8,386	10,075	20	6	1
Motor-vehicle parts, industrial vehicles, non-self-propelled vehicles, motorcycles, rail locomotives, and rolling stock	1,734	5,276	204	45	1	73	69	2,386	7,664	221	48	1
Other machinery and equipment	18,026	132,518	635	94	28	51	30	35,139	437,634	1,145	132	47
Miscellaneous manufactures	2,367	27,636	1,068	127	6	66	86	3,610	31,999	786	107	3
Total	275,068	469,834	71	20	100	59	51	419,712	929,063	121	30	100

[1] Not applicable.
[2] Less than 0.5 percent.

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

8-3

The shift in the usage of subheading 9802.00.60 is even more dramatic if the total value (dutiable and nondutiable) is considered. By this measure, imports of wrought aluminum during 1985–88 fell from $254 million to $213 million (23 percent of the total in 1988) and imports of aircraft and spacecraft parts under subheading 9802.00.60 increased from $17 million to $400 million (43 percent of the 1988 total). Subheading 9802.00.60 provides little incentive for the use of U.S.-origin metal in foreign-processed aircraft and spacecraft parts. Virtually all of these parts have a bound rate of duty of "free;" the dutiable portion (value added by the foreign processing of U.S.-origin metal) enters free of duty as does the nondutiable content. Thus, the only incentive for using subheading 9802.00.60 when entering aircraft and spacecraft parts is to avoid the Customs User Fee.

The third leading product category in 1988, in terms of nondutiable content, was iron and steel mill products (especially sheets and strips), which accounted for 13 percent of the total. Such imports increased from $14 million in 1985 to $61 million in 1988 (table B–6). On the other hand, imports of semiconductors under the incentive portion of the provision dropped from $4.5 million in 1985 to $117,000 in 1986. The MFN rate of duty for most semiconductors was made "free" in 1985, eliminating the incentive to use the provision. However, in response to the Customs User Fee, the nondutiable content of semiconductor imports under subheading 9802.00.60 nearly quadrupled in 1988 to $524,000.

Canada was the principal supplier of articles imported under subheading 9802.00.60 based on duty-free content, accounting for 56 percent of such imports in 1988, followed by Mexico and Japan, with shares of 22 percent and 13 percent, respectively (table 8–4). Developed countries supplied 77 percent of the duty-free content of imports under subheading 9802.00.60, and the LDCs, led by Mexico, provided 23 percent. The primary imports supplied under subheading 9802.00.60 from Canada were parts of aircraft and spacecraft, wrought aluminum, internal combustion engines, and machines for working metal, stone, and other material. Japan supplied the majority of wrought aluminum, and Mexico supplied the bulk of iron and steel sheets and strips. Malaysia and Singapore were the top suppliers of semiconductors until they became free of duty in 1985. Semiconductors were also the leading product entering under subheading 9802.00.60 from Mexico in 1985.

Canada accounted for 67 percent ($619 million) of the total value (dutiable and nondutiable) of imports under subheading 9802.00.60 in 1988, and Japan accounted for 10 percent ($92 million). However, by using 9802.00.60 to avoid the Customs User Fee, imports from Canada more than tripled, from $98 million in 1985, in contrast to the 61-percent drop in imports from Japan, from $236 million. Imports of articles with an MFN-free rate of duty accounted for 75 percent of imports from Canada ($466 million) in 1988, but only 1 percent of imports from Japan ($1.4 million) (table 2–6). Furthermore, MFN-free articles from Canada accounted for 95 percent of total imports of free goods under subheading 9802.00.60 in 1988. Such duty-free articles, entering under subheading 9802.00.60 from Canada to avoid the Customs User Fee, were predominantly composed of aircraft and spacecraft parts (88 percent of all such imports from Canada in 1988) and, to a lesser degree, motor-vehicle parts and parts for agricultural equipment.

Contact Hazel Robinson at 252–1496

8-4

Table 8-4

Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Canada	65	61	200	264	306	24	56
Mexico	22	69	76	104	372	8	22
Japan	156	146	107	59	-62	57	13
West Germany	7	12	8	16	129	3	3
France	(1)	(1)	1	16	(2)	(2)	3
Italy	0	5	6	3	(2)	0	1
United Kingdom	(1)	(1)	2	3	(2)	(2)	1
Singapore	4	2	3	2	-50	2	(3)
All others	21	13	6	4	-81	8	1
Total	275	308	326	470	71	100	100

[1] Less than $500,000.
[2] Not applicable.
[3] Less than 0.5 percent.

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

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

8-5

Aluminum

U.S. imports of aluminum increased by 73 percent during 1985–88, to $3.4 billion. However, imports of these products under HTS subheading 9802.00.60 fell by 15 percent during the period, to $226 million (table 8–5). The ratio of imports under subheading 9802.00.60 to total imports fell from a peak of 14 percent in 1985 to 7 percent in 1988, as shown in table 8–6. Despite the reductions, aluminum remained the leading product imported under subheading 9802.00.60 in 1988, in terms of U.S.-origin content.

The duty-free content of imports entered under subheading 9802.00.60 declined by 6 percent to $171 million in 1988 (table 8–5). The ratio of duty-free content to total value of subheading 9802.00.60 imports increased gradually during the period to 75 percent (table 8–6). The nominal rate of duty for these products averaged 3.2 percent ad valorem during the period and the effective rate of duty decreased slightly, from 1.0 percent in 1985 to 0.8 percent in 1988. The total duty savings resulting from subheading 9802.00.60 averaged $5.3 million annually during 1985–88 (table 8–6 and figure 8–2).

Canada and Japan were the only significant suppliers of processed aluminum imported under subheading 9802.00.60 throughout this period, with Canada accounting for 54 percent of the duty-free value of these imports in 1988 and Japan 34 percent (table 8–7). Aluminum sheets and strip, particularly sheet for use in making cans, are the major products traded under subheading 9802.00.60. Typically, Japanese companies purchase scrap aluminum cans from metal brokers in the United States. The cans are recycled into aluminum ingots in Japan, and the ingots are rolled into canning sheet, some of which is exported to U.S. canmakers or breweries. In contrast to imports from Japan, the leading source of imports from Canada is related to its U.S. supplier of hot-rolled aluminum sheet and to its U.S. customer of can sheet. The U.S. company ships rolled sheet to its sister subsidiary (both are subsidiaries of the same multinational corporation) in Canada, where it is rolled into thinner can sheet before being shipped back to the parent company's distribution centers in the United States. Canmakers, including breweries, finish processing the aluminum sheet.

In terms of duty-free content, much of the responsibility for the 45-percent reduction in the value of imports under subheading 9802.00.60 from Japan in 1988 from that in 1987 can be attributed to the appreciation of the yen and the commensurate decline in the competitiveness of Japanese sheet in the U.S. market.

Contact Deborah McNay at 252–1425

Table 8–5

Aluminum: U.S. imports for consumption, total and under HTS subheading 9802.00.60, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	1,964	266	182
1986	2,710	274	181
1987	2,823	218	142
1988	3,396	226	171
	Change (percent)		
1988 from 1985	73	–15	–6
Average annual 1988 from 1985	20	–5	–2

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

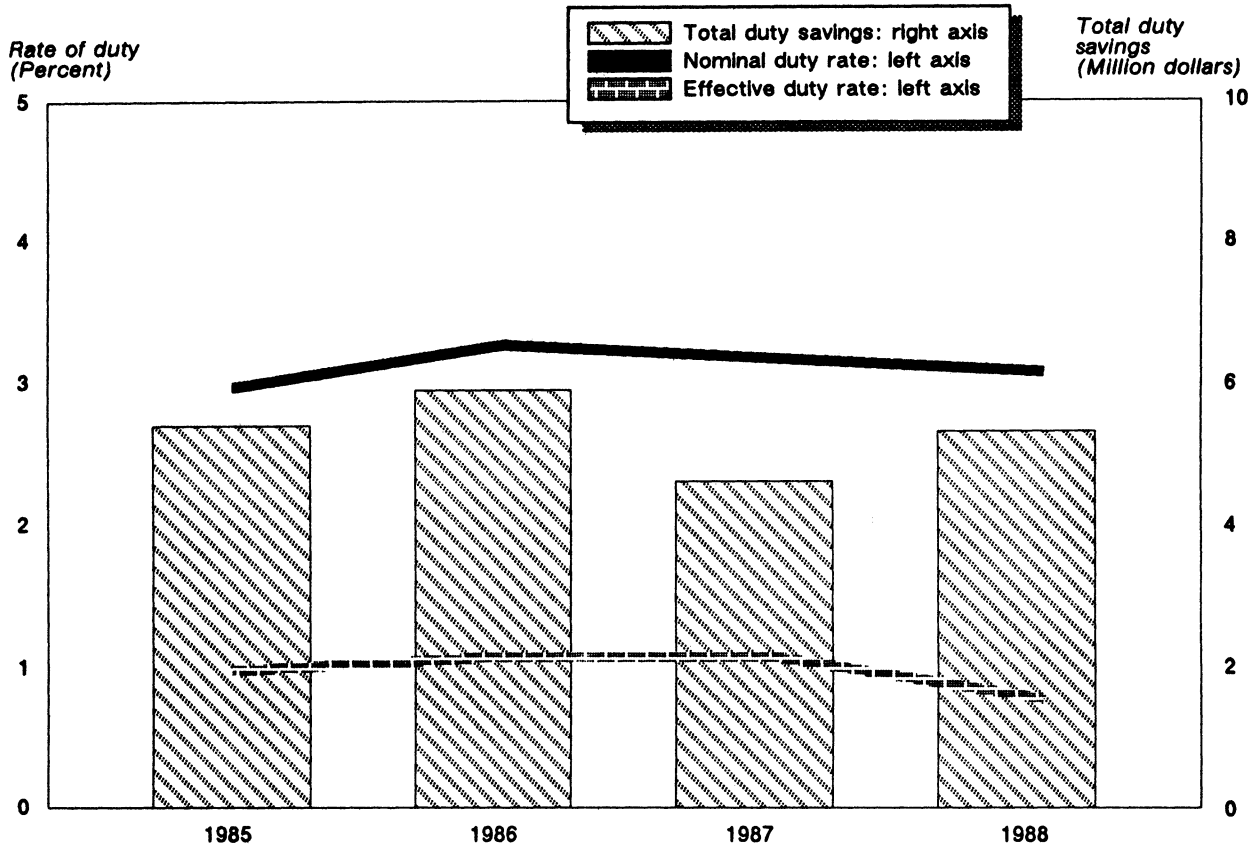
Table 8–6

Alumium: Nominal and effective rates of duty under HTS subheading 9802.00.60 and duty savings, 1985–88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	14	68	3.0	1.0	5.4
1986	10	66	3.3	1.1	5.9
1987	8	65	3.2	1.1	4.6
1988	7	75	3.1	0.8	5.3

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

Figure 8-2
Aluminum: U.S. rate of duty and total duty savings under HTS subheading 9802.00.60, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

Table 8-7

Aluminum: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Canada	27	34	35	92	248	15	54
Japan	154	145	105	58	-63	84	34
France	1	(1)	0	16	1,177	1	9
All other	(1)	1	2	5	1,176	(2)	3
Total	182	181	142	171	-6	100	100

[1] Less than $500,000.
[2] Less than 0.5 percent.

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

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

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for aluminum:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
618.01	7601.10.30	618.25—*Cont*	7606.92.30
	7601.20.30		7607.11.90
618.06	7601.20.90		7607.19.60
618.15	7604.10.30	618.27	7606.11.60
	7604.29.30		7606.91.60
	7605.11.00	618.42	7603.10.00
	7605.21.00		7603.20.00
618.17	7604.10.10	618.47	7608.10.00
	7604.29.10		7608.20.00
618.20	7605.19.00		7609.00.00
	7605.29.00		8547.90.00
618.25	7604.10.50	644.09	7607.11.30
	7606.11.30	644.11	7607.11.60
	7606.12.30	644.12	7607.11.60
	7606.91.30	644.26	7607.19.30

Parts of Aircraft and Spacecraft

The articles covered here include certain parts for civil airplanes and helicopters, as well as parts for military aircraft and spacecraft. U.S. imports of these articles increased by 55 percent during 1985–88, from $1.8 billion to $2.7 billion (table 8–8). Imports under subheading HTS 9802.00.60 were insignificant during 1985–86. However, in 1987, such imports climbed to $489 million before declining to $400 million in 1988. Furthermore, the share of total imports accounted for by imports under subheading 9802.00.60 jumped from less than 1 percent in 1985 to 15 percent in 1988 (table 8–9). Since the MFN rate of duty on these articles was reduced to "free" on January 1, 1987, the steep increase in the use of subheading 9802.00.60 reflects attempts to avoid the Customs User Fee rather than efforts to reduce duty obligations.

The value of the U.S.-origin metal content of imports of parts of aircraft and spacecraft under subheading 9802.00.60 soared from $9 million in 1985 to $110 million in 1988. However, the ratio of nondutiable content to the total value of imports under subheading 9802.00.60 decreased during the period, falling from 53 percent in 1985 to 27 percent in 1988 (table 8–9). Because the nominal rate of duty on imports of certain parts of aircraft and spacecraft is free, the effective rate is also free and there are no duty savings on imports of these articles.

Canada was the dominant supplier of parts of aircraft and spacecraft under subheading 9802.00.60 during the period, accounting for 98 percent ($107 million) of the nondutiable content of these imports in 1988 (table 8–10). U.S. aircraft and spacecraft producers use firms in Canada for forging and other machining and sheet metal operations. Some contracts for the sale of U.S.-made aircraft to foreign buyers require that a certain portion of the parts or labor be made, processed, or performed in the country of the foreign buyer. Such operations in Canada frequently use U.S.-origin metal.

Contact Peder Andersen at 252–1388

Table 8–8

Parts of aircraft and spacecraft: U.S. imports for consumption, total and under HTS subheading 9802.00.60, 1985–88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
	Value (million dollars)		
1985	1,775	17	9
1986	2,253	(1)	(1)
1987	2,364	489	121
1988	2,743	400	110
	Change (percent)		
1988 from 1985	55	2,253	1,122
Average annual 1988 from 1985	16	186	130

[1] Less than $500,000.

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

8–9

Table 8-9

Parts of aircraft and spacecraft: Nominal and effective rates of duty under HTS subheading 9802.00.60 and duty savings, 1985-88

Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	1	53	0	0	0
1986	([1])	73	0	0	0
1987	21	25	0	0	0
1988	15	27	0	0	0

[1] Less than 0.5 percent.

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

8-10

Table 8-10

Parts of aircraft and spacecraft: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

Source	*1985*	*1986*	*1987*	*1988*	*Change in value of duty-free content, 1988 from 1985*	*Share of total duty-free value*	
						1985	*1988*
	Million dollars				*Percent*	*Percent*	
Canada	5	(1)	116	107	21	52	98
Italy	0	0	5	1	(2)	0	1
Japan	0	0	(1)	1	(2)	0	(3)
All others	4	(1)	(1)	(1)	-91	47	(3)
Total	9	(1)	121	110	11	100	100

[1] Less than $500,000.
[2] Not applicable.
[3] Less than 0.5 percent.

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

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

8-11

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for parts of aircraft and spacecraft:

TSUS item	*HTS subheading*	*TSUS item*	*HTS subheading*
694.61	8803.20.00	694.62—*Cont*	8803.90.90
	8803.30.00	694.67	8803.10.00
	8803.90.90		8803.20.00
694.62	8803.10.00		8803.30.00
	8803.20.00		8803.90.90
	8803.30.00		

Iron and Steel Mill Products

Steel mill products imported under HTS subheading 9802.00.60 increased their share of total imports of steel mill products from 0.1 percent in 1985 to 1.0 percent in 1988. Imports of steel entering under subheading 9802.00.60 increased by more than 368 percent to $98 million in 1988, whereas total U.S. steel imports increased 7 percent during the period, to $19 billion (table 8-11).

The duty-free content of imports entering under subheading 9802.00.60 increased 336 percent during 1985-88, to $61 million. The ratio of duty-free content to total value of subheading 9802.00.60 imports fluctuated slightly during 1985-88, averaging 65 percent annually (table 8-12). The nominal rate of duty for this product group decreased from 10 percent in 1985 to 6.1 percent in 1988, and the effective rate of duty decreased slightly during the same period, from 3.1 percent to 2.3 percent. Total duty savings resulting from subheading 9802.00.60 increased from $1.3 million in 1985 to $3.7 million in 1988 (figure 8-3), reflecting the trend of increasing imports under subheading 9802.00.60 (small in absolute terms but steep in relative terms). Principal steel-mill product imports entered under subheading 9802.00.60 in 1988 were sheets and strip, and pipe and tube. Mexico was the largest supplier, accounting for 77 percent of the duty-free content of these imports in 1988 (table 8-13). The sharp growth in subheading 9802.00.60 imports from Mexico in 1988 principally reflects increased shipments of seamless pipe as well as sheet and strip.

U.S. imports of steel mill products under the GSP and CBERA programs were insignificant throughout 1985-88, accounting for less than 1 percent of total import value in 1988.

Contact Nancy Fulcher at 252-1434

Table 8-11

Iron and steel mill products: U.S. imports for consumption, total and under HTS subheading 9802.00.60, 1985-88

Year	*Total imports*	*9802.00.80 imports*	*Duty-free value of 9802.00.80 imports*
		Value (million dollars)	
1985	18,197	21	14
1986	15,320	57	39
1987	16,127	62	39
1988	19,452	98	61
		Change (percent)	
1988 from 1985	7	368	336
Average annual 1988 from 1985	2	67	63

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

8-12

Table 8-12

Iron and steel mill products: Nominal and effective rates of duty under HTS subheading 9802.00.60 and duty savings, 1985-88

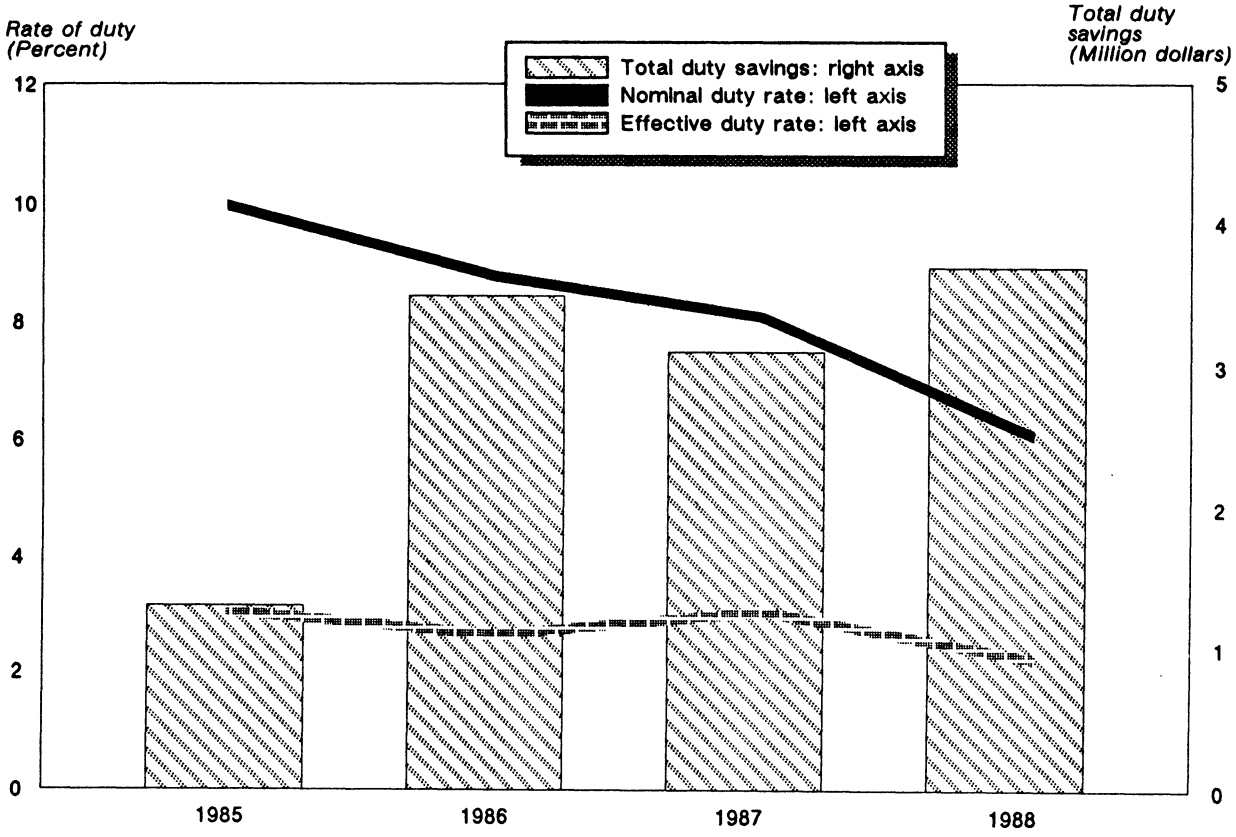
Year	*9802.00.80 imports to total imports*	*Duty-free 9802.00.80 to total 9802.00.80 imports*	*Rate of duty*		*Total duty savings*
			Nominal	*Effective*	
	Percent				*Million dollars*
1985	(1)	67	10.0	3.1	1.3
1986	(1)	69	8.8	2.7	3.5
1987	(1)	62	8.1	3.1	3.1
1988	0.5	62	6.1	2.3	3.7

[1] Less than 0.5 percent.

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

Figure 8-3

Iron and steel mill products: U.S. rate of duty and total duty savings under HTS subheading 9802.00.60, 1985-88



Source: Based on official statistics of the U.S. Department of Commerce.

8-13

Table 8-13

Iron and steel mill products: Duty-free value of U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

Source	1985	1986	1987	1988	Change in value of duty-free content, 1988 from 1985	Share of total duty-free value 1985	Share of total duty-free value 1988
	Million dollars				Percent	Percent	
Mexico	3	25	25	47	1,313	24	77
Canada	7	5	8	12	88	47	20
Italy	0	2	(1)	2	(2)	0	2
All other	4	7	5	(1)	-98	29	(3)
Total	14	39	39	61	336	100	100

[1] Less than $500,000.
[2] Not applicable.
[3] Less than 0.5 percent

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

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

The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for steel mill products, all grades:

TSUS item	*HTS subheading*
606.67	7206.10.00
	7207.11.00
	7207.12.00
	7207.19.00
	7207.20.00
606.69	7218.10.00
	7218.90.00
	7224.10.00
	7224.90.00
606.79	7213.10.00
	7214.20.00
606.83	7214.10.00
	7214.30.00
	7214.40.00
	7214.50.00
	7214.60.00
606.88	7215.10.00
	7215.20.00
	7215.30.00
	7215.40.00
	7215.90.30
606.90	7222.10.00
	7222.20.00
	7222.30.00
606.95	7228.10.00
	7228.30.60
	7228.50.10
	7228.60.10
606.97	7228.20.10
	7228.30.80
	7228.40.00
	7228.60.60
607.17	7213.20.00
	7213.31.30
	7213.39.00
	7213.41.30
	7213.49.00
	7213.50.00
607.23	7213.20.00
	7213.31.60
	7213.39.00
	7213.41.60
	7213.49.00
	7213.50.00
607.66	7208.11.00
	7208.12.00
	7208.21.50
	7208.22.50
	7208.31.00
	7208.32.00
	7208.33.50
	7208.41.00
	7208.42.00
	7208.43.00
	7211.11.00
	7211.12.00
	7211.21.00
	7211.22.00
607.67	7208.13.50
	7208.14.50
	7208.23.50
	7208.24.50
	7208.34.50
	7208.35.50
	7208.44.00
	7208.45.00
	7208.90.00
	7211.19.50
	7211.29.70
607.76	7219.11.00
	7219.12.00
	7219.13.00
	7219.14.00
	7219.21.00
	7219.23.00
607.76—*Cont*	7220.11.00
	7220.12.10
607.78	7225.30.30
	7225.40.30
	7226.91.50
607.83	7208.11.00
	7208.12.00
	7208.13.10
	7208.14.10
	7208.21.10
	7208.22.10
	7208.23.10
	7208.24.10
	7208.33.10
	7208.34.10
	7208.35.10
	7208.42.00
	7208.43.00
	7208.44.00
	7208.45.00
	7209.90.00
	7210.70.30
	7211.22.00
	7211.29.50
	7211.30.50
	7211.41.70
	7211.49.50
	7211.90.00
	7212.40.50
607.90	7219.11.00
	7219.12.00
	7219.13.00
	7219.14.00
	7219.22.00
	7219.23.00
	7219.24.00
	7219.31.00
	7219.32.00
	7219.33.00
	7219.34.00
	7219.35.00
	7219.90.00
	7220.12.10
	7220.20.10
607.92	7225.10.00
	7226.10.10
607.94	7210.90.10
	7212.60.00
607.99	7210.11.00
	7210.12.00
	7212.10.00
608.07	7210.39.00
	7210.49.00
608.13	7210.31.00
	7210.39.00
	7210.41.00
	7210.49.00
	7210.60.00
	7210.70.60
	7210.90.90
	7212.21.00
	7212.29.00
	7212.30.50
	7212.40.50
	7212.50.00
608.19	7211.19.10
	7211.29.30
	7211.30.30
	7211.41.50
	7211.49.30
	7211.90.00
	7212.29.00
	7212.30.30
	7212.40.10
	7212.50.00

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The following list includes a concordance that shows the TSUS items and the Harmonized Tariff Schedule subheadings for steel mill products, all grades—Continued:

TSUS item	*HTS subheading*
608.21	7211.19.10
	7211.29.30
	7211.30.10
	7211.41.30
	7211.49.10
	7211.90.00
	7212.10.00
	7212.29.00
	7212.30.10
	7212.40.10
	7212.50.00
608.23	7211.19.10
	7211.29.10
	7211.30.10
	7211.41.10
	7211.49.10
	7211.90.00
	7212.10.00
	7212.29.00
	7212.30.10
	7212.40.10
	7212.50.00
608.43	7220.20.70
608.55	7226.91.80
	7226.92.80
608.57	7220.12.50
	7220.20.60
609.14	7208.90.00
	7209.90.00
	7211.90.00
609.17	7210.50.00
	7210.90.60
	7212.50.00
	7220.90.00
609.40	7217.11.50
	7217.12.30
	7217.13.30
	7217.21.30
	7217.22.10
	7217.23.10
	7217.31.30
	7217.32.10
	7217.33.10
609.41	7217.11.70
	7217.12.50
	7217.13.50
609.43	7217.21.30
	7217.22.10
	7217.23.10
	7217.31.30
	7217.32.10
	7217.33.10
609.80	7216.10.00
	7216.21.00
	7216.22.00
	7216.31.00
609.80—*Cont.*	7216.32.00
	7216.33.00
	7216.40.00
	7216.50.00
609.82	7222.40.30
	7228.70.30
609.84	7216.90.00
610.30	7306.30.50
610.32	7305.11.10
	7305.12.10
	7305.19.10
	7305.31.40
	7305.39.10
	7305.90.10
	7306.10.10
	7306.20.60
	7306.30.50
	7306.90.10
610.37	7305.11.50
	7305.12.50
	7305.19.50
	7305.31.60
	7305.39.50
	7306.10.50
	7306.20.80
	7306.40.50
	7306.50.50
	7306.90.50
610.39	7304.20.20
	7304.90.10
	7305.20.40
	7306.20.20
	7306.60.10
610.49	7304.10.10
	7304.20.50
	7304.20.70
	7304.31.60
	7304.39.00
	7304.90.50
	7306.30.10
	7306.60.50
610.51	7304.49.00
	7304.51.50
	7304.59.80
610.52	7304.10.50
	7304.20.60
	7304.20.80
	7304.41.00
	7304.49.00
	7304.51.50
	7304.59.20
	7304.59.60
	7304.59.80
	7304.90.70
	7306.40.10
	7306.50.10
	7306.60.70

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Chapter 9

Production Sharing in the European Community

European Community (EC) customs law contains production sharing provisions similar to those provided in Harmonized Tariff Schedule of the United States (HTS) subheading 9802.00.80.[1] These provisions, known as "outward processing relief arrangements," allow EC goods to be temporarily exported from the customs territory of the EC for the purpose of further processing or assembly. Compensating products[2] resulting from such production sharing activities may be granted total or partial relief from duties upon importation into the EC.[3] The types of activities that may benefit from the EC production sharing provisions include the working (including fitting or assembling), processing, and repairing of goods.

The EC's production sharing provisions apply not only to goods exported by one EC country and returned to that same country after processing abroad, but also to triangular trade in which goods are exported from one EC country and returned to another EC country after foreign processing. Authorization to engage in outward processing is allowed on either a special or general basis and is allowed only when customs officials can identify the exported goods as having been incorporated in the compensating products. The EC may deny an application to engage in outward processing if there is evidence that such activity could result in serious damage to the essential interests of EC processors.

Despite general similarities, there are some important differences in the production sharing provisions of EC and U.S. customs law. The most important difference is the method used for calculating the tariff on goods returned after processing or assembly abroad.[4] Under the U.S. provisions, the duty is applied to the full value of the imported article, less the value of the U.S. components. Computing duties under this method is favorable to the importer. This is because foreign assembly or processing usually results in changing the tariff classification of the exported goods or components to a tariff classification subject to higher duty rates.[5] However, the method used by the EC is a "differential taxation" method that takes into account not only value added outside the EC but also changes in applicable rates of duty due to foreign processing and assembly.[6] Tariff specialists state that the EC method offers more protection to its domestic producers than does the U.S. "value added" method to the U.S. producers.[7]

The EC production-sharing provisions also differ from the U.S. provisions in that authorizations for "outward processing" in the EC may be granted only to natural or legal persons established within the EC, and all transactions must have the prior approval of the EC member country into which the goods will be reimported.[8] Industry officials familiar with both U.S. and EC production sharing provisions claim that the EC provisions are administratively more complex and cumbersome to comply with than the U.S. provisions.[9] Moreover, these officials contend that the customs administration of outward processing regulations is not consistent among EC countries, despite the EC Commission's efforts at standardizing the provisions. For example, they note that the West German government has been much more liberal than United Kingdom authorities in interpreting and administering the regulations.

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[1] There is no specific provision in the EC arrangements precisely equivalent to the HTS subheading 9802.00.60 (formerly TSUS item 806.30) regarding the foreign processing of U.S. articles of metal returned to the United States for further processing.

[2] Compensating products refers to all products resulting from outward processing operations.

[3] See Council Regulation (EEC) No. 2473/86 of 24 July 1986 on outward processing relief arrangements and the standard exchange system in app. D.

[4] Joseph Grunwald and Kenneth Flamm, *The Global Factory: Foreign Assembly in International Trade*, (Washington, DC: The Brookings Institution, 1985).

[5] Patrick L. Kelley and Ivo Unkelinx, *EEC Customs Law: Legislation, Case Law and Explanatory Text on the Customs Systems of the European Community*, (Oxford, England: ECC Publishing Ltd., 1986), pp. T-200 and T-201.

[6] Article 13 of Council regulation (EEC) No. 2473/86 on outward processing (See app. 1) states: "The total or partial relief from import duties provided for in Article 1 (2) shall be effected by deducting from the amount of import duties applicable to the compensating products released for free circulation [for consumption] the amount of import duties that would be applicable to the temporarily exported goods if they were imported into the customs territory of the community from the country in which they underwent the processing operation or last such operation."

[7] Differences in the U.S. and EC methods for calculating duties on goods returned after foreign processing can be seen in the following examples:

U.S. system: Product A, valued at $1,000, and subject to a customs duty of 5 percent, is exported from the United States to be processed or assembled into product B. The reimported product is valued at $2,000 and is subject to a duty of 10 percent. On reimportation, product B will be assessed duties on the difference between the values of product B and product A, or on $1,000. Thus the amount of duties collected will be $100 ($1,000 x 0.10).

EC system: Product A, valued at $1,000, and subject to a customs duty of 5 percent, is exported from the EC to be processed or assembled into product B. The reimported product is valued at $2,000 and is subject to a duty of 10 percent. On reimportation, product B will be assessed duties as follows:

- duties applicable to reimported compensating product (product B)= $2,000 x 0.10 = $200
- amount of duties applicable to goods originally exported (product A) = $1,000 x 0.05 = $50
- amount of duties to be collected = $200 - $50 = $150.

[8] Kelley and Unkelinx, *EEC Customs Law*, p. T-199.

[9] Telephone interviews by USITC staff with various U.S. and EC industry officials in July and August, 1989. Also see Grunwald and Flamm, *The Global Factory*, p. 25.

Trends in Imports

With the exception of the textiles and apparel sector, EC firms have not engaged in production-sharing activities nearly as much as have U.S. firms. Furthermore, a larger proportion of EC goods sent abroad for further processing and assembly has been destined for either final consumption in markets abroad or for reexport to third-country markets, rather than for return to the EC market.[10] Consequently, in 1987, the ratio of the value of outward processed EC imports to total EC imports for consumption was only 1 percent, whereas U.S. imports under HTS subheading 9802.00.80 accounted for 17 percent of total U.S. imports for consumption (table 9-1).[11]

Total EC imports after outward processing grew by 12 percent, from $3.8 billion in 1984 to $4.2 billion in 1987,[12] representing an average annual increase of 4 percent.[13] During the same period, total EC imports for consumption grew by almost 30 percent to $350 billion in 1987, or by an average annual rate of 9 percent. However, a large portion of EC growth in production sharing trade is hidden in the EC external trade data as a result of the accession of Spain and Portugal to the EC in 1986. Thus in 1984, the EC data include the outward processing trade of the then ten EC member countries with Spain and Portugal, whereas the 1987 data exclude such trade.

The following tabulation shows total imports after outward processing in Spain and Portugal by other EC member countries in 1984 and 1987:

	1984	*1987*
	Million dollars	*Million dollars*
Spain	1,401	2,265
Portugal	46	69

The 1984 EC external trade data, excluding those of Spain and Portugal, would show that EC outward processing trade increased by 82 percent with all other trading partners during the period. Nevertheless, total EC imports under outward processing arrangements still represented only 6 percent of the level of corresponding U.S. imports under HTS subheading 9802.00.80 in 1987.

International trade analysts and industry officials cite a number of reasons for the less extensive use of production-sharing activities by EC firms. They point out that the "differential method" for calculating duties on outward processed goods returned to the EC is usually less favorable in reducing duties on returned goods than are the corresponding U.S. provisions. In addition, they note that EC production-sharing provisions are more complicated, and, therefore,

[10] Grunwald and Flamm, *The Global Factory*, p 4.

[11] As of September 1989, full year 1988 data from the EC (Eurostat data) was not available for all member countries. Consequently, 1984-87 is the period of analysis for this Chapter rather than the 1985-88 period examined elsewhere in this report.

[12] Unless otherwise indicated, in this report EC trade will reflect EC trade with the rest of the world and will not include trade among the EC member countries themselves.

[13] Growth in such trade was even slower when expressed in terms of European Currency Units (ECUs) which more accurately reflect relative EC currency values during the period. This is because the U.S. dollar value of such trade includes the substantial currency rate depreciation of the U.S. dollar against the currencies of major EC countries during 1984-87.

Table 9-1
EC and U.S. imports for consumption, total and under production sharing provisions, 1984 and 1987

	EC[1]			*U.S*		
Year	*Total imports*	*Outward processed imports*	*Ratio of outward processed imports to total imports*	*Total imports*	*9802.00.80 imports*	*Ratio of 9802.00.80 imports to total imports*
	Million dollars[2]	*Million dollars*	*Percent*	*Million dollars*	*Million dollars*	*Percent*
1984	269,798	3,772	1	322,990	28,122	9
1987	350,339	4,239	1	402,066	67,595	17
	Change (percent)					
1987 from 1984	30	12	-14	24	140	89
Average annual, 1987 from, 1984	9	4	-5	8	34	24

[1] External EC trade, does not include intra-EC trade.

[2] Converted from European Currency Units (ECUS) to U.S. dollars based on IMF annual average exchange values for 1984 and 1987.

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community and the U.S. Department of Commerce.

9-2

less likely to provide partial relief of duties on the reimportation of processed or assembled goods.[14]

Also, EC markets have in general been more protected than the U.S. market, and there has been more of a tendency in EC countries to import "cheap labor" to reduce production costs than to export components for assembly in "low wage" countries. Imports of those goods primarily involved in production sharing, apparel and electronics, have been subject to higher tariff rates in the EC and have also been subject in the past to quotas and voluntary restraint agreements in a number of EC countries.[15] Finally, duty-free trade among EC countries in electronic products has been restricted in many cases to products containing less than 3 percent imported semiconductor components.[16]

Unlike the United States, the European Community does not maintain statistics on the duty-free or EC-manufactured portion, of its production sharing imports.[17] However, the following tabulation, showing the ratio of exports of goods sent out for outward processing to imports into the EC under outward processing arrangements, suggests that the duty-free component of all such imports may amount to over 80 percent:

	Exports for outward processing	*Imports after outward processing*	*Ratio exports to imports*
	In millions of dollars		*Percent*
1984	2,753	3,772	73
1987	3,438	4,239	81

This compares to only a 19-percent duty-free share of total U.S. imports under HTS subheading 9802.00.80 in 1987 (figure 9-1).[18]

The higher EC duty-free ratio partially reflects the fact that a large portion of EC production-sharing trade is accounted for by the textile and apparel sector, in which fairly high-value fabrics manufactured and cut in relatively capital-intensive EC manufacturing establishments are sent abroad for processing and assembly in low-wage-rate developing countries. Exports for outward processing also include the value of goods that did not return to the EC after processing or assembly abroad. Lastly, because procedures for using EC production-sharing relief arrangements are more cumbersome than those for use of the corresponding U.S. provisions, EC firms are less likely than U.S. firms to use such provisions for incidental reasons, such as for duty savings on articles containing only a negligible portion of EC value added.

Principal products

Almost one-half of EC imports after outward processing in 1987 were accounted for by textiles and apparel (table 9-2). In contrast, such products represented less than 3 percent of total U.S. imports under HTS subheading 9802.00.80. Imports of textiles and apparel under EC production-sharing provisions ($2 billion), in fact, exceeded in value U.S. imports ($1.8 billion) under its corresponding tariff provisions in 1987.[19]

Semiconductors, office machines and parts, and other machinery and equipment were the next most important individual categories of products imported under EC production-sharing provisions in 1987. Together, such imports amounted to slightly more than $1 billion, or almost one-quarter of total EC imports after outward processing. Nevertheless, such imports by EC countries represented less than 11 percent of corresponding U.S. imports under HTS subheading 9802.00.80 in 1987.[20]

The other miscellaneous manufactures category, which includes articles such as medical instruments, optical and ophthalmic lenses and articles, jewelry, toys, and dolls, was the only other category of goods accounting for at least 5 percent of EC imports of outward processed goods in 1987. The total value of such imports in that year amounted to $228 million, or slightly more than 5 percent of total imports under the EC production-sharing provisions.

Motor vehicles, including trucks, truck tractors, buses, and passenger automobiles, which represented the largest single category of goods[21] imported by U.S. firms under HTS subheading 9802.00.80 (62 percent) in 1987, accounted for only $132 million, or 3 percent of total EC imports after outward processing in that year. However, in 1984, before Spain and Portugal acceded to EC membership, imports of motor vehicles under EC outward processing provisions amounted to $1.4 billion, or 37 percent of

[14] Grunwald and Flamm, *The Global Factory*, p. 25, and telephone conversations by USITC staff with U.S. and EC industry officials in July and August, 1989.

[15] Ibid., pp. 29 and 30, and Vincent Cable and Jeremy Clark, *British Electronics and Competition with Newly Industrializing Countries*, (London: Overseas Development Institute, 1981), pp. 83-85, and 96.

[16] United Nations, *Transnational Corporations in the International Semiconductor Industry*, New York, 1986, and Grunwald and Flamm, *The Global Factory*, p. 30.

[17] Letter dated July 26, 1989, from officials of the Statistical Office of the European Communities, Luxembourg.

[18] USITC, *Imports Under Items 806.30 and 807.00 of the Tariff Schedules of the United States, 1984-87: Report on Investigation No. 332-237, under Section 332 (b) of the Tariff Act of 1930*, December 1988, table 1-1, pp. 1-5 and 1-6.

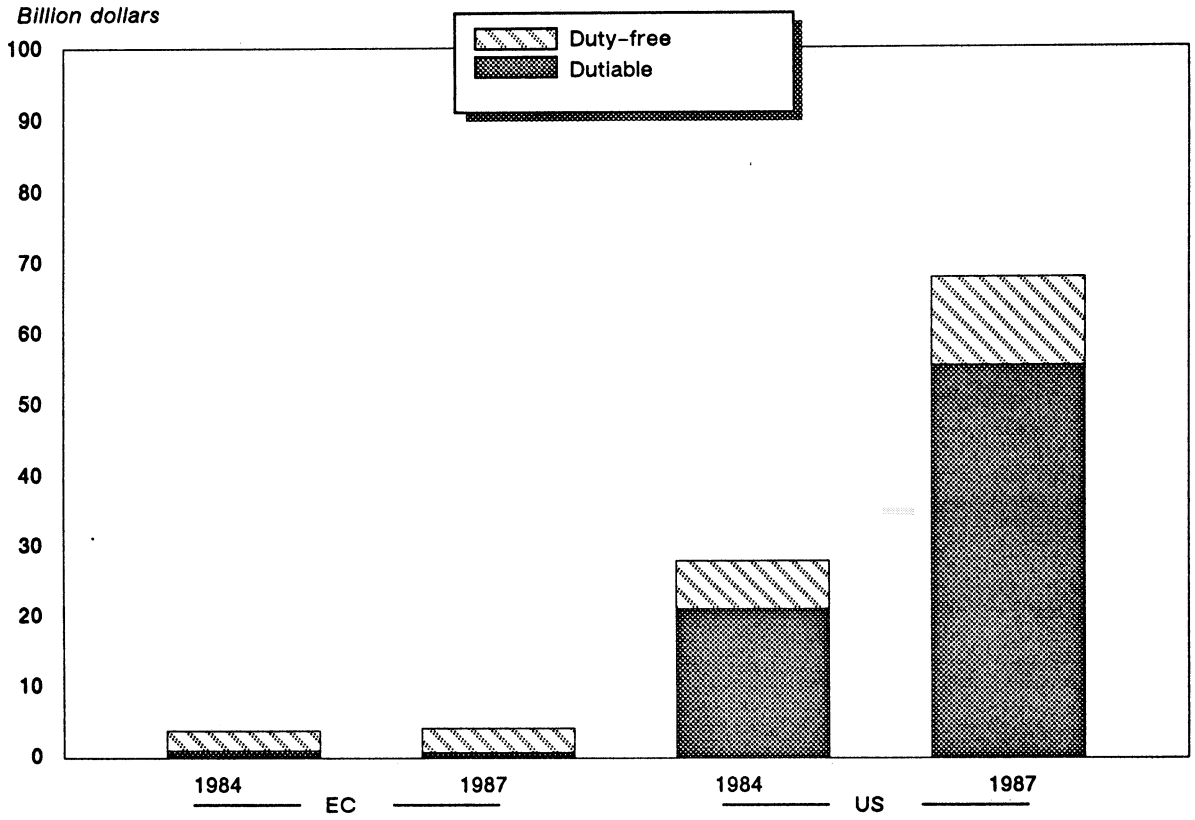
[19] Ibid., p. 4-1.

[20] Ibid., table 1-1, pp. 1-5 and 1-6.

[21] Ibid.

9-3

Figure 9-1
EC and U.S. Imports for consumption, under production sharing provisions, 1984 and 1987



Source: Based on official statistics of the European Community and the U.S. Department of Commerce.

9-4

Table 9-2

EC imports after outward processing, by industry groups, 1984 and 1987

Industry group	*1984*	*Share of total, 1984*	*1987*	*Share of total, 1987*	*Change, 1987 from 1984*	*Average annual change, 1987 from 1984*
	Million dollars	*Percent*	*Million dollars*	*Percent*		
Agricultural and forest products	28	1	51	1	81	22
Shirts and blouses	146	4	230	5	58	16
Trousers, slacks and shorts	135	4	265	6	97	25
Body-supporting garments	24	1	52	1	116	29
Footwear	139	4	246	6	76	21
Other textiles and apparel	647	17	1,213	29	87	23
Chemicals, coal petroleum, natural gas, and related products	92	3	197	5	113	29
Minerals and metal	32	1	51	1	57	16
Internal combustion engines and parts	164	4	159	4	-3	-1
Office machines and parts	193	5	346	8	79	21
Motors, generators, transformers, and related equipment	31	1	40	1	29	9
Television apparatus and parts, other than cameras and picture tubes	25	1	10	(1)	-61	-27
Radio and telephone equipment and parts	52	1	46	1	-1	-4
Tape recorders, record players and related equipment	17	(1)	8	(1)	-52	-22
Semiconductors	255	7	373	9	47	14
Other electrical articles	51	1	82	2	59	17
Motor vehicles, including automobile trucks and truck tractors, motor buses, passenger automobile	1,408	37	132	3	-91	-55
Motor-vehicle parts, industrial vehicles, nonself-propelled vehicles, motorcycles, rail locomotives, and rolling stock	16	(1)	26	1	62	17
Other machinery and equipment	143	4	303	7	112	29
Scientific instruments and apparatus	17	(1)	25	1	48	14
Furniture, mattresses and pillows	36	1	125	3	243	51
Other miscellaneous manufactures	99	3	228	5	130	32
Industry groups not determined	20	1	31	1	57	16
Total	3,772	100	4,239	100	12	4

[1] Less than 0.5 percent.

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

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total EC imports under such provisions. The bulk of such imports were from Spain (table 9-3). Because Spain and Portugal became members of the EC in 1986, trade between these and other EC member countries is not included in the external trade statistics of the EC after that year, even though it is still relatively substantial (table 9-4).

Principal EC importers

West Germany and France were the principal users of outward processing relief arrangements in 1987, together accounting for two-thirds of EC imports under such provisions (table 9-5). The Netherlands and Italy were also significant users of production-sharing activities. However, other EC countries were involved in such arrangements only marginally.

West Germany.—West Germany accounted for $2.2 billion, or 52 percent, of total imports under EC outward processing arrangements in 1987. Two-thirds of West Germany's imports under these provisions consisted of textiles and apparel, particularly footwear, shirts and blouses, trousers, slacks and shorts, and other wearing apparel (tables 9-6 and 9-7). Semiconductors, office machines and parts, and other electrical articles were the next most important products imported by West Germany under outward processing provisions. These products together accounted for $344 million, or nearly 16 percent of West German imports under such provisions in 1987. West German industry and government officials have been more supportive of production-sharing efforts by its firms than officials of any other EC country. As a result, hundreds of West German firms are involved to some extent in production-sharing in foreign countries.[22]

France.—France was the second leading market for outward processed goods in the EC, accounting for $698 million, or 16 percent of total imports under the EC production sharing provisions. Textiles and apparel, particularly trousers, slacks, and shorts, and footwear, and other wearing apparel, were the major products imported by France under these provisions, representing $254 million, or 36 percent of such imports (table 9-8). Processed chemicals, coal, petroleum, natural gas, and related products, including manufactured articles of rubber and plastics (20 percent); semiconductors (8 percent); and other electrical articles (3 percent) represented a large portion of the remaining products imported by France under production-sharing provisions. This drop was largely responsible for an overall decline in French production-sharing imports. Almost all of the automotive trade consisted of French imports of automobiles assembled in Spain by subsidiaries of the two largest French automobile producers. With the exception of the motor vehicle trade, the overall use of production sharing by French firms increased during 1984-87.

Others.—The Netherlands and Italy, the third and fourth leading EC markets for outward processed goods, accounted for 10 percent and 9 percent, respectively, of total EC imports under outward processing arrangements in 1987 (table 9-5). Principal products imported by Dutch firms after being processed abroad included textiles and apparel, semiconductors, office machines and parts, and other electrical articles. Outward processing by Italian firms more than tripled between 1984 and 1987. Italy's major imports under such arrangements included other machinery and equipment, semiconductors, and internal combustion engines and parts. Italy, a major footwear and apparel manufacturing country, has used outward processing arrangements minimally in the textiles and apparel sector, instead, relying on relatively low-cost labor in less developed regions of the country to save on production costs.

The remaining eight EC countries together accounted for only $526 million, or 12 percent, of total imports under EC production-sharing provisions in 1987. Imports by United Kingdom firms under outward processing arrangements declined by 52 percent to $285 million in 1987. EC industry officials and analysts indicate that the United Kingdom has been more protectionist than the other major EC countries with respect to its textile and apparel trade. However, these officials believe that EC measures to promote greater cooperation and integration among its members with respect to tariffs, quotas, and to the elimination of other barriers to trade in this sector, as well as other competitive factors, will result in an increase in outward processing activity by United Kingdom firms in the future.[23]

Principal sources

During 1984-87, EC production sharing, especially in the textiles and apparel sector, was heavily concentrated in Yugoslavia and other Eastern European countries, which accounted for just under one-half of total EC imports after outward processing (table 9-9). North African countries, such as Tunisia, were also an increasingly important source of production-sharing imports in the EC. Thus, EC firms have been similarly guided as have U.S. firms to locate a large number of their foreign processing and assembly operations close to their own markets.[24]

[22] Folker Frobel, Jurgen Heinrichs, and Otto Kreye, *The New International Division of Labour: Structural Unemployment in Industrialised Countries and Industrialisation in Developing Countries*, (Max Plank Institute: Starnberg, Federal Republic of Germany), Trans. by Pete Burgess, Cambridge University Press, 1980.

[23] Telephone interviews by USITC staff with various EC government and industry officials during July and August 1989.

[24] Otto Kreye, Jurgen Heinrichs, and Folker Frobel, *Export processing zones in developing countries: Results of a new survey*, (Geneva: International Labour Office, 1987), Working Paper No. 43, p. 20.

9-6

Table 9-3
EC imports after outward processing from Spain and Portugal, by leading industry groups, 1984

Spain and Portugal	Value	Leading industry groups 1	2	3	4	Other
	Million dollars	Percent of total for industry group				
Spain	1,401	Motor vehicles (94)	Motors, generators, transformers, and related equipment (1).	Other machinery and equipment (1).	Radio and telephone equipment and parts (1).	Other (2)
Portugal	46	Other textiles and apparel (37).	Trousers (25)	Office machines and parts (15).	Shirts and blouses (9)	Other (14)
Total	1,447					

[1] Less than 0.5 percent.

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

Table 9-4
EC imports after outward processing from Spain and Portugal, by leading industry groups, 1987

Spain and Portugal	Value	Leading industry groups 1	2	3	4	Other
	Million dollars	Percent of total for industry group				
Spain	2,265	Motor vehicles (94)	Other machinery and equipment (1)	Motor-vehicle parts (1).	Internal combustion engines (1).	Other (3)
Portugal	69	Other textiles and apparel (46).	Trousers (32)	Shirts and blouses (7)	Footwear (4)	Other (12)
Total	2,334					

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

9-7

Table 9-5

Imports after outward processing, by individual EC markets, 1984 and 1987

Market	*1984*	*Share of total, 1984*	*1987*	*Share of total, 1984*	*Change, 1987 from 1984*	*Average annual change, 1987 from 1984*
	Million dollars	*Percent*	*Million dollars*	*Percent*		
West Germany	1,501	40	2,204	52	47	14
France	1,081	29	698	16	-35	-14
Netherlands	357	9	415	10	16	5
Italy	113	3	396	9	252	52
United Kingdom	595	16	285	7	-52	-22
Belgium and Luxembourg	77	2	109	3	41	12
Spain[1]	0	(2)	67	2	(2)	(2)
Denmark	38	1	55	1	42	12
Portugal[1]	0	(2)	10	(1)	(2)	(2)
Ireland	7	(3)	1	(3)	-91	-54
Greece	2	(3)	0	(2)	(2)	(2)
Total	3,772	100	4,239	100	13	4

[1] Spain and Portugal did not become members of the EC until 1986.
[2] Not applicable.
[3] Less than 0.5 percent.

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

9-8

Table 9-6

EC imports after outward processing, by industry groups, and by leading EC markets, 1987

Industry group	Value	Leading EC markets 1	2	3	4	Other EC
	Million dollars	Percent of total for industry group				
Agricultural and forest products	51	West Germany (60)	France (20)	Netherlands (10)	United Kingdom (3)	Other (7)
Shirts and blouses	230	West Germany (85)	Netherlands (8)	France (5)	Belgium & Luxembourg (1)	Other (1)
Trousers, slacks and shorts	265	West Germany (64)	France (21)	Netherlands (11)	Denmark (1)	Other (2)
Body-supporting garments	52	West Germany (87)	France (8)	Italy (4)	Netherlands (1)	Other[1]
Footwear	246	West Germany (84)	France (14)	Denmark (2)	Netherlands[1]	Other[1]
Other textiles and apparel	1,213	West Germany (72)	France (12)	Netherlands (9)	United Kingdom (2)	Other (4)
Chemicals, coal petroleum, natural gas, and related products	197	France (70)	Belgium & Luxembourg (12)	United Kingdom (6)	West Germany (6)	Other (6)
Minerals and metals	51	France (39)	West Germany (26)	Italy (12)	Netherlands (7)	Other (16)
Internal combustion engines and parts	159	Netherlands (43)	Italy (36)	France (8)	Spain (5)	Other (8)
Office machines and parts	346	West Germany (42)	Netherlands (30)	United Kingdom (19)	France (4)	Other (6)
Motors, generators, transformers, and related equipment	40	West Germany (45)	France (22)	Netherlands (9)	Italy (7)	Other (17)
Television apparatus and parts, other than cameras and picture tubes	10	Netherlands (41)	West Germany (29)	Italy (22)	United Kingdom (8)	Other (1)
Radio and telephone equipment and parts	46	Italy (29)	United Kingdom (26)	West Germany (18)	France (13)	Other (14)
Tape recorders, record players and related equipment	8	Italy (53)	United Kingdom (14)	Netherlands (9)	West Germany (9)	Other (15)
Semiconductors	373	West Germany (43)	Italy (25)	France (16)	United Kingdom (15)	Other (1)
Other electrical articles	82	West Germany (53)	France (21)	Netherlands (12)	United Kingdom (11)	Other (5)
Motor vehicles, including automobile trucks and truck tractors, motor buses, passenger automobiles	132	Belgium & Luxembourg (41)	United Kingdom (23)	France (22)	Italy (2)	Other (4)
Motor-vehicle parts, industrial vehicles, nonself-propelled vehicles, motorcycles, rail locomotives, and rolling stock	26	France (49)	United Kingdom (23)	West Germany (21)	Spain (3)	Other (4)
Other machinery and equipment	303	Italy (50)	West Germany (17)	France (15)	Netherlands (10)	Other (8)
Scientific instruments and apparatus	25	West Germany (65)	Italy (10)	United Kingdom (8)	Denmark (6)	Other (6)
Furniture, mattresses and pillows	125	West Germany (95)	United Kingdom (4)	France (1)	Spain[1]	Other[1]
Other miscellaneous manufactures	228	France (30)	West Germany (24)	Spain (16)	United Kingdom (13)	Other (17)
Industry groups not determined	31	West Germany (89)	Italy (7)	Denmark (3)	United Kingdom([1])	Other[1]
Total	4,239	West Germany (52)	France (16)	Netherlands (10)	Italy (9)	Other (12)

[1] Less than 0.5 percent.

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

Table 9-7

West German imports after outward processing, by industry groups, 1984 and 1987

Industry group	1984	Share of total, 1984	1987	Share of total, 1987	Change, 1987 from 1984	Average annual change, 1987 from 1984
	Million dollars	Percent	Million dollars	Percent		
Agricultural and forest products	10	1	30	1	195	43
Shirts and blouses	123	6	196	9	59	17
Trousers, slacks, and shorts	94	6	170	8	82	22
Body-supporting garments	20	1	46	2	127	31
Footwear	100	7	206	9	106	27
Other textiles and apparel	481	32	876	40	82	22
Chemicals, coal petroleum, natural gas, and related products	4	(1)	12	1	200	44
Minerals and metals	7	1	13	1	83	22
Internal combustion engines and parts	19	1	4	(1)	-78	-40
Office machines and parts	51	3	144	7	184	42
Motors, generators, transformers, and related equipment	19	1	18	1	-2	-1
Television apparatus and parts, other than cameras and picture tubes	1	(1)	3	(1)	117	29
Radio and telephone equipment and parts	34	2	9	(1)	-75	-37
Tape recorders, record players and related equipment	12	1	1	(1)	-94	-61
Semiconductors	129	9	159	7	23	7
Other electrical articles	23	2	42	2	85	23
Motor vehicles, including automobile trucks and truck tractors, motor buses, passenger automobiles	225	16	2	(1)	-99	-80
Motor-vehicle parts, industrial vehicles, nonself-propelled vehicles, motorcycles, rail locomotives, and rolling stock	5	(1)	5	(1)	20	6
Other machinery and equipment	31	2	52	2	66	18
Scientific instruments and apparatus	12	1	16	1	35	11
Furniture, mattresses and pillows	33	2	118	5	256	53
Other miscellaneous manufactures	29	2	55	3	92	24
Industry groups not determined	20	1	28	1	41	12
Total	1,501	100.0	2,204	100.0	46	14

[1] Less than 0.5 percent.

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

Table 9-8

French imports after outward processing, by industry groups, 1984 and 1987

Industry group	1984	Share of total, 1984	1987	Share of total, 1987	Change, 1987 from 1984	Average annual change, 1987 from 1984
	Million dollars	Percent	Million dollars	Percent		
Agricultural and forest products	10	1	10	2	4	1
Shirts and blouses	7	1	11	2	63	18
Trousers, slacks, and shorts	19	2	57	8	196	44
Body-supporting garments	2	(1)	4	1	140	34
Footwear	32	3	33	5	4	2
Other textiles and apparel	70	7	149	21	112	28
Chemicals, coal petroleum, natural gas, and related products	58	5	138	20	136	33
Minerals and metals	19	2	20	3	5	2
Internal combustion engines and parts	8	1	13	2	61	17
Office machines and parts	7	1	14	2	111	28
Motors, generators, transformers, and related equipment	5	(1)	9	1	87	23
Television apparatus and parts, other than cameras and picture tubes	(2)	(1)	(2)	(1)	-70	-33
Radio and telephone equipment and parts	4	(1)	6	1	49	64
Tape recorders, record players and related equipment	(2)	(1)	(2)	(1)	89	24
Semiconductors	45	4	60	8	32	10
Other electrical articles	14	1	17	3	19	6
Motor vehicles, including automobile trucks and truck tractors, motor buses, passenger automobiles	705	65	29	4	-96	-66
Motor-vehicle parts, industrial vehicles, nonself-propelled vehicles, motorcycles, rail locomotives, and rolling stock	8	1	13	2	65	18
Other machinery and equipment	39	4	44	6	13	4
Scientific instruments and apparatus	2	(1)	1	(1)	-33	-13
Furniture, mattresses and pillows	1	(1)	1	(1)	18	6
Other miscellanoues manufactures	26	2	69	10	167	39
Total	1,081	100.0	698	100.0	-35	-14

[1] Less than 0.5 percent.
[2] Less than $500,000.

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

9-11

Table 9-9

EC imports after outward processing by principal suppliers, 1984 and 1987

Supplier	1984	Share of total, 1984	1987	Share of total, 1987
	Million dollars	Percent	Million dollars	Percent
Yugoslavia	379	10	767	18
United States	437	11	647	15
Hungary	197	5	368	9
Romania	177	5	312	7
Singapore	130	4	286	7
Poland	121	3	274	7
Switzerland	82	2	263	6
Tunisia	81	2	174	4
Soviet Union	70	2	148	3
Czechoslovakia	47	1	103	2
All other	2,051	54	897	21
Total	3,772	100	4,239	100
Special categories:				
Developed countries	2,539	67	1,925	45
Developing countries	589	16	1,055	25
Eastern Europe	1,015	27	2,005	47
North Africa	129	3	276	7

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

However, the pattern of geographical distribution of the foreign assembly plants of EC multinational semiconductor producers has resembled closely the distribution of U.S. and Japanese subsidiaries with a concentration of such operations in such rapidly developing East Asian countries as Singapore, Korea, Malaysia, Taiwan, and Hong Kong.[25] Among developed countries, the United States and Switzerland were significant suppliers of outward processed imports to the EC.

Eastern Europe.—During 1984–87, EC production-sharing imports from Eastern Europe almost doubled to $2 billion. Yugoslavia was responsible for $767 million, or 38 percent of the Eastern European imports in 1987. The largest portion of the outward processing trade with Yugoslavia consisted of imports of footwear and apparel by West German firms (tables 9–10 and 9–11).

Hungary, Romania, and Poland were also important processing sites for EC manufacturers, together accounting for $954 million, or 47 percent of total production-sharing imports from Eastern Europe. West Germany, the Netherlands, and France were the principal markets for such imports. A large portion of such trade involved the processing of footwear and apparel; however, a significant amount of the imports from Poland and Romania consisted of finished furniture while Hungary supplied the EC with about $50 million in machinery and equipment.

[25] United Nations, *Transnational Corporations in the International Semiconductor Industry*, New York, 1986, p. 232.

The Soviet Union and Czechoslovakia were less significant suppliers of outward processed goods to the EC, but imports from those countries more than doubled from 1984 to 1987. They are expected to continue to grow in the future as more liberal East-West trade policies established under Glasnost take root.[26] Imports under EC outward processing arrangements from the Soviet Union consisted primarily of chemicals (including articles of rubber and plastic) and Soviet manufactured automobiles containing EC-made parts and components. France and Belgium were the principal markets for the Soviet processed goods. Czechoslovakia provided West Germany and the United Kingdom with automobiles, trucks, and wearing apparel. Because of a special trade relationship with West Germany, which has its own preferential tariff arrangements, East Germany is not a significant supplier of goods under the EC outward processing arrangements.

East Asia.—East Asian firms together supplied the EC with over $500 million in imports under outward processing arrangements in 1987. Almost all of such imports consisted of semiconductors and related electrical articles. Singapore was the largest source of semiconductors into the EC (table 9–12), accounting for a particularly large share of the EC's integrated circuit (IC) imports from developing countries.[27] Italy imported $92 million and West Germany $52 million in semiconductors from Singapore

[26] Telephone conversations by USITC staff with EC industry officials during July and August 1989.

[27] United Nations, *Transnational Corporations in the International Semiconductor Industry*. New York, 1986.

Table 9-10

EC imports after outward processing from Eastern Europe, by leading industry groups, 1987

Source	Value	Leading industry groups 1	2	3	4	All other
	Million dollars	Percent of total for each country				
Yugoslavia	767	Other textiles and apparel (56)	Footwear (12)	Trousers (6)	Shirts and blouses (7).	Other (19)
Hungary	368	Other textiles and apparel (29).	Footwear (12)	Other machinery and equipment (8).	Trousers (7)	Other (44)
Romania	312	Other textiles and apparel (26)	Furniture (17)	Footwear (10)	Trousers (4)	Other (43)
Poland	274	Other textiles and apparel (51).	Shirts and blouses (17)	Furniture (12)	Trousers (5)	Other (15)
Soviet Union	148	Chemicals (51).	Motor vehicles (30)	Furniture (1)	Footwear[1]	Other (17)
Czechoslovakia	103	Other textiles and apparel (29).	Motor vehicles (27)	Trousers (8)	Other machinery and equipment (6).	Other (30)
Bulgaria	18	Other textiles and apparel (39).	Shirts and blouses (39)	Trousers (14)	Other machinery and equipment (3).	Other (4)
East Germany	11	Furniture (36)	Other machinery and equipment (28).	Minerals and metal (7)	Other miscellaneous manufacturer (3).	Other (26)
Albania	3	Other textiles and apparel (94).	Trousers (6).			
Total	2,005					

[1] Less than 0.5 percent.

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

9-13

Table 9-11

EC imports after outward processing from Eastern Europe, by leading EC markets, 1987

Source	Value	Leading EC markets 1	2	3	4	All other
	Million dollars	Percent of total for each country				
Yugoslavia	767	West Germany (89)	Netherlands (9)	Italy (1)	France (1)	Other (1)
Hungary	368	West Germany (76)	Netherlands (9)	France (8)	United Kingdom (3)	Other (4)
Romania	312	West Germany (76)	France (14)	Netherlands (5)	United Kingdom (3)	Other (3)
Poland	274	West Germany (77)	Netherlands (7)	Denmark (7)	France (4)	Other (4)
Soviet Union	148	France (62)	Belgium and Luxembourg (36).	West Germany (2)	Italy[1]	Other[1]
Czechoslovakia	103	West Germany (48)	United Kingdom (34)	Netherlands (11)	France (6)	Other (2)
Bulgaria	18	West Germany (97)	France (2)	Italy[1]	United Kingdom [1]	Other (0)
East Germany	11	United Kingdom (47)	Spain (20)	Italy (13)	France (12)	Other (8)
Albania	3	Netherlands (85)	Italy (16)			
Total	2,005					

[1] Less than 0.5 percent.

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

Table 9-12

Semiconductors and other electrical articles: EC imports after outward processing by principal sources, and by leading EC markets, 1987

Source	Value	Share of total	Leading EC markets 1	2	3	4	Other EC
	Million dollars	*Percent*	*Percent of total for each country source*				
Singapore	157	35	Italy (58)	West Germany (33)	France (7)	United Kingdom (2)	Other[1]
Malaysia	64	14	West Germany (66)	United Kingdom (34)	Italy[1]	France[1]	Other (0)
Philippines	56	12	West Germany (65)	Netherlands (19)	United Kingdom (11)	France (5)	Other (0)
Taiwan	52	12	West Germany (46)	United Kingdom (32)	France (23)	Denmark[1]	Other[1]
United States	33	7	France (41)	United Kingdom (21)	West Germany (20)	Netherlands (11)	Other (7)
Thailand	18	4	West Germany (80)	United Kingdom (15)	France (5)		
Morocco	17	3	France (98)	Italy (2)	Spain (1)		
Hong Kong	14	3	West Germany (75)	United Kingdom (20)	France (5)	Belgium and Luxembourg[1].	Other[1]
Tunisia	12	3	France (89)	West Germany (11)			
Korea	8	2	United Kingdom (54).	France (45)	West Germany (1)	Italy[1]	Other (0)
All other	24	5	West Germany (56)	France (20)	United Kingdom (11)	Italy (10)	Other (3)
Total	455	100	West Germany (44)	Italy (21)	France (17)	United Kingdom (15).	Other (3)

[1] Less than 0.5 percent.

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

under EC production sharing provisions in 1987, together accounting for over 90 percent of total such imports from that country. Italy's major semiconductor manufacturer, which recently merged with the semiconductor unit of the major French electronics conglomerate, maintains an IC assembly subsidiary in Singapore as does the large West German electronics multinational. Two other West German producers of semiconductors also maintain processing facilities in Singapore.

Malaysia, the Philippines, and Taiwan each were responsible for over $50 million in EC production sharing imports of semiconductors in 1987. Subsidiaries of the West German multinational were responsible for the largest portion of such trade. However, the three major United Kingdom semiconductor manufacturers maintain significant processing operations in both Malaysia and Taiwan and the semiconductor unit of the Dutch electronics giant established facilities in the Philippines during the period. In 1987, the Netherlands was the second largest market after West Germany for production sharing imports of semiconductors from the Philippines, a market which has been increasing in importance in the past few years as an important site for offshore assembly of such devices.

Thailand, Hong Kong, and Korea were minor suppliers of semiconductors to the EC under outward processing arrangements. West Germany and the United Kingdom were the primary beneficiaries of such trade. Korea and Hong Kong were the only significant East Asian processors of textiles and apparel goods for EC firms (table 9-13). Large West German fashion and apparel merchandising groups purchased over $60 million of processed apparel from Korean and Hong Kong sewing and assembly operations in 1987.

North Africa.—Outward processing facilities in North Africa supplied the EC with $276 million in imports under EC production sharing provisions in 1987, more than double the amount of such trade in 1984 (table 9-9). Former colonies of France were primarily responsible for this trade. Several large French multinationals as well as some smaller ladies' apparel firms now derive up to 25 percent of the volume of their merchandise from sewing and assembly operations in North Africa and Eastern Europe.[28]

Tunisia accounted for $174 million, or 63 percent of total outward processed imports into the EC in 1987 from North Africa (table 9-9). More than one-half of such imports consisted of Tunisian exports of apparel, especially women's apparel, to France (table 9-13). Morocco was another important North African supplier of imports to the EC under outward processing arrangements. France was the principal market for such imports, absorbing $55 million in imports of footwear and apparel from Morocco in 1987. West Germany and the Netherlands were also important markets for outward processedgoods from Tunisia and Morocco, together accounting for just over one-fourth of total imports from those countries under production sharing arrangements in 1987.

Morocco and Tunisia were also increasingly important suppliers of semiconductors and other electrical articles to France during this period; Morocco alone provided that country with $17 million in imports of such devices under outward processing arrangements in 1987 (table 9-12). Although French firms maintain assembly facilities in most of the principal East Asian countries accounting for EC outward processing trade, much of its semiconductor production sharing has been moved closer to home in Morocco and Tunisia in recent years.[29]

Developed countries.—Although developed countries actually accounted for $1.9 billion (table 9-9), or 45 percent of total EC imports after outward processing, such trade accounted for a very small portion of the EC-produced, or duty-free portion, of such trade.[30] A large portion of the imports consisted of imports of products from the United States, Japan, and other Western European countries which contained EC-made components representing a relatively small portion of the total value of such products. Also involved were intra-company transfers of materials, parts, and components between branches and subsidiaries of large multinational corporations spread throughout the world with manufacturing and assembly facilities in the EC.

The United States was the largest developed country supplier of goods under EC outward processing provisions in 1987, accounting for $647 million, or 15 percent of total such imports in that year (table 9-14). The largest categories of goods imported under the EC provisions from the United States consisted of internal combustion engines and office machines and parts shipped to the EC through the Netherlands. The United Kingdom, Italy, and West Germany were also important markets for U.S. goods containing EC-made parts and components. A major West German producer of automotive parts, which supplies over one half of the global automobile industry's demand for fuel injectors, is responsible for a large share of EC value contained in U.S.-made internal combustion engines shipped to Europe.

[28] Jose de la Torre, *Clothing-industry Adjustment in Developed Countries*, p. 100, and International Labour Office, *Social and labour practices of multinational enterprises in the textiles, clothing and footwear industries*, Geneva, 1984, p. 13.

[29] United Nations, *Transnational Corporations in the International Semiconductor Industry*. New York, 1986.

[30] Telephone conversations by USITC staff with EC officials in Brussels and Luxembourg during April and May 1989, and with various U.S. and EC industry officials during July and August 1989.

9-16

Table 9-13

Textiles, apparel, and footwear: EC imports after outward processing by principal sources, and by leading EC markets, 1987

Source	Value	Share of total	Leading EC markets 1	2	3	4	Other EC
	Million dollars	Percent	Percent of total for each country source				
Yugoslavia	744	37	West Germany (90)	Netherlands (9)	Italy[1]	Belgium and Luxembourg[1]	Other (1)
Hungary	302	15	West Germany (74)	Netherlands (10)	France (8)	United Kingdom (4)	Other (4)
Poland	229	11	West Germany (78)	Netherlands (8)	Denmark (8)	France (5)	Other (2)
Romania	209	10	West Germany (74)	France (11)	Netherlands (7)	United Kingdom (5)	Other (3)
Tunisia	137	7	France (74)	West Germany (17)	Netherlands (7)	Denmark (1)	Other (1)
Morocco	71	4	France (76)	West Germany (16)	Netherlands (6)	Spain (1)	Other (1)
Czechoslovakia	47	2	West Germany (68)	Netherlands (20)	France (5)	United Kingdom (5)	Other (2)
Korea	40	2	West Germany (92)	United Kingdom (6)	France (1)	Denmark (1)	Other[1]
Hong Kong	34	2	West Germany (88)	Netherlands (8)	United Kingdom (2)	France (1)	Other (1)
Malta	28	1	West Germany (91)	Denmark (6)	France (3)	Netherlands (1)	Other (0)
All other	166	8	West Germany (68)	France (21)	Italy (5)	Netherlands (3)	Other (3)
Total	2,006	100	West Germany (74)	France (13)	Netherlands (8)	United Kingdom (2)	Other (3)

[1] Less than 0.5 percent.

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

9-17

Table 9-14

EC imports after outward processing from the United States, by leading industry groups, and by leading EC markets, 1987

Industry group	Value	Leading EC markets 1	2	3	4	Other EC
	Million dollars	Percent of total for each country				
Agricultural and forest products	9	West Germany (68)	France (24)	Spain (5)	United Kingdom (2)	Other[1]
Shirts and blouses	(2)	Spain (100)				
Footwear	(2)	Spain (100)				
Other textiles and apparel	1	Belgium and Luxembourg (50)	West Germany (25)	United Kingdom (7)	Spain (7)	Other (11)
Chemicals, coal, petroleum, natural gas, and related products	67	France (41)	Belgium and Luxembourg (32)	United Kingdom (13)	West Germany (7)	Other (7)
Minerals and metals	10	Netherlands (27)	France (23)	Italy (22)	West Germany (13)	Other (15)
Internal combustion engines and parts	127	Netherlands (54)	Italy (31)	France (7)	Spain (6)	Other (3)
Office machines and parts	201	Netherlands (43)	United Kingdom (30)	West Germany (13)	France (5)	Other (8)
Motors, generators, transformers, and related equipment	8	West Germany (38)	United Kingdom (28)	Netherlands (21)	Italy (9)	Other (4)
Television apparatus and parts, other than cameras and picture tubes	(2)	Netherlands (34)	United Kingdom (20)	Belgium and Luxembourg (18)	Spain (16)	Other (12)
Radio and telephone equipment and parts	18	Italy (44)	United Kingdom (21)	West Germany (18)	Netherlands (14)	Other (4)
Tape recorders, record players and related equipment	1	Denmark (30)	United Kingdom (27)	West Germany (20)	Italy (11)	Other (11)
Semiconductors	17	France (79)	West Germany (10)	United Kingdom (9)	Italy (2)	Other (1)
Other electrical articles	16	United Kingdom (34)	West Germany (30)	Netherlands (22)	Italy (8)	Other (6)
Motor vehicles, including automobile trucks and truck tractors, motor buses, passenger automobiles	21	France (45)	United Kingdom (45)	Denmark (6)	Italy (3)	Other (1)
Motor-vehicles parts, industrial vehicles, nonself-propelled vehicles, motorcycles, rail locomotives, and rolling stock	1	France (86)	Netherlands (9)	United Kingdom (4)	Denmark (1)	Other (1)
Other machinery and equipment	76	Italy (48)	Netherlands (23)	West Germany (14)	France (5)	Other (11)
Scientific instruments and apparatus	9	West Germany (48)	Italy (17)	United Kingdom (15)	France (8)	Other (11)
Furniture, mattresses and pillows	(2)	Netherlands (54)	France (36)	Portugal (8)	West Germany (3)	
Other miscellaneous manufactures	59	United Kingdom (37)	West Germany (20)	Italy (20)	Netherlands (14)	Other (9)
Industry groups not determined	7	West Germany (86)	Italy (8)	Denmark (5)	United Kingdom (1)	Other[1]
Total	647					

[1] Less than 0.5 percent.
[2] Less than $500,000.

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

Source: Compiled by the U.S. International Trade Commission from official statistics of the European Community.

Principal Reasons for the Use of Production Sharing by EC Firms

Some of the reasons cited by EC industry officials for using production sharing arrangements include (1) gaining substantial cost reductions by relocating labor-intensive processes of production to low-wage-rate countries, (2) using production sharing as a defensive measure in view of mounting competition from low-cost suppliers in East Asian countries, (3) saving domestic jobs, (4) gaining more efficient and flexible production systems, (5) gaining control over domestic marketing and distribution channels for imports from low-labor-cost countries, (6) enabling EC firms to be in markets which have barriers but which show significant opportunities, and (7) to take advantage of the duty savings resulting from the use of EC outward processing regulations.[31]

The reduction of labor costs was the most frequent reason given by EC firms to analysts for use of foreign production sharing arrangements. West German textile and clothing firms responded to mounting competition from low-cost suppliers in East Asia and other developing countries by shifting substantial amounts of their production to Eastern European countries like Yugoslavia, Hungary, and Poland beginning in the early 1970s.[32] The reasons behind this strategy were primarily defensive:

> The first of these foreign plants was set up by a Federal German textile company whose European customers had increasingly turned to importing cheap goods from South East Asia suppliers, after the German company was no longer able to offer its German-made goods at competitive prices on the German market: in order not to lose the market completely, and to try to regain its former market share, the company decided to shift production to an East-European low-wage country.[33]

The Government of the Federal Republic of Germany supported the adjustment efforts of the textile and garment industry to relocate labor- intensive sewing and cutting activities in low-wage countries while maintaining capital-intensive textile processes at home. The Government observed that the internationalization of production was often the only possibility for West German enterprises to stay competitive with manufacturers in low-wage-rate countries in the international market and that production sharing activities contributed to saving jobs in West Germany.[34] West German firms are now the most extensive users of outward processing arrangements in the EC.

Industry observers believe that West Germany's extensive use of outward processing measures had two major results. The first was the benefit of substantial cost reductions, which made West German products very price-competitive across Europe. Secondly, through the use of and sewing assembly facilities in low-labor-cost countries, West German companies achieved more control over the competitiveness of imports from those countries, preventing a much more adverse impact on their firms than would have occurred without major adjustments. Despite giving up much of the labor-intensive processes of production, West German firms maintained control over the commercial and distribution networks for their products even though the finished goods are imported.[35] Because barriers to entry and economies of scale are very important in this industry, competing producers from developing countries have had difficulty entering the West German market.[36]

The French industry began using outward processing arrangements in foreign countries in the mid-1970s (principally to reduce labor costs), in view of longstanding French Government opposition to a liberal foreign-assembly policy.[37] The management of one major French ladies' clothing manufacturer claimed it was two to two-and-a-half times cheaper to process its apparel in assembly facilities in North Africa and Eastern Europe in spite of high overhead costs, of duties paid on East European production, and of the inevitable delays in clearing customs by having to demonstrate the French content in fabrics.[38] The French Government recognizes that subcontracting certain production processes to foreign low-wage countries increases French industrial competitiveness and saves French jobs.[39]

Outward processing has also played a major defensive role for the textiles and apparel industry in the Netherlands.[40] While low-wage developing countries dominate the lower-priced sectors, outward processing has complemented domestic products in the middle price sectors, allowing domestic companies to compete with imports from other countries in the EC.[41] This was not true for the higher-priced sectors where other EC producers held major shares of the Dutch market.[42]

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[31] Michael Breitenacher, Sergio Paba, and Gianpaolo Rossini, *The Cost of "Non-Europe" in the Textile-Clothing Industry*, (Brussels-Luxembourg: EEC, 1988), p. 7; and Jose de la Torre, *Clothing-industry Adjustment in Developed Countries*, p. 98.

[32] Folker Frobel and others, *The New International Division of Labour*.

[33] Ibid., p. 128.

[34] International Labour Office, *Social and Labour Practices of Multinational Enterprises in the Textiles, Clothing and Footwear Industries*, Geneva, 1984, p. 44.

[35] *The Cost of "Non-Europe"in the Textile and Apparel Industry*, p. 8.

[36] Ibid., p. 8.

[37] Jose de la Torre, *Clothing-industry Adjustment*, p. 100.

[38] Ibid.

[39] E. Jahan, C Jaedlicki, M. Lanzzarotti, and J. Massini, *La strategie des investisseurs francais face a' la concurrence des pays a' bas salaires* (Paris: Institut de l'Ent'erprise, and the OECD Development Centre, 1980) concluded that offshore assembly favored net employment generation in France.

[40] Jose de la Torre, *Clothing-industry Adjustment*, p. 100.

[41] Ibid.

[42] Ibid.

EC firms have also increased their use of outward processing arrangements in the electronics sector to take advantage of the differential between labor costs in the developed and developing countries.[43] In general, these companies have used outward processing largely for the assembly of relatively simple, discrete semiconductor components. Only with the low-value-added devices does the cost saving of foreign assembly resulting from the wage differential between the EC and developing East Asian countries more than offset the additional costs (tariff, freight, and insurance) related with offshore assembly.[44] Even when EC outward processing relief provisions are applied to the reimported circuits, the net effect of the provisions is to impose a 9-percent duty on the value of the material content of the chip, compared with a 17-percent duty on finished semiconductors imported into the EC.[45]

EC firms have also used production sharing to establish more efficient and flexible production systems. For example, in the textile and apparel industry, frequent changes in fashion and the need to serve specialized market niches preclude the use of large-scale production runs and automated processes. However, by maintaining capital-intensive fabric manufacture and design functions at home while contracting specialized sewing and assembly processes to low-cost contractors in East Europe and North Africa, EC companies are able to respond more efficiently and effectively to changing market forces.

EC firms have also established production sharing activities (to overcome tariff and nontariff barriers) in countries like Japan, China, East Germany, and Brazil which otherwise present significant market opportunities. Although many EC firms established production sharing operations in such markets for the primary purpose of supplying the domestic needs of those markets, an increasing amount of production in such facilities has been finding its way back to EC markets. For example, two major automobile producers based in West Germany and Italy established manufacturing operations in Brazil as a means of competing in that country's growing passenger car market. The Brazilian subsidiaries of these two companies, which now successfully compete with two major U.S. companies in that market, also export assembled vehicles and parts (especially engines) to EC markets.[46]

[43] United Nations, *International Subcontracting Arrangements in Electronics Between Developed Market-Economy Countries and Developing Countries*, New York, 1975.

[44] United Nations, *Transnational Corporations in the International Semiconductor Industry*, p. 232.

[45] Ibid.

[46] "Brazil Automotive Age, Aiming for the World Market," *The Washington Post*, (July 12, 1983), and USITC, *The Internationalization of the Automobile Industry and its Effects on the U.S. Automobile Industry: Report on Investigation No. 332-188 under Section 332 of the Tariff Act of 1930*, USITC Publication 1712, June 1985; and telephone interviews by USITC staff with EC industry officials during July and August 1989.

Most EC industry officials interviewed by Commission staff indicated that the duty savings resulting from their use of EC outward processing regulations were only an incidental factor influencing their use of production sharing arrangements in foreign countries.[47] Cutting costs by using low-cost labor in developing countries for labor-intensive processes of production was by far the most important factor influencing their decisions to establish production sharing operations.

Factors Determining the Location of EC Production Sharing Facilities

Some of the factors determining the place where EC companies establish their production sharing activities include (1) relative wages; (2) transportation costs; (3) proximity to EC markets; (4) tax concessions, subsidies, and other specific measures taken to promote export-oriented production; and (5) political stability.

Although the actual choice of the production sharing location is always the result of the totality of the above conditions for production in particular countries, it is primarily determined by the almost unlimited availability of labor at low wages.[48] More specifically, the relative levels of wages of employees of developing countries to the earnings of EC workers that largely determine the place where production sharing operations will be established by EC firms.

A comparison of Eastern European and EC average manufacturing wage rates (table 1-4) shows why Eastern European countries have been selected as primary sites for outward processing by EC firms, particularly in the labor-intensive processes of production. Basic manufacturing wage rates in Yugoslavia are about seven times less than corresponding rates in West Germany. The differential is even larger between EC workers and laborers in other Eastern European countries. Extremely low wages in North African countries like Morocco and Tunisia are even drawing some EC foreign assembly activity in the semiconductor and electronics sector away from the rapidly industrializing countries of East Asia. Finally, we can see from the table why Spain and Portugal were primary sites of EC outward processing activity before their accession to the Community in 1986. Rising labor costs in those countries are expected to increase the movement of labor-intensive production activities of EC firms to areas outside of the Community.

Given relatively low labor costs, transportation costs frequently are an important determinant of the location of outward processing arrangements by EC firms. Because this factor is often linked

[47] Telephone interviews by USITC staff with EC industry officials during July and August 1989.

[48] Folker Frobel and others, *The International Division of Labor*.

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to distance, there has been a tendency for EC firms to establish a large portion of their production sharing facilities close to their home markets, especially in Eastern Europe and North Africa. Before their entry into the EC, Spain and Portugal were important sites for EC outward processing relief arrangements by West German, French, British, and Dutch firms. Though such trade is no longer included in EC external trade statistics, it still accounts for a major portion of EC production sharing arrangements.

Transportation costs for semiconductors and other electrical articles, which have a relatively high value-to-weight ratio, have been much lower than for most other goods. Consequently, other factors (quality, experience) have made East Asian countries like Singapore, Malaysia, Taiwan, and the Philippines the preferred sites for the foreign processing and assembly of products by EC firms in this sector.

EC firms are also attracted to particular locations for foreign assembly by various tax concessions, subsidies, and other enticements granted by host country governments to promote industrial development and increase employment opportunities in their countries. The policies of many developing countries have shifted increasingly, in recent years, from import substitution to export manufacturing.[49] One developing country, for example, signed bilateral agreements with various EC countries for the protection of foreign investments and the avoidance of double taxation of profits. Other developing countries have granted tax holidays, and liberal profit-repatriation measures to attract EC and other developed country firms to establish production operations in their countries. They have also established export processing zones and other special industrial sectors into which EC firms may import semifinished articles and components, as well as manufacturing equipment, free of duty. Water and electricity and other infrastructural needs are often subsidized by the host country in such zones. EC firms have especially benefitted from such concessions in North African and East European countries.

Types of Production Sharing Arrangements Used by EC Firms

EC producers have used a variety of arrangements in their overseas production sharing activities ranging from subcontracts with independent foreign firms, requiring little or no capital investment, to 100-percent investment through wholly-owned subsidiaries in foreign countries. Other arrangements have included cooperative agreements with State-owned enterprises in Communist countries, joint ventures, and licensing agreements.

The extensive outward processing trade between the EC and Eastern Europe has traditionally been conducted under subcontract, license, and marketing cooperation agreements between individual EC firms and socialist-state trading organizations or specific ministries in Eastern Europe.[50] Industry experts estimate that over 70 percent of West Germany's production sharing imports in the textile and apparel sector from Yugoslavia, Hungary, and Poland were made via these types of agreements.[51] However, trade under such agreements has not been limited to the textile and apparel sector, but has also included products ranging from electric shavers, coffee grinders, fruit presses, and mixers, to parts and components for reaping machines.[52]

Many cooperative agreements between EC and Eastern European enterprises contain supply contracts which run for four or five years and contain provisions for some form of exchange or compensatory trade whereby EC firms supply capital goods in exchange for semifinished or finished goods.[53] One such agreement between West German and Polish enterprises involved chemicals, equipment manufactures, and foundry products.[54]

EC industry experts believe that joint venture and direct investment activities by EC firms in Eastern Europe will increase during the next several years as a result of the liberalization of foreign investment rules by countries such as Yugoslavia, Hungary, Poland, and Czechoslovakia.[55]

A reform package that took effect in Hungary in 1989, for example, now allows 100-percent foreign ownership of Hungarian enterprises in certain sectors, simplifies registration of foreign investments, and increases the number of workers a private company can employ from 30 to 500.[56] Yugoslavia, Czechoslovakia, and Poland have enacted similar legislation designed to attract foreign investment capital.

The production sharing activities of EC manufacturers of semiconductors are performed almost entirely by wholly-owned foreign subsidiaries of

[49] Otto Kreye and others, *Export Processing Zones in Developing Countries*, 1987, and Catherine Hein, *Multinational Enterprises and Employment in the Mauritian Export Processing Zone*, Working Paper No. 52, International Labour office, Geneva, 1988.

[50] Folker Frobel and others, *The New International Division of Labour* p. 245, and, The Economist Intelligence Unit, *Country Profile: Hungary, 1988-89*, London, 1988, p. 40.

[51] Telephone interviews by USITC staff with EC industry officials during July and August, 1989.

[52] Folker Frobel and others, *The New International Division of Labour*, p. 242, and telephone interviews by USITC staff with EC industry officials during July and August, 1989.

[53] Folker, p. 245.

[54] Ibid.

[55] Karen L. Ware, "Reforms, Slow Growth in E. Europe Limit the Prospects for U.S. Exports: All Countries Except GDR Permit Joint Ventures With West," *Business America* (April 10, 1989), pp. 14-19.

[56] Ibid., p. 17.

electronics firms based in West Germany, the Netherlands, France, Italy, and the United Kingdom.[57] For other electronic products such as radio and television sets, local firms from developing countries in East Asia and North Africa and joint ventures between EC and foreign firms play a much more significant role.[58] Only the most labor-intensive part of the electronics technology, for example, assembly and testing, is normally performed in offshore locations using imported elements. The assembled products are then flown back to the EC or exported elsewhere.[59]

International subcontracting arrangements by EC firms with independent firms of developing countries are less common in the field of semiconductors and electronic memory circuits because of the need to maintain an uninterrupted flow of supply and to sustain high standards of quality through a close degree of control by the parent company.[60] However, at least some subcontracting arrangements do exist in this sector between smaller EC firms and independent subcontractors in Hong Kong, Korea, Mexico, and the Philippines, which concentrate on less sophisticated types of semiconductors.[61] For example, one United Kingdom producer of semiconductors has been reluctant to invest in its own offshore assembly subsidiaries, particularly in Southeast Asia, because the competition for skilled and semiskilled labor among the numerous U.S., Japanese, and EC multinational semiconductor corporations investing there has tended to bid up the price of labor, making investment in Southeast Asia less attractive.[62] Instead the United Kingdom producer has relied on subcontractors in Hong Kong, Taiwan, Korea, and the Philippines to provide low-cost assembly.

Besides apparel and semiconductors, other products imported by EC firms under outward processing arrangements include printed circuit boards, coils, condensers, cable harnesses, and regulators.[63] In many instances, the companies manufacturing these components are subsidiaries of major EC multinationals producing finished products; these multionationals incorporate the components within their own international production systems.[64] However, there are also independent firms in developing countries that assemble certain electronic components under international subcontracts.[65] This type of subcontracting arrangement is common practice in Hong Kong and Korea.[66]

Future Prospects for EC Production Sharing

Many EC industry observers believe that the use of production sharing arrangements by EC firms in low-wage developing countries and Eastern European countries will increase substantially during the next 5–10 years as these companies face increasing competitive pressures resulting from greater economic integration of the internal EC market.[67] The Commission of the European Community has stated that "outward processing should be considered as a particularly well suited instrument of industrial cooperation—that can contribute to maintain production levels in the Community's industry and to protect employment."[68] Accordingly, the EC has incorporated outward processing relief arrangements as an "essential instrument of the Community's commercial policy."[69] Based on a recent study sponsored by the EC Commission, the cost savings that could be expected from the decentralization of the assembly operations of EC firms in low wage countries would be around 15–25 percent.[70] In addition to reductions in labor costs, EC firms using production sharing arrangements could also expect to benefit from gains in economies of scale and the ability to respond more rapidly to market changes.[71]

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[57] *International Subcontracting Arrangements in Electronics*, p. 16.
[58] Ibid.
[59] Ibid.
[60] Ibid.
[61] Ibid, p. 18.
[62] *Transnational Corporations in the International Semiconductor Industry*, p. 250.
[63] *International Subcontracting Arrangements in Electronics*, p. 18.
[64] Ibid.
[65] Ibid.
[66] Ibid.
[67] Jose de la Torre, *Clothing-industry Adjustment in Developed Countries*, p. 94; Michael Breitenacher, Sergio Paba, and Gianpaolo Rossini, *The Cost of "Non-Europe"in the Textile-Clothing Industry*, 1988; USITC, *The Effects of Greater Economic Integration Within the European Community on the United States*, Publication 2204, July 1989; and telephone conversations by USITC staff with various EC industry officials in July and August, 1989.
[68] *EEC Information*, Brussels, No. 44/81 (April 1981), p. 13.
[69] Council Regulation EEC No. 2473/86 of 24 July 1986, *Official Journal of the European Communities*.
[70] Breitenacher and others, p. 75.
[71] Richard L. Bolin and John D. Ozmun, "Outward Processing: Comparing the USA to the European Community," *Journal of the Flagstaff Institute*, Vol. XIII, No. 1, (April 1989), p. 61.

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APPENDIX A
CUSTOMS TREATMENT OF HTS SUBHEADINGS 9802.00.60 AND 9802.00.80

Explanation of and Background to HTS Subheadings 9802.00.60 and 9802.00.80

Special tariff treatment has long been accorded to particular U.S. goods returned from other countries. This treatment was first set forth in items 806.30 and 807.00 of the former Tariff Schedules of the United States (TSUS), which were repealed as of the close of December 31, 1988. It has been continued, with a few changes in terminology but not in duty rates applied, under subheading 9802.00.60 and heading 9802.00.80 of the Harmonized Tariff Schedule of the United States (HTS), which entered into effect on January 1, 1989. The HTS, as further described in appendix C, below, is based upon the nomenclature structure of the Harmonized Commodity Description and Coding System (the Harmonized System or HS), an international product classification scheme for tariff, statistical and transport documentation purposes adopted by convention under the auspices of the Customs Cooperation Council.

Under subheading 9802.00.60, subchapter II, chapter 98 of the HTS, articles of metal (except precious metal) that have been manufactured or subjected to a process of manufacture in the United States, exported for processing abroad, and then returned to the United States for further processing, are upon entry subject to duty only on the value of the foreign processing. Under heading 9802.00.80, imported articles that were assembled abroad using fabricated, U.S.-manufactured components are upon entry subject to duty at their full entered value minus the value of the identifiable U.S.-origin components contained therein. No further processing in the United States is required of articles entered under the latter heading. The respective provisions (including applicable notes) are as follows:

Chapter 98
Subchapter II—Articles Exported and Returned, Advanced or Improved Abroad

U.S. Notes

1. This subchapter shall not apply to any article exported:

   (a) From continuous customs custody with remission, abatement or refund of duty;

   (b) With benefit of drawback;

   (c) To comply with any law of the United States or regulation of any Federal agency requiring exportation; or

   (d) After manufacture or production in the United States under subheading 9813.00.05.

2. Any product of the United States which is returned after having been advanced in value or improved in condition abroad by any process of manufacture or other means, or any imported article which has been assembled abroad in whole or in part of products of the United States, shall be treated for the purposes of this Act as a foreign article, and, if subject to a duty which is wholly or partly ad valorem, shall be dutiable, except as otherwise prescribed in this part, on its full value determined in accordance with section 402 of the Tariff Act of 1930, as amended. If such product or such article is dutiable at a rate dependent upon its value, the value for the purpose of determining the rate shall be its full value under the said section 402.

3. *Articles repaired, altered, processed or otherwise changed in condition abroad.*—The following provisions apply only to subheadings 9802.00.40 through 9802.00.60, inclusive:

   (a) The value of repairs, alterations, processing or other change in condition outside the United States shall be:

   (i) The cost to the importer of such change; or

   (ii) If no charge is made, the value of such change,

as set out in the invoice and entry papers; except that, if the appraiser concludes that the amount so set out does not represent a reasonable cost or value, then the value of the change shall be determined in accordance with section 402 of the Tariff Act of 1930, as amended.

(b) No appraisement of the imported article in its changed condition shall be required unless necessary to a determination of the rate or rates of duty applicable to such article.

(c) The duty upon the value of the change in condition shall be at the rate which would apply to the article itself, as an entirety without constructive separation of its components, in its condition as imported if it were not within the purview of this subchapter. If the article, as returned to the United States, is subject to a specific or compound rate of duty, such rate shall be converted to the ad valorem rate which when applied to the full value of such article determined in accordance with said section 402 would provide the same amount of duties as the specific or compound rate. In order to compute the duties due, the ad valorem rate so obtained shall be applied to the value of the change in condition made outside the United States.

(d) For purposes of subheading 9802.00.60, the term "*metal*" covers (1) the base metals enumerated in additional U.S. note 1 to section XV; (2) arsenic, barium, boron, calcium, mercury, selenium, silicon, strontium, tellurium, thorium, uranium and the rare-earth elements; and (3) alloys of any of the foregoing.

4. *Articles assembled abroad with components produced in the United States.*—The following provisions apply only to subheading 9802.00.80:

(a) The value of the products of the United States assembled into the imported article shall be:

(i) The cost of such products at the time of the last purchase; or

(ii) If no charge is made, the value of such products at the time of the shipment for exportation,

as set out in the invoice and entry papers; except that, if the appraiser concludes that the amount so set out does not represent a reasonable cost or value, then the value of such products shall be determined in accordance with section 402 of the Tariff Act of 1930, as amended.

(b) The duty on the imported article shall be at the rate which would apply to the imported article itself, as an entirety without constructive separation of its components, in its condition as imported if it were not within the purview of this subchapter. If the imported article is subject to a specific or compound rate of duty, the total duties shall be reduced in such proportion as the cost or value of such products of the United States bears to the full value of the imported article.

5. No imported article shall be accorded partial exemption from duty under more than one subheading in this subchapter.

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Heading/Subheading	*Article Description*	*Rates of Duty*[1]
	Articles returned to the United States after having been exported to be advanced in value or improved in condition by any process of manufacture or other means:	
9802.00.60	Any article of metal (as defined in U.S. note 3(d) of this subchapter) manufactured in the United States or subjected to a process of manufacture in the United States, if exported for further processing, and if the exported article as processed outside the United States, or the article which results from the processing outside the States, is returned to the United States for further processing	A duty upon the value of such processing outside the United States (see U.S. 3 of this subchapter)
9802.00.80	Articles assembled abroad in whole or in part of fabricated components, the product of the United States, which (a) were exported in condition ready for assembly without further fabrication, (b) have not lost their physical identity in such articles by change in form, shape or otherwise, and (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process such as cleaning, lubricating and painting	A duty upon the full value of the imported article, less the cost or value of such products of the United States (see U.S. note 4 of this subchapter)

As stated in the above U.S. notes, no imported article may be given a partial exemption from duty under more than one of these tariff provisions.[2] Similarly, no article may be entered under these provisions if it was previously exported with a remission, abatement, or refund of duty or with benefit of drawback, or after manufacture or production in bond under HTS heading 9813.00.05.

[1] The rates of duty shown here apply to imports under the quoted provisions whether from countries having most-favored-nation (column 1 general) status or from countries having column 2 (Communist-controlled) status.

[2] An article could, however, be exported and returned to the United States under one provision and be subsequently reexported and returned under another if this were economically feasible and if the form of the article had been sufficiently changed after its first importation. Thus, for example, a metal article exported and returned to the United States under subheading 9802.00.60 for further processing in such a way as to create a new "fabricated" article or component as determined by the U.S. Customs Service could then be reshipped abroad for assembly and returned under the provisions of heading 9802.00.80.

The rate of duty upon the dutiable portion of the value of an article imported under one of these provisions is the duty rate that would otherwise apply to the article itself as an entirety under the pertinent provision in HTS chapters 1 through 97, inclusive (that is, the tariff provision that would apply if the article were not entered under a provision of chapter 98).[3] Accordingly, for articles eligible to enter under subheading 9802.00.60, the duty is assessed only upon the value of the processing (value added) that occurred outside the United States. The form of the metal article may be changed in the foreign processing operation, but the resulting entered product must undergo further processing after its return to the United States. Under heading 9802.00.80, the customs duty applicable to the eligible entered product is calculated based upon the value of the entered good minus the value of the U.S. elements. Thus, no duty is imposed on those U.S.-fabricated components (that is, components the product of the United States) that have not lost their physical identity by a change in form, shape, or otherwise, and that have not been advanced in value or improved in condition abroad except by having been assembled.

When the applicable rate of duty is a specific or a compound rate, the method of computing duties on eligible entries under HTS subheading 9802.00.60 differs from that used for those under HTS heading 9802.00.80. With respect to the former, any specific or compound duty rate applicable to the article under chapters 1 through 97 is converted to an ad valorem equivalent (which, if applied to the full value of the article, would yield the same amount of duty as the specific or compound rate). This ad valorem rate is then applied to the value of the foreign processing. Under HTS heading 9802.00.80, the specific or compound rate of duty is applied to the entire cost or value of the article and a deduction is made in the same proportion as the cost or value of the U.S.-origin components bears to the total cost or value. For customs purposes, the value of processing under HTS subheading 9802.00.60 and the value of U.S. components for purposes of HTS heading 9802.00.80 are based on the invoice costs to the importer, where the U.S. Customs Service determines such costs or values are reasonable. Otherwise, Customs determines such value in accordance with the terms of section 402 of the Tariff Act of 1930, as amended (or, very rarely, with section 402a).[4]

Although most rates of duty in column 1-general of the HTS are "bound" because of trade concessions (mainly under the General Agreement on Tariffs and Trade), the duty rates in these two provisions are not; nor is the United States obliged to retain these tariff provisions, which are not part of the Harmonized System. Thus, the Congress may amend or repeal these tariff provisions without impairing U.S. trade-agreement obligations or concessions, although such an action could result in an effective increase in the amount of customs duties collected on such goods.

Under the special rates of duty subcolumn of column 1 of the HTS, the same rates of duty and methods of calculation apply to articles eligible for entry under these two provisions and also covered by particular preferential tariff treatment programs. These are the Automotive Products Trade Act, the Agreement on Trade in Civil Aircraft, and the United States-Canada Free-Trade Agreement, as explained in general note 3(c) to the HTS.

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[3] In this connection, it is to be noted that the entry of an article under either of these tariff provisions does not relieve it from quantitative limitations imposed under other provisions of law, such as those textile and apparel articles covered by the Arrangement Regarding International Trade in Textile (the so called Multifiber Arrangement or MFA).

[4] Sec. 402 (19 U.S.C. 1401a) provides the basic methods of value of imported merchandise that may be used for customs purposes. This section reflects the incorporation into U.S. law (by the Trade Agreements Act of 1979, Pub. L. No. 96-39, July 26, 1979) of the substance of the international agreement on customs valuation adopted in the Tokyo Round of Multilateral Trade Negotiations. The same Act repealed section 402a, the former valuation provisions, making this section applicable only to unliquidated entries of goods imported prior to the effective date of the repeal.

Puerto Rico) to the United States. The certificate shall be on Customs Form 3229, and shall be signed by the chief or assistant chief customs officer at the port of shipment,* showing that the merchandise is the growth or product of such possession, or manufactured or produced in such possession, from materials the growth, product, or manufacture of any such possession or of the United States, or of both, which do not contain foreign materials to the value of more than 50 percent of their total value (or more than 70 percent of their total value with respect to watches and watch movements). A certificate shall not be required for any shipment valued at $100 or less.

(b) When articles coming directly into the United States from an insular possession, other than Puerto Rico, in a shipment valued over $100 are sought to be admitted free of duty under the provisions of General Headnote 3(a), Tariff Schedules of the United States, relating to certain articles returned to the United States, there shall be filed in connection with the entry the following evidence:

(1) A certificate, on Customs Form 3311, of the district director at the port from which the merchandise was shipped from the United States. No certificate shall be required if the district director is satisfied by reason of the nature of the articles or otherwise that no drawback of duties or refund or remission of taxes was allowed on the merchandise by reason of the shipment. This certificate shall be issued on application of the importer, or of the district director at the importer's request, and shall be mailed by the issuing officer directly to the port at which it is to be used. If the merchandise was shipped from the port at which entry is made and the fact of shipment appears on Customs records, the fact of return shall be noted on the record but the filing of the certificate on Customs Form 3311 shall not be required; and

(2) A declaration of the shipper in the insular possession in the following form:

I, _____ of _____ do hereby declare that to the best of my knowledge and belief the articles identified below were sent directly from the United States on _____ 19__, to _____, of _____, on (insular possession) the _____, and that the (Name of carrier) articles remained in said insular possession until shipped by me directly to the United States via the _____ (Name of carrier on _____, 19__.

Marks	Numbers	Quantity	Description	Value

Dated at _____, this ___ day of _____, 19__.

Shipper.

The declaration shall not be required in any case where the district director is satisfied by reason of the nature of the articles or otherwise that they were shipped directly to the insular possession and were returned by direct shipment.

(c) When merchandise excluding any shipments valued at $100 or less, arrives unaccompanied by a certificate of origin or a declaration of the shipper, or when any other document necessary to complete entry is lacking, a bond containing the bond conditions set forth in § 113.62 of this chapter, for the production thereof may be taken on Customs Form 301. A bond for production of a bill of lading shall be taken on Customs Form 301 and contain the bond conditions set forth in § 113.69 of this chapter.

(d) In determining whether an article produced or manufactured in any such insular possession contains foreign materials to the value of more than 50 percent (or more than 70 percent with respect to watches and watch movements), a comparison shall be made between the actual purchase price of the foreign materials (excluding any material which at the time such article is entered, or withdrawn from warehouse, for consumption in the United States, may be imported into the United States from a foreign country, other than Cuba or the Philippines, free of duty), plus the cost of transportation to such insular possession (but excluding duties and taxes, if any, assessed by the insular possession and any charges which may accrue after landing), and the final appraised value in the United States determined in accordance with section 402, Tariff Act of 1930, as amended (19 U.S.C. 1401a), of the article brought into the United States.

(e) A special Customs invoice on Customs Form 5515 shall be required in connection with shipment of dutiable merchandise valued over $500 unless the shipment would have been exempt from the requirement of a special Customs invoice under § 141.83 of this chapter if it had been imported from a foreign country, or when the shipment is covered by a certificate of origin provided for in paragraph (a) of this section.

(f) Merchandise may be withdrawn from a bonded warehouse under section 557, Tariff Act of 1930, as amended (19 U.S.C. 1557), for shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, Johnston Island, or Guam, without payment of duty, or with a refund of duty if the duties have been paid, in like manner as for exportation to foreign countries. No drawback may be allowed under section 313, Tariff Act of 1930, as amended (19 U.S.C. 1313), on articles manufactured or produced in the United States and shipped to any insular possession. No drawback of internal-revenue tax is allowable under 19 U.S.C. 1313 on articles manufactured or produced in the United States with the use of domestic tax-paid alcohol and shipped to Wake Island, Midway Islands, Kingman Reef or Johnston Island.

(R.S. 251, as amended, secs. 623, as amended, 624, 46 Stat. 759, as amended (19 U.S.C. 66, 1623, 1624))

[T.D. 83-7, 48 FR 229, Jan. 4, 1983; 48 FR 1290, Jan. 12, 1983; T.D. 84-213, 49 FR 41164, Oct. 19, 1984]

§ 7.11 Guantanamo Bay Naval Station.

Articles of foreign origin may enter the area (both land and water) of the Guantanamo Bay Naval Station free of duty, but such articles shall be subject to duty upon their subsequent entry into the United States.

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

ARTICLES EXPORTED AND RETURNED

Sec.
10.1 Domestic products; requirements on entry.
10.3 Drawback; internal-revenue tax.
10.4 Internal-revenue marks; erasure.
10.5 Shooks and staves; cloth boards; district director's account.
10.6 Shooks and staves; claim for duty exemption.
10.7 Substantial containers or holders.
10.8 Articles exported for repairs or alterations.
10.8a Imported articles exported and reimported.
10.9 Articles exported for processing.
10.10 [Reserved]

ARTICLES ASSEMBLED ABROAD WITH UNITED STATES COMPONENTS

10.11 General.
10.12 Definitions.
10.13 Statutory provision: Item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202).
10.14 Fabricated components subject to the exemption.
10.15 Fabricated components not subject to the exemption.
10.16 Assembly abroad.
10.17 Valuation of exempted components.
10.18 Valuation of assembled articles.
10.19 [Reserved]

*Guam, Wake Island, Midway Islands, Kingman Reef, Johnston Island, and American Samoa are American territory, but not within the customs territory of the United States. Importations into these islands are not governed by the Tariff Act of 1930 or these Customs Regulations. The Customs administration of American Samoa is under the jurisdiction of the Department of the Interior (Office of Territories). The Customs administration of Wake Island is under the jurisdiction of the Department of the Air Force (General Counsel). The Customs administration of Midway Islands is under the jurisdiction of the Department of the Navy. The Customs administration of Guam is under the Government of Guam. A certificate signed by the Commander at the Johnston Island Air Force Base, or his assistant, shall be acceptable as proof of origin. Kingman Reef is understood to be uninhabited.

10.20 [Reserved]
10.21 Updating cost data and other information.
10.22 Marking.
10.23 Standards, quotas, and visas.
10.24 Documentation.

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10.65 Cigars and cigarettes.

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10.71 Purebred animals; bond for production of evidence; deposit of estimated duties; stipulation.
10.72 [Reserved]
10.73 [Reserved]
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10.83 Bond; cancellation; extension.

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10.195 Country of origin criteria.
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10.197 Direct costs of processing operations performed in a beneficiary country or countries.
10.198 Evidence of country of origin.

AUTHORITY: 19 U.S.C. 66, 1202, 1481, 1484, 1498, 1623, 1624;

§ 10.17 also issued under 19 U.S.C. 1401a, 1402;

§ 10.22 also issued under 19 U.S.C. 1304;

§§ 10.41, 10.41a, 10.107 also issued under 19 U.S.C. 1322;

§ 10.53 also issued under 19 U.S.C. 1521, *et seq.*;

§ 10.59 also issued under 19 U.S.C. 1309, 1317;

§§ 10.61, 10.62, 10.63, 10.64, 10.64a also issued under 19 U.S.C. 1309;

§§ 10.62a, 10.65 also issued under 19 U.S.C. 1309, 1317, 1555, 1556, 1557, 1646a;

§§ 10.70, 10.71 also issued under 19 U.S.C. 1498;

§§ 10.80, 10.81, 10.82, 10.83 also issued under 19 U.S.C. 1313 (*e*) and (*l*);

§§ 10.152, 10.153 also issued under 19 U.S.C. 1321;

§§ 10.171—10.178 also issued under 19 U.S.C. 2461 *et seq.*;

§§ 10.191—10.198 also issued under 19 U.S.C. 2701 *et seq.*

SOURCE: 28 FR 14663, Dec. 31, 1963, unless otherwise noted.

ARTICLES EXPORTED AND RETURNED

§ 10.1 Domestic products; requirements on entry.

(a) Except as otherwise provided for in this part, the following documents shall be filed in connection with the entry of articles claimed to be free of duty under item 800.00 and item 805.00, Tariff Schedules of the United States:

(1) A declaration by the foreign shipper in substantially the following form, if the value of the returned articles exceeds $1,000:

I, _____, declare that to the best of my knowledge and belief the articles herein specified are products of the United States; that they were exported from the United States, from the port of _____ on or about _____, 19__; that they are returned without having been advanced in value or improved in condition by any process of manufacture or other means.

Marks	Number	Quantity	Description	Value, in U.S. currency
	(Date)			(Signature)
	(Address)			(Capacity)

(2) A declaration for free entry by the owner, importer, consignee, or agent on the top portion of Customs Form 3311.

(3) A Certificate of Exportation on the bottom portion of Customs Form 3311 executed by the district director at the port from which the merchandise was exported. Such certificate shall show whether drawback was claimed or paid on the merchandise covered by the certificate and, if any was paid, the amount thereof. This certificate shall be issued on application of the importer, or of the district director at the importer's request, and shall be mailed by the issuing officer directly to the port at which it is to be used. If the merchandise has been exported from the port at which entry is made and the fact of exportation appears on the records of the customhouse, the fact of reimportation shall be noted on such export record. In such case the filing of the certificate on Customs Form 3311 shall not be required.

(b) If, in any case where the appraising officer's report does not show definitely that merchandise the value of which exceeds $1,000 is of domestic origin, Customs Form 3311 has not been executed by the owner or ultimate consignee, the district director may require the execution of such form by the owner or ultimate consignee. In such a case Customs Form 3311 shall be filed within 3 months after the date of the demand therefor upon the person in whose name the entry was filed. If the owner or ultimate consignee is a corporation, such form may be signed by the president, vice president, secretary, or treasurer of the corporation, or may be signed by any employee or agent of the corporation who holds a power of attorney executed under the conditions outlined in Subpart C, Part 141 of this chapter and a certification by the corporation that such employee or other agent has or will have knowledge of the pertinent facts. In the case of articles which are unquestionably the products of the United States and which have not been advanced in value or improved in condition, if the district director is satisfied from the character thereof or otherwise that they are free of duty under Schedule 8, Part 1, Tariff Schedules of the United States, and if the total value of the articles of American origin contained in the shipment does not exceed $250, the execution of Customs Form 3311 shall not be required therefor, except when used as an entry under paragraph (g), (h), or (i) of this section.

(c) A certificate from the master of a vessel stating that products of the United States are returned without having been unladen from the exporting vessel may be accepted in lieu of the declaration of the foreign shipper required by paragraph (a)(1) of this section.

(d) If the district director is reasonably satisfied, because of the nature of the articles, or production or other evidence, that the articles are imported in circumstances meeting the requirements of item 800.00 or 805.00, Tariff Schedules of the United States, and the related headnotes, he may waive the requirements for producing the documents specified in paragraphs (a) and (b) of this section except when Customs Form 3311 is used as an entry summary (as defined in § 141.0a(b) of this chapter) under paragraphs (g) or (h), or as an informal entry under paragraph (i).

(e) No evidence relative to the conditions of item 800.00 shall be required in the case of articles the product of the United States in use at the time of importation as the usual coverings or containers of merchandise not subject to an ad valorem rate of duty unless such articles would be dutiable if not products of the United States under General Headnote 6, Tariff Schedules of the United States.

(f) In the case of photographic films and dry plates manufactured in the United States (except motion picture films to be used for commercial purposes) exposed abroad and entered under item 805.00, the requirements of paragraphs (a), (b), and (c) of this section are applicable except that the declaration on Customs Form 3311 to the effect that the articles "are returned without having been advanced in value or improved in condition by any process of manufacture or other means" shall be crossed out, and the entrant shall show on the form that the subject articles when exported were of U.S. manufacture and are returned after having been exposed, or exposed and developed, and, in the case of motion picture films, that they will not be used for commercial purposes. This modification shall also be made in the declaration by the foreign shipper provided for in paragraph (a)(1) of this section.

(g) *Aircraft and aircraft parts and equipment.* (1) In the case of aircraft and aircraft parts and equipment returned to the United States under item 800.00, Tariff Schedules of the United States, by or for the account of an aircraft owner or operator and intended for use in his own aircraft operations, within or outside the United States, the entry summary may be made on Customs Form 3311. The entry summary on Customs Form 3311 shall be executed by the entrant and supported by the entry documentation required by § 142.3 of this chapter. If the Customs officer is satisfied that the articles are products of the United States, that they have not been improved in condition or advanced in value while abroad, and that no drawback has been or will be paid, the other documents described in this section shall not be required, and no bond need be filed for their production.

(2) The entrant shall show on Customs Form 3311:

(i) The name and address of the aircraft owner or operator by whom or for whose account the articles are re-

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turned to the United States, in the block headed "Articles Returned To (Name and Address)".

(ii) The name of the importing vessel or conveyance.

(iii) The date of its arrival.

(iv) A description of the articles.

(v) The value of the articles, and

(vi) That the articles are intended for use by the aircraft owner or operator in his own aircraft operations.

(3) If Customs Form 3311 is filed at time of entry, it shall serve as both the entry and the entry summary.

(h) *Nonconsumable vessel stores and equipment.* (1) In the case of nonconsumable vessel stores and equipment returned to the United States under item 800.00, Tariff Schedules of the United States, the entry summary may be made on Customs Form 3311. The entry summary on Customs Form 3311 shall be executed in duplicate by the entrant and supported by the entry documentation required by § 142.3 of this chapter. Before an entry summary on Customs Form 3311 may be accepted for nonconsumable vessel stores and equipment, the Customs officer shall be satisfied that:

(i) The articles are products of the United States.

(ii) The articles have not been improved in condition or advanced in value while abroad.

(iii) No drawback has been or will be paid, and

(iv) No duty equal to an internal revenue tax is payable under item 804.20, Tariff Schedules of the United States.

(2) The declaration of the foreign shipper described in paragraph (a)(1) of this section and the certificate of exportation described in paragraph (a)(3) of this section shall not be required in connection with an entry for nonconsumable vessel stores and equipment on Customs Form 3311.

(3) To satisfy the Customs officer that no drawback has been or will be paid on the articles in connection with their removal from the United States, the master of the vessel or other person having knowledge of the facts shall furnish a written declaration which may be made on the reverse side of Customs Form 3311 showing that the articles were

(i) Exported as stores or equipment on a United States vessel or a vessel operated by the United States Government,

(ii) Not landed in a foreign country, except for any needed repairs, adjustments, or refilling and return to the vessel from which landed or,

(iii) For transshipment as stores or equipment to another vessel.

(4) The entrant also shall show:

(i) The name of the importing vessel,

(ii) The date of its arrival,

(iii) A description of the articles, and

(iv) The value of the articles.

(5) If Customs Form 3311 is filed at time of entry, it shall serve as both the entry and the entry summary.

(i) When the total value of articles of claimed American origin contained in any shipment does not exceed $250 and such articles are found to be unquestionably products of the United States and do not appear to have been advanced in value or improved in condition while abroad and no quota is involved, free entry thereof may be made under item 800.00 on Customs Form 3311, executed by the owner, importer, consignee, or agent and filed in duplicate, without regard to the requirement of a certificate of exportation or evidence of similar purport, unless the Customs officer has reason to believe that Customs drawback or exemption from internal revenue tax, or both, were probably allowed on exportation of the articles or that they are otherwise subject to duty. The entrant shall show on Customs Form 3311 the name of the importing conveyance, the date of its arrival, the name of the country from which the articles were returned to the United States, and the value of the articles. The entrant shall also produce evidence of his right to make entry (except as provided in § 142.11(b) of this chapter). If the Customs officer is not entirely certain that the articles to be entered under this paragraph by a nominal consignee are products of the United States, the actual owner or ultimate consignee thereof may be required to execute a Customs Form 3311.

(j) In the case of products of the United States, when the aggregate value of the shipment does not exceed

$10,000 and the products are imported—

(1) For the purposes of repair or alteration, prior to reexportation, or

(2) After having been either rejected or returned by the foreign purchaser to the United States for credit, free entry thereof may be made under item 800.00, Tariff Schedules of the United States, on Customs Form 3311, (a Customs Form 7501 must be submitted as well for articles, described in paragraph (b) of this and § 143.23(h) of this chapter) executed by the owner, importer, consignee, or agent and filed in duplicate, without regard to the requirement of a certificate of exportation or evidence of similar purport, unless the Customs officer has reason to believe that Customs drawback or exemption from internal revenue tax, or both, were probably allowed on exportation of the articles or that they are otherwise subject to duty. The person making entry shall show on Customs Form 3311 the name of the importing conveyance, the date of its arrival, the name of the country from which the articles were returned to the United States, and the value of the articles. The person making entry shall also produce evidence of his right to make entry (except as provided in § 141.11(b) of this chapter). If the Customs officer is not entirely certain that the articles to be entered under this paragraph by a nominal consignee are products of the United States, the actual owner or ultimate consignee thereof may be required to execute a Customs Form 3311.

[T.D. 72-119, 37 FR 8867, May 2, 1972 as amended by T.D. 78-99, 43 FR 13060, Mar. 29, 1978; 43 FR 20063, May 10, 1978; T.D. 79-221, 44 FR 46812, Aug. 9, 1979; T.D. 83-82, 48 FR 14596, Apr. 5, 1983]

§ 10.3 Drawback; internal-revenue tax.

(a) Except as prescribed in § 10.1(f) or in paragraphs (c) and (f) of this section, no free entry shall be allowed under schedule 8, part 1, Tariff Schedules of the United States, in the final liquidation of an entry unless the district director of Customs is satisfied by the certificate of exportation or other evidence or information that no drawback was allowed in connection with the exportation from the United States, and unless no internal-revenue tax is imposed on the importation of like articles not previously exported from the United States or, if such tax is being imposed at the time of entry for consumption or withdrawal from warehouse for consumption, the district director of Customs is satisfied that an internal-revenue tax on production or importation was paid in respect of the imported article before it was exported from the United States and was not refunded. Except as provided for in § 10.1(f), when it is impracticable, because of the destruction of Customs records or other circumstances, to determine whether drawback was allowed, or the amount of drawback allowed, with respect to an article established to be a returned product of the United States which has not been advanced in value or improved in condition while abroad, there shall be assessed on the returned article an amount of duty determined as follows:

(1) If there is any likelihood that drawback was allowable on the exportation of like articles at any time when the imported article may have been exported from the United States, the estimated amount of any drawback which would have been allowable if duty had been paid on any foreign merchandise likely to have been used in the manufacture of the returned article at the rate or rates applicable to such foreign merchandise on the date of importation of the returned article (see paragraph (b) of this section), and

(2) If there is any likelihood that a refund or remission of tax was allowed on the exportation of the returned article, the amount of any internal-revenue tax which would be payable at the time of importation if the returned article were wholly of foreign origin, but in no such case shall there be assessed more than an amount equal to the duty and tax that would apply if the returned article were wholly of foreign origin and originally imported. (See § 10.7(a).) Except as provided for in § 10.1(f), if the imported article is of a kind which would be subject to an internal-revenue tax if of foreign origin and payment of an internal-revenue tax before exportation without refund thereof is not established, duty shall

be assessed on the imported article in an amount equal to the internal-revenue tax imposed at the time of entry for consumption or withdrawal from warehouse for consumption on like articles of foreign origin, plus the amount of any drawback allowed on the exportation of the article from the United States; but if no drawback was allowed, the duty equal to internal-revenue tax shall be the total duty to be assessed. If an allowance of drawback on the exportation from the United States of the imported article is established, duty shall be assessed in an amount equal to such drawback, plus an amount equal to any internal-revenue tax which may be assessable in accordance with this paragraph; but in no case shall duty equal to drawback, or to drawback and internal-revenue tax, be assessed in an amount in excess of the ordinary Customs duty and internal-revenue tax applicable to like articles of foreign origin. In any case, where payment of internal-revenue tax before exportation without refund thereof is established, no duty equal to an internal-revenue tax currently in force shall be assessed.

(b) In the absence of satisfactory evidence as to the nonallowance of drawback or the amount thereof allowed on the following articles of American manufacture or production, duty shall be assessed thereon in the amounts respectively indicated, the amount shown in each case being considered the fair average amount of drawback allowed on such articles:

Article	Duty assessment
Drums, metal (when not exempt from duty in accordance with sec. 10.3(c))	24 cents each.
Hosiery, nylon	45 cents per dozen.
Lead compound, tetraethyl	$0.005 per pound.
Lithopone	$0.00143 per pound.
Oxide, zinc	$0.0085 per pound.
Piece goods, cotton:	
Bleached	$0.02675 per square yard.
Dyed	$0.03568 per square yard.
Printed	$0.02697 per square yard.
Piece goods, nylon, Dyed	$0.24329 per square yard.
Piece goods, rayon:	
Printed	$0.04070 per square yard.
Other than printed (white, piece dyed or yarn dyed)	$0.07289 per square yard.
Tallow, refined, inedible	$0.007 per pound.

(c) The following articles shall be admitted free of duty, even though exported from the United States with benefit of drawback:

(1) Any article of a kind which would be admitted free of duty otherwise than under Schedule 8, Part 1, Tariff Schedules of the United States if of foreign origin;

(2) Substantial containers or holders of domestic manufacture, including shooks and staves when returned as boxes or barrels, when in use at the time of importation as the usual containers of merchandise;

(3) Any article provided for in items 804.10 or 804.20 Tariff Schedules of the United States, with respect to which the district director has determined that the collection of duty under such items 804.10 or 804.20 would involve an expense and inconvenience to the Government disproportionate to the probable amount of such duty; and

(4) Other articles of domestic manufacture which are in use at the time of importation as the usual coverings or containers of merchandise not subject to an ad valorem rate of duty, and which have not been advanced in value or improved in condition while abroad by any process of manufacture or other means.[3]

(d) Articles manufactured or produced in the United States in a Customs bonded warehouse and exported shall be subject on reimportation to a duty equal to the total duty and internal-revenue tax, if any, imposed at the time of entry for consumption or withdrawal from warehouse for consumption with respect to the importation of like articles not previously exported from the United States.

[3] Filling, sealing, and labeling are held to advance the value of the contents rather than that of the container.

(e) Animals straying across the border or driven across the border for pasturage purposes or for feeding to improve them for the market and not returned within 8 months are excluded from free entry as domestic products returned.

(f) Tobacco products and cigarette papers and tubes classifiable under item 804.20, Tariff Schedules of the United States, may be released from customs custody without the payment of that part of the duty attributable to the internal-revenue tax for return to internal-revenue bond as provided by section 5704(d) of the Internal Revenue Code of 1954.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 68-104, 33 FR 5616, Apr. 11, 1968; T.D. 83-240, 48 FR 53098, Nov. 25, 1983]

§ 10.4 Internal-revenue marks; erasure.

Internal-revenue brands or marks on casks or other containers previously exported from the United States must be erased at the importer's expense under Customs supervision before their delivery from Customs custody.

§ 10.5 Shooks and staves; cloth boards; district director's account.

(a) Shooks and staves produced in the United States and returned in the form of complete boxes or barrels in use as the usual containers of merchandise are exempt from any duties imposed by the tariff laws upon similar containers made of foreign shooks or staves, provided their identity is established under the regulations in this part.

(b) The term "shook" embraces only shooks which at the time of exportation from this country are ready to be assembled into boxes or barrels without further cutting to size; except that box shooks may be exported in double lengths and cut abroad. The number of boxes made from such shooks which may be imported into this country free of duty cannot exceed the number of complete sets of shooks exported.

(c) [Reserved]

(d) An exporter of shooks or staves in respect of which free entry is to be claimed when returned as boxes or barrels shall file in triplicate with the district director at the port of exportation, at least 6 hours before the landing of the articles on the exporting vessel, a notice of intent to export, Customs Form 3311.

(e) The certificate of exportation block of Customs Form 3311 shall be completed in triplicate by the district director after verification from the manifest of the exporting vessel and the return of the lading officer. The original shall be forwarded by the district director to the consignee. The duplicate copy shall be given to the exporter and the triplicate copy shall be retained.

(f) Whenever boxes or barrels alleged to have been manufactured from American shooks or staves are shipped to the United States from a person abroad other than the one to whom they were exported from the United States, the importer shall be required to obtain from the foreign consignee to whom the shooks or staves were originally exported from this country the certificate or certificates, Customs Form 3311, covering the exportation of the shooks or staves from the United States, or an extract therefrom signed by such consignee, showing the number of shooks or staves covered by such certificate or certificates, together with the number of superficial feet of such shooks or staves. Such Form 3311, or extract therefrom, shall be filed by the importer in connection with the entry of the boxes or barrels.

(g) Accounts shall be kept by the district director at the port of exportation of the shooks and staves as to each exportation thereof and as to the returns thereof in boxes, barrels, etc. Notifications of such returns shall be given to the port of exportation by the district director at the port of importation. When returns in the form of boxes, barrels, etc., entirely account for the shooks and staves exported as shown on the appropriate Customs Form 3311, the district director maintaining the account shall so inform the district director making inquiry about the merchandise being imported

and alleged to contain shooks or staves covered by the particular exportation.

(h) A record of cloth boards of domestic manufacture exported* to be wrapped with foreign textiles shall be kept by district director in a similar manner as for shooks and staves. If such boards are advanced in value or improved in condition while abroad, free entry shall be denied on importation.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 78-99, 43 FR 13000, Mar. 29, 1978]

§ 10.6 Shooks and staves; claim for duty exemption.

An importer, seeking an exemption from duty on account of boxes or barrels made from American shooks or staves, must make such a claim on Customs Form 3311 at the time of filing the entry. Upon receipt, from the district director at the port of exportation of the shooks and staves, of corroboration that the records of exportation do not conflict materially with such a claim, the exemption may be allowed. If the claim for an exemption is disallowed in full or in part, the importer may file a request within 15 days of the date of the district director's notice to him of any disallowance, for referral of the question to the Commissioner of Customs for review.

[T.D. 87-75, 52 FR 20066, May 29, 1987]

§ 10.7 Substantial containers or holders.

(a) Substantial containers or holders, which are products of the United States, which are of the usual and ordinary types used in the shipment or transportation of goods, which are reusable for such purposes, and which are imported containing or holding merchandise, shall be entered under the general regulations governing the free entry of domestic products exported and returned. When such containers or holders are imported not containing or holding merchandise they may be admitted without entry if readily identifiable as products of the United States.

(b) Substantial containers or holders, which are of foreign production and previously imported duty paid, which are of the usual or ordinary types used in the shipment or transportation of goods, which are reusable for such purpose, and which are imported containing or holding merchandise, shall be exempt from duty if (1) exported in accordance with the regulations contained in § 10.5 (d) and (e), and (2) there is filed in connection with the entry a certificate of the foreign shipper in the form prescribed by paragraph (c) of this section.

(c) The certificate to be furnished by the foreign shipper for the use of the district director at the port of entry shall be in the following form:

I, _____, of _____, do hereby certify that to the best of my knowledge and belief the substantial containers and holders mentioned in (the annexed invoice) (invoice No._____ of _____, 19__)* are of the manufacture of _____ and were exported from the United States at the port of _____, per S.S. _____ on _____, 19__, and that the same are being returned to the United States (empty) filled with _____) (holdings _____).*

_____
Shipper

(d) The district director, after verification of the foreign shipper's certificate with the records of the district director at the port of exportation in this country, shall allow free entry to the extent the basis for such allowance is verified. The procedure in the last two sentences of § 10.6(c) shall be applicable.

(e) If claim for exemption from duty for such containers or holders of foreign production previously imported duty paid is made at the time of entry, the certificate of the foreign shipper may be accepted if produced at any time prior to the liquidation of the entry.

(f) When such containers or holders of foreign production previously imported duty paid are reimported

*Cloth boards of domestic manufacture are conditionally free of duty under Schedule 8 Part 1 Tariff Schedules of the United States. See footnote 1 of this part.

*Cross out inapplicable words.

empty, they may be admitted without entry if readily identifiable as having been previously imported duty paid.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 82-148, 47 FR 38475, Aug. 16, 1982; T.D. 86-118, 51 FR 22515, June 20, 1986]

§ 10.8 Articles exported for repairs or alterations.

(a) Before exporting articles which are subject on return to the United States to duty on the value of the repairs or alterations performed abroad, as provided for in item 806.20, Tariff Schedules of the United States, a Certificate of Registration (top portion of Customs Form 4455) shall be filed (in an original only) by the owner or exporter with the district director before the departure of the exporting conveyance. This procedure will permit the district director to examine the articles before they are exported. The applicant shall be notified by the district director of the place to which he shall deliver the articles for examination. All expense in connection with the delivery of the articles, cording, sealing, marking, and transfer to the exporting conveyance, shall be paid by the exporter. Except for those articles exported by mail which can be identified by manufacturer's mark or number, the district director may require the articles to be exported under Customs supervision. If supervision is required, a photograph of the article or some other means of identification, shall be furnished to the Customs officer.

(b) When the report of the Customs officer showing the examination of the articles and their lading on the exporting conveyance or their delivery for mailing has been endorsed on the Customs Form 4455 covering such articles, the form shall be given to the exporter for use in connection with the return of the articles. If the articles are being exported through the mails and the Customs Form 4455 has been completed in duplicate, the Customs officer shall enclose the duplicate copy of the form in the package being exported. The owner or exporter, in all other cases, may enclose a duplicate copy of the certificate with the articles being exported in any other manner for repairs or alterations. In order to facilitate the entry of articles, regardless of the mode of exportation, the foreign shipper may include a duplicate copy of the registration certificate, completed prior to exportation, in the returned package.

(c) When an exporter resides more than 20 miles from a Customs office, articles being exported for repairs or alterations through the mail, may, in accordance with the following procedures which have been approved by the Post Office Department, be exported through a local post office:

(1) The articles shall be delivered to the postmaster in an unpacked condition;

(2) Customs Form 4455 completed in original and duplicate shall be presented to the postmaster with the articles;

(3) The original Customs Form 4455 with the Certificate of Registration executed by the postmaster shall be returned to the exporter for use, if necessary, in clearing articles on their return to the United States;

(4) The duplicate Form 4455 shall be enclosed in the parcel with the articles being exported and shall accompany the articles on their return to the United States to facilitate processing the entry; and

(5) The exporter shall bear all expense incurred under this procedure, including charges assessed by the U.S. Postal Service.

(d) When articles other than those exported by mail or parcel post are examined and registered at one port and exported for repair or alterations through another port, the district director may require proof of exportation in those cases where the Customs Form 4455 does not reflect that the subject articles were exported under Customs supervision.

(e) There shall be filed in connection with an entry covering articles entered under the provisions of item 806.20, a declaration from the person who performed such repairs or alterations in substantially the following form:

_____
(Place and date)

I, _____, declare that the articles herein specified are the articles which, in the condition in which they were exported from the United States, were received by me (us) on _____, 19__.

from _____ (Name and address of owner or exporter in the United States); that they were received by me (us) for the sole purpose of being repaired or altered; that only the repairs or alterations described below were performed by me (us); that the full cost or (when no charge is made) fair market value of such repairs or alterations are correctly stated below; and that no substitution whatever has been made to replace any of the articles originally received by me (us) from the owner or exporter thereof mentioned above.

Marks and numbers	Description of articles and of repairs or alterations	Full cost or (when no charge is made) fair market value of repairs or alterations [1]	Total value of articles after repairs or alterations
(Date)			(Signature)
(Address)			(Capacity)

[1] See Headnote 2, Part 1B, Schedule 8, Tariff Schedules of the United States.

(f) There shall be filed in connection with the entry the Certificate of Registration (Customs Form 4455) and a declaration made by the owner, importer, consignee, or agent having knowledge of the facts that the articles entered in their repaired or altered condition are the same articles covered by the Certificate of Registration. This declaration shall also show that the full cost or (when no charge is made) fair market value of the repairs or alterations is correctly stated in the entry. When all of the merchandise covered by the Certificate of Registration (Customs Form 4455) is not entered at one time or at one port of entry, in the case of importations not exceeding $250 in value, the district director at the port where any portion of the merchandise is entered shall note the quantity entered on the registration certificate and return the certificate to the submitter thereof for use in connection with any further importation covered by such certificate.

(g) When all the merchandise covered by a Certificate of Registration (Customs Form 4455) is not entered at one time or at one port of entry, in the case of importations valued in excess of $250, there shall be filed with the entry at the time of entry the certification of the owner, importer, consignee, or agent having knowledge of the facts, that the articles entered in their repaired or altered condition are a portion of the articles covered by such Certificate of Registration. This certification shall be filed in lieu of the Certificate of Registration (Customs Form 4455), in the following form:

I hereby certify that the merchandise covered by entry No. ——— dated _____, is a portion of the merchandise exported under Customs Form 4455 _____ (Certificate of registration No.) dated _____, to _____ (Name of foreign consignee) ———, for the purpose and with the intent of _____ (Repairing or altering) the articles in the foreign country. I further certify that original Customs Form 4455 has been charged with the quantities herein, identified with the entry and port, and will be maintained at _____ (Firm and address)

for a period of 5 years from the date of the related entry of the merchandise covered by such Certificate of Registration, for verification by appropriate Customs officers.

(h) The Certificate of Registration (Customs Form 4455) referred to in paragraph (g) of this section shall be retained by the firm therein referred to for a period of 5 years from the date of the related entry of the merchandise covered by the Certificate of Registration for verification by appropriate Customs officers. Each quantity entered shall be accounted for in such a manner as to identify the specific entry (entry number), and port of entry, with the total quantity of the exported articles on the reverse side of the Certificate of Registration (Customs Form 4455) until the total quantity has been entered.

(i) If the district director concerned is satisfied because of the nature of the articles, or production of other evidence, that the articles are imported under circumstances meeting the requirements of item 806.20 and related headnotes, he may waive the declaration provided for in paragraphs (e) and (f) of this section.

(j) In the event there has been compliance with registration requirements set forth in paragraph (a) of this section and Customs Form 4455 is not available at the time of entry, the district director may waive the production of Customs Form 4455 provided the merchandise is entered at one time at one port of entry, and he is satisfied that the returned merchandise meets the requirements of item 806.20 and related headnotes.

(k) In any case where an imported article was exported for repairs or alterations without compliance with the registration requirements of this section, the district director, only if satisfied that the returned article is entitled to entry under item 806.20, TSUS, may waive the production of the Customs Form 4455. The importer may establish eligibility for entry under item 806.20, TSUS, by providing sufficient documentation to Customs to prove actual exportation of the article from the U.S., such as a foreign customs entry, a foreign customs invoice, a foreign landing certificate, bill of lading, or airway bill. The district directors may require such additional documentation as is deemed necessary as proof of exportation. The district director may also, in his discretion, waive the registration requirements of this section, prior to exportation of the articles, upon application in writing by an exporter-importer located within his district when it is indicated that the duty on merchandise would be less than $25 if not within the purview of item 806.20 and it is indicated that the shipment on its return to the United States will be covered by a mail or other informal entry. Customs Form 4455, appropriately modified, may be used by the district director in issuing the waiver.

(l) The district director shall require at the time of entry a deposit of estimated duties based upon the full cost or fair market value, as the case may be, of the repairs or alterations. The cost or fair market value, as the case may be, of the repairs or alterations outside the United States, which is to be set forth in the invoice and entry papers as the basis for the assessment of duty under item 806.20, shall be limited to the cost or value of the repairs or alterations actually performed abroad, which will include all domestic and foreign articles furnished for the repairs or alterations, but shall not include any of the expenses incurred in this country whether by way of engineering costs, preparation of plans or specifications, and furnishing of tools or equipment for doing the repairs or alterations abroad or otherwise.

[T.D. 73-119, 37 FR 8969, May 2, 1972, as amended by T.D. 79-159, 44 FR 31967, June 4, 1979; T.D. 82-49, 47 FR 12100, Mar. 22, 1982; T.D. 88-162, 50 FR 38976, Sept. 26, 1985]

§ 10.8a Imported articles exported and reimported.

(a) In addition to regular entry procedures, supplementary documentation is required in connection with duty-free entries under item 801.10, Tariff Schedules of the United States (19 U.S.C. 1202), of articles which were originally entered duty paid, removed from Customs custody, and subsequently exported, if:

(1) The articles were exported within 3 years after the date of the previous importation.

(2) The articles were not advanced in value or improved in condition by any process of manufacture or other means while abroad.

(3) The articles did not conform to sample or specifications abroad.

(4) The articles are reimported by or for the account of the person who imported them into and exported them from the United States.

(b) The following supplementary documents shall be filed in connection with the entry of articles claimed to be free of duty under item 801.10, Tariff Schedules of the United States:

(1) A declaration by the person abroad who received and is returning the merchandise to the United States, in substantially the following form:

I declare that the _____ (Description of articles) were received by me from _____ (Name and address of U.S. exporter), that they have not been advanced in value or improved in condition by any process of manufacture or other means and are being returned to _____ (Name and address of consignee in the United States) because they do not conform

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to sample or specifications for the following reasons:

_____

_____

_____

_____
(Date) (Signature)

_____
(Address) (Title)

(2) A declaration by the owner, importer, consignee, or agent, in substantially the following form:

I declare that the _____ (Description of articles) were previously imported into the United States at the Port of _____ (Name of port), Entry No. ——, on _____ (Date of entry) by _____ (Name and address of importer) at which time duty was paid; that they were exported from the United States at the Port of _____ (Name of port) on _____ (Date of exportation) by _____ (Name and address of exporter) without benefit of drawback; that the articles are being reimported by or for the account of _____, and, that the attached declaration from _____ (Name of foreign shipper) is correct in every respect.

_____
(Date) (Signature)

_____
(Address) (Title)

(c) If the district director concerned is reasonably satisfied because of the nature of the articles or production of other evidence that the requirements of item 801.10, Tariff Schedules of the United States, and the related headnotes have been met, he may waive the production of the documents provided for in paragraph (b) of this section.

[T.D. 72-221, 37 FR 17469, Aug. 29, 1972]

§ 10.9 Articles exported for processing.

(a) Before the exportation of articles subject, on return to the United States, to duty on the value of the processing performed abroad as provided for in item 806.30, a certificate of registration (top portion of Customs Form 4455), shall be filed (in an original only), by the owner or exporter with the District Director of Customs at a time prior to the departure of the exporting conveyance which will permit an examination of the articles. A statement shall be included on the reverse side of Customs Form 4455 by the exporter or owner substantially as follows:

The articles described in this certificate were manufactured in the United States by _____ (Name and address) or, if of foreign origin, were subjected to _____ (show processes of manufacture, such as molding, casting, machining, etc.) in the United States by _____ (Name and address) The articles in their changed conditions will be returned for further processing by _____ (Name and address); or, if further processing of the articles in the United States will be performed by a person not presently known, the reasons for believing the articles will be returned for further processing are _____

_____

and the reason the person is not presently known is _____

(b) The applicant shall be notified by the district director of the place to which he shall deliver the articles for examination. All expense in connection with the delivery of the articles, cording, sealing, marking, and transfer to the exporting conveyance, shall be borne by the exporter. The articles shall be exported under Customs supervision, except those articles exported by mail which can be identified by manufacturer's mark or number. A photograph or other means of identification shall be furnished when required by the Customs officer.

(c) When the report of the Customs officer showing the examination of the articles and their lading on the exporting conveyance or their delivery for mailing has been endorsed on the Customs Form 4455 covering such articles, the form shall be given to the exporter for use in connection with the return of the articles. If the articles are being exported through the mails and the Customs Form 4455 (Certificate of Registration) has been completed in duplicate, the Customs officer shall enclose the duplicate copy of the form in the package being exported. The owner or exporter, in all other cases, may enclose a duplicate copy of the certificate with the articles being exported in any manner for processing. In order to facilitate the entry of an article, regardless of the mode of exportation, the foreign shipper may include a duplicate copy of the registration certificate, completed prior to exportation, in the returned package.

(d) When articles other than those exported by mail or parcel post are examined and registered at one port and exported for processing through another port, they shall be forwarded to the port of exportation under a transportation and exportation entry.

(e) There shall be filed in connection with an entry covering articles entered under the provisions of item 806.30, a declaration by the person who performed the processing abroad in substantially the following form:

_____
(Place and date)

I, _____, declare that the articles herein specified are the articles which, in the condition in which they were exported from the United States, were received by me (us) on _____, 19—, from _____ (Name and address of owner or exporter in the United States); that they were received by me (us) for the sole purpose of being processed; that only the processing described below was effected by me (us); that the full cost or (when no charge is made) fair market value of such processing and the value of the articles after processing are correctly stated below; and that no substitution whatever has been made to replace any of the articles originally received by me (us) from the owner or exporter thereof mentioned above.

Marks and numbers	Description of articles and of processing	Full cost or (when no charge is made) fair market value of processing[1]	Total value of articles after processing

[1] See Headnote 2, Part 10, Schedule 8, Tariff Schedules of the United States

(f) There shall be filed in connection with the entry the Certificate of Registration (Customs Form 4455) and a declaration made by the owner, importer, consignee, or agent having knowledge of the facts that the articles entered in their processed condition are the same articles covered by the Certificate of Registration. This declaration shall also show that the full cost or (when no charge is made) fair market value of the processing is correctly stated in the entry. There shall be included a concise statement as to the nature of the processing performed outside the United States immediately prior to the current importation and to the processing to be performed thereafter in the United States, showing the name and address of the processor who will do the subsequent processing. When all of the merchandise covered by the Certificate of Registration (Customs Form 4455) is not entered at one time or at one port of entry, in the case of importations not exceeding $250 in value, the district director at the port where any portion of the merchandise is entered shall note the quantity entered on the registration certificate and return the certificate to the submitter thereof for use in connection with any further importation covered by such certificate.

(g) If the district director concerned is satisfied, because of the nature of the articles or production of other evidence, that the articles are imported in circumstances meeting the requirements of item 806.30 and related headnotes, he may waive the declaration provided for in paragraphs (e) and (f) of this section.

(h) In the event there has been compliance with the registration requirements (Customs Form 4455) set forth in paragraph (a) of this section and such form (Customs Form 4455) is not available at the time of entry, the district director may waive the production of Customs Form 4455 provided the merchandise is entered at one time at one port of entry, and he is satisfied that the returned merchandise meets the requirements of item 806.30, Tariff Schedules of the United States, and the related headnotes.

(i) In any case where an imported article was exported for processing without compliance with the registration requirements of this section, the district director, only if satisfied that the returned article is entitled to entry under item 806.30, TSUS, may waive the Customs Form 4455. The importer

may establish eligibility for entry under item 806.30, TSUS, by providing sufficient documentation to Customs to prove actual exportation of the article from the U.S., such as foreign customs entry, a foreign customs invoice, a foreign landing certificate, bill of lading, or airway bill. The district director may require such additional documentation as is deemed necessary as proof of exportation. The district director may also, in his discretion, waive the registration requirements of this section, prior to exportation of the articles, upon application in writing by an exporter-importer located within his district when it is indicated that the duty on the merchandise would be less than $25 if not within the purview of item 806.30, and it is indicated that the shipment on its return to the United States will be covered by a mial or other informal entry. Customs Form 4455, appropriately modified, may be used by the district director in issuing the waiver.

(j) The district director shall require at the time of entry a deposit of estimated duties based upon the full cost or fair market value, as the case may be, of the processing. The cost or fair market value, as the case may be, of the processing outside the United States which is set forth in the invoice and entry papers as the basis for the assessment of duty under item 806.30, shall be limited to the cost or value of the processing actually performed abroad (including all domestic and foreign articles used in the processing, but does not include the exported United States metal article) and shall not include any of the expenses incurred in this country, whether by way of engineering costs, preparation of plans or specifications, and the furnishing of tools or equipment for doing the processing abroad, or otherwise.

[T.D. 72-119, 37 FR 8870, May 2, 1972, as amended by T.D. 73-136, 38 FR 13481, May 22, 1973, T.D. 79-159, 44 FR 31967, June 4, 1979; T.D. 85-162, 50 FR 38977, Sept. 26, 1985, T.D. 87-75, 52 FR 20066, May 29, 1987]

§ 10.10 [Reserved]

Articles Assembled Abroad With United States Components

§ 10.11 General.

(a) Section 10.12 through 10.23 set forth definitions and interpretative regulations adopted by the Commissioner of Customs pertaining to the construction of item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202) and related provisions of law. These provisions concern claims for the exemption from duty provided by item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), for American-made fabricated components which are returned to the United States as parts of articles assembled abroad. The examples included in these sections described specific situations in which the exemption may or may not be applicable. The definitions and regulations that follow are promulgated to inform the public of the constructions and interpretations that the United States Customs Service shall give to relevant statutory terms and to assure the impartial and uniform assessment of duties upon merchandise claimed to be partially exempt from duty under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), at the various ports of entry. Nothing in these regulations purports or is intended to restrict the legal right of importers or others to a judicial review of the matters contained therein.

(b) Section 10.24 sets forth the documentary requirements applicable to the entry of assembled articles claimed to be subject to the exemption provided under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202). Allowance of an importer's claim is dependent upon meeting the statutory requirements for the exemption under item 807.00 and his complying with the documentary requirements set forth in § 10.24.

[T.D. 75-230, 40 FR 43021, Sept. 18, 1975]

§ 10.12 Definitions.

As used in §§ 10.11 through 10.24, the following terms shall have the meanings indicated:

(a) *American-made.* The term "American-made" is used to refer to a product of the United States as defined in paragraph (e) of this section.

(b) *Assembly.* "Assembly" means the fitting or joining together of fabricated components.

(c) *Exemption.* "Exemption" means the deduction of the cost or value of products of the United States which were assembled abroad in accordance with the requirements of item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), from the full value of the assembled article.

(d) *Fabricated component.* "Fabricated component" means a manufactured article ready for assembly in the condition as exported except for operations incidental to the assembly.

(e) *Product of the United States.* A "product of the United States" is an article manufactured within the Customs territory of the United States and may consist wholly of United States components or materials, of United States and foreign components or materials, or wholly of foreign components or materials. If the article consists wholly or partially of foreign components or materials, the manufacturing process must be such that the foreign components or materials have been substantially transformed into a new and different article, or have been merged into a new and different article.

[T.D. 75-230, 40 FR 43021, Sept. 18, 1975]

§ 10.13 Statutory provision: Item 807.000, Tariff Schedules of the United States (19 U.S.C. 1202).

Item 807.000, Tarriff Schedules of the United States (19 U.S.C. 1202), provides that articles assembled abroad in whole or in part of fabricated components, the product of the United States, which (a) were exported in condition ready for assembly without further fabrication, (b) have not lost their physical identity in such articles by change in form, shape, or otherwise, and (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process such as cleaning, lubricating, and painting, are subject to a duty upon the full value of the imported article, less the cost or, if no charge is made, the value of such products of the United States. The rate of duty which is assessed upon the dutiable portion of the imported article is that which is applicable to the imported article as a whole under the appropriate provision of the Tariff Schedules of the United States (19 U.S.C. 1202) for such article. If that provision requires a specific or compound rate of duty, the total duties assessed on the imported article are reduced in such proportion as the cost or value of the returned United States components which qualify for the exemption bears to the full value of the assembled article.

Example 1. A transistor radio is assembled abroad from foreign-made components and American-made transistors. Upon importation, the transistor radio is subject to the ad valorem rate of duty applicable to transistor radios upon the value of the radio less the cost or value of the American-made transistors assembled therein.

Example 2. A solid-state watch movement is assembled abroad from foreign-made components and an American-made integrated circuit. If the movement in question is subject to the specific rate of duty of 75 cents if the value of the assembled movement is $30, and if the value of the American-made integrated circuit is $10, then the value of the integrated circuit represents one third of the total value of the assembled article and the duty on the assembled article will be reduced by one third ($.25). Therefore, the duty on the assembled movement is 50 cents.

[T.D. 75-230, 40 FR 43021, Sept. 18, 1975]

§ 10.14 Fabricated components subject to the exemption.

(a) *Fabricated components, the product of the United States.* Except as provided in § 10.15, the exemption provided under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), applies to fabricated components, the product of the United States. The components must be in condition ready for assembly without further fabrication at the time of their exportation from the United States to qualify for the exemption. Components will not lose their entitlement to the exemption by being subjected to operations incidental to the assembly either before, during, or after their as-

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sembly with other components. Materials undefined in final dimensions and shapes, which are cut into specific shapes or patterns abroad are not considered fabricated components.

Example 1. Articles identifiable in their exported condition as components or parts of the article into which they will be assembled, such as transistors, diodes, integrated circuits, machinery parts, or precut parts of wearing apparel, are regarded as fabricated components.

Example 2. Prestamped metal lead frames for semiconductor devices exported in multiple unit strips in which the individual frame units are connected to each other, or integrated circuit wafers containing individual integrated circuit dice which have been scribed or scored in the United States, are regarded as fabricated components. The separation of the individual frames by cutting, or the segmentation of the wafer into individual dice by flexing and breaking along scribed or scored lines, is regarded as an operation incidental to the assembly process.

Example 3. Wires of various type, electrical conductors, metal foils, insulating tapes, ribbons, findings used in dressmaking, and similar products, which are in a finished state when exported from the United States, and are ready for use in the assembly of the imported article, are regarded as fabricated components if they are only cut to length or subjected to operations incidental to the assembly process while abroad.

Example 4. Uncut textile fabrics exported in bolts from which wearing apparel components will be cut according to a pattern are not regarded as fabricated components. Similarly, other materials, such as lumber, leather, sheet metal, plastic sheeting, exported in basic shapes and forms to be fabricated into components for assembly, are not eligible for treatment as fabricated components.

(b) *Substantial transformation of foreign-made articles or materials.* Foreign-made articles or materials may become products of the United States if they undergo a process of manufacture in the United States which results in their substantial transformation. Substantial transformation occurs when, as a result of manufacturing processes, a new and different article emerges, having a distinctive name, character, or use, which is different from that originally possessed by the article or material before being subject to the manufacturing process. The mere finishing or modification of a partially or nearly complete foreign product in the United States will not result in the substantial transformation of such product and it remains the product of a foreign country.

Example 1. A cast metal housing for a valve is made in the United States from imported copper ingots, the product of a foreign country. The housing is a product of the United States because the manufacturing operations performed in the United States to produce the housing resulted in a substantial transformation of the foreign copper ingots.

Example 2. An integrated circuit device is assembled in a foreign country and imported into the United States where its leads are formed by bending them to a specified angle. It is then tested and marked. The imported article does not become a product of the United States because the operations performed in the United States do not result in a substantial transformation of the foreign integrated circuit device.

Example 3. A circuit board assembly for a computer is assembled in the United States by soldering American-made and foreign-made components onto an American-made printed circuit board. The finished circuit board assembly has a distinct electronic function and is ready for incorporation into the computer. The foreign-made components have undergone a substantial transformation by becoming permanent parts of the circuit board assembly. The circuit board assembly, including all of its parts is regarded as a fabricated component, the product of the United States, for purposes of item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202).

[T.D. 75-220, 40 FR 43022, Sept. 18, 1975]

§ 10.15 Fabricated components not subject to the exemption.

Fabricated components which are not products of the United States are excluded from the exemption. In addition, the exemption is not applicable to any component exported from the Customs territory of the United States:

(a) From continuous Customs custody with remission, abatement, or refund of duty;

(b) With benefit of drawback;

(c) To comply with any law of the United States or regulation of any Federal agency requiring exportation; or

(d) After manufacture or production in the United States under item 864.05, Tariff Schedules of the United States (19 U.S.C. 1202).

Example. Partially completed components of an electric motor are imported in several separate shipments and are entered under a temporary importation bond to be manufactured into finished motors under the provisions of item 864.05, Tariff Schedules of the United States (19 U.S.C. 1202). The components are completed and assembled into finished electric motors. The finished motors are exported and are assembled abroad into electric fans which are subsequently imported into the United States. Irrespective of the fact that the assembly of the motors might involve such a substantial change that the motor could be considered a product of the United States, no exemption may be given for the value of the electric motors, since they were exported after manufacture or production in the United States under the provision of item 864.05, Tariff Schedules of the United States (19 U.S.C. 1202).

[T.D. 75-220, 40 FR 43022, Sept. 18, 1975]

§ 10.16 Assembly abroad.

(a) *Assembly operations.* The assembly operations performed abroad may consist of any method used to join or fit together solid components, such as welding, soldering, riveting, force fitting, gluing, laminating, sewing, or the use of fasteners, and may be preceded, accompanied, or followed by operations incidental to the assembly as illustrated in paragraph (b) of this section. The mixing or combining of liquids, gases, chemicals, food ingredients, and amorphous solids with each other or with solid components is not regarded as an assembly.

Example 1. A television yoke is assembled abroad from American-made magnet wire. In the foreign assembly plant the wire is despooled and wound into a coil, the wire cut from the spool, and the coil united with other components, including a terminal panel and housing which are also American-made. The completed article upon importation would be subject to the ad valorem rate of duty applicable to television parts upon the value of the yoke less the cost or value of the American-made wire, terminal panel and housing, assembled therein. The winding and cutting of the wire are either assembly steps or steps incidental to assembly.

Example 2. An aluminum electrolytic capacitor is assembled abroad from American-made aluminum foil, paper, tape, and Mylar film. In the foreign assembly plant the aluminum foil is trimmed to the desired width, cut to the desired length, interleaved with paper, which may or may not be cut to length or despooled from a continuous length, and rolled into a cylinder wherein the foil and paper are cut and a section of sealing tape fastened to the surface to prevent these components from unwinding. Wire or other electric connectors are bonded at appropriate intervals to the aluminum foil of the cylinder which is then inserted into a metal can, and the ends closed with a protective washer. As imported, the capacitor is subject to the ad valorem rate of duty applicable to capacitors upon the value less the cost or value of the American-made foil, paper, tape, and Mylar film. The operations performed on these components are all either assembly steps or steps incidental to assembly.

Example 3. The manufacture abroad of cloth on a loom using thread or yarn exported from the United States on spools, cops, or pirns is not considered an assembly but a weaving operation, and the thread or yarn does not qualify for the exemption. However, American-made thread used to sew buttons or garment components is qualified for the exemption because it is used in an operation involving the assembly of solid components.

(b) *Operations incidental to the assembly process.* Operations incidental to the assembly process whether performed before, during, or after assembly, do not constitute further fabrication, and shall not preclude the application of the exemption. The following are examples of operations which are incidental to the assembly process:

(1) Cleaning;

(2) Removal of rust, grease, paint, or other preservative coating;

(3) Application of preservative paint or coating, including preservative metallic coating, lubricants, or protective encapsulation;

(4) Trimming, filing, or cutting off of small amounts of excess materials;

(5) Adjustments in the shape or form of a component to the extent required by the assembly being performed abroad;

(6) Cutting to length of wire, thread, tape, foil, and similar products exported in continuous length; separation by cutting of finished components, such as prestamped integrated circuit lead frames exported in multiple unit strips; and

(7) Final calibration, testing, marking, sorting, pressing, and folding of assembled articles.

(c) *Operations not incidental to the assembly process.* Any significant process, operation, or treatment other than assembly whose primary purpose is the fabrication, completion, physical or chemical improvement of a component, or which is not related to the assembly process, whether or not it effects a substantial transformation of the article, shall not be regarded as incidental to the assembly and shall preclude the application of the exemption to such article. The following are examples of operations not considered incidental to the assembly as provided under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202):

(1) Melting of exported ingots and pouring of the metal into molds to produce cast metal parts;

(2) Cutting of garment parts according to pattern from exported material;

(3) Painting primarily intended to enhance the appearance of an article or to impart distinctive features or characteristics;

(4) Chemical treatment of components or assembled articles to impart new characteristics, such as showerproofing, permapressing, sanforizing, dying or bleaching of textiles;

(5) Machining, polishing, burnishing, peening, plating (other than plating incidental to the assembly), embossing, pressing, stamping, extruding, drawing, annealing, tempering, case hardening, and any other operation, treatment or process which imparts significant new characteristics or qualities to the article affected.

(d) *Joining of American-made and foreign-made components.* An assembly operation may involve the use of American-made components and foreign-made components. The various requirements for establishing entitlement to the exemption apply only to the American-made components of the assembly.

Example. Diodes are assembled abroad from American-made components. The process includes the encapsulation of the assembled components in a plastic shell. The plastic used for the encapsulation is in the form of a pellet, and is of foreign origin. After the prefabricated diode components are assembled, the assembled unit is placed in a transfer molding machine, where, by use of the pellet, molten epoxy is caused to flow around the perimeters of the assembled components, forming upon solidification a plastic body for the diode. Upon importation, exemption may be granted for the value of the American-made components, but not for the value of the plastic pellet. If the plastic pellet used for encapsulation was of United States origin, its value would still be a part of the dutiable value of the diode, because the plastic pellet is not a fabricated component of a type designed to be fitted together by assembly, but merely a premeasured quantity of material which was applied to the assembled unit by a process not constituting an assembly.

(e) *Subassembly.* An assembly operation may involve the joining or fitting of American-made components into a part or subassembly of an article, followed by the installation of the part or subassembly into the complete article.

Example. Rolls of foil and rolls of paper are exported and cut to specific length abroad and interleaved and rolled to form the electrodes and dielectric of a capacitor. Following this procedure, the rolls are assembled with cans and other parts to form a complete capacitor. The foil and paper are entitled to the exemption.

(f) *Packing.* The packing abroad of merchandise into containers does not in itself qualify either the containers or their contents for the exemption. However, assembled articles which otherwise qualify for the exemption and which are packaged abroad following their assembly will not be disqualified from the exemption by reason of their having been so packaged, whether for retail sale or for bulk shipment. The tariff status of the packing materials or containers will be determined in accordance with General Headnote 6, Tariff Schedules of the United States (19 U.S.C. 1202).

[T.D. 75-230, 40 FR 43023, Sept. 18, 1975]

§ 10.17 Valuation of exempted components.

The value of fabricated components to be subtracted from the full value of the assembled article is the cost of the components when last purchased, f.o.b. United States port of exportation or point of border crossing as set out in the invoice and entry papers, or, if no purchase was made, the value of the components at the time of their shipment for exportation, f.o.b. United States port of exportation or point of border crossing, as set out in the invoice and entry papers. However, if the appraising officer concludes that the cost or value of the fabricated components so ascertained does not represent a reasonable cost or value, then the value of the components shall be determined in accordance with section 402 or section 402a, Tariff Act of 1930, as amended (19 U.S.C. 1401a, 1402).

[T.D. 75-230, 40 FR 43024, Sept. 18, 1975]

§ 10.18 Valuation of assembled articles.

As in the case of the appraisement of any other import merchandise (see Subpart C of Part 152 of this chapter), the full value of assembled articles imported under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), is determined in accordance with 19 CFR 152.100 *et seq.*

[T.D. 87-89, 52 FR 24445, July 1, 1987]

§ 10.19 [Reserved]

§ 10.20 [Reserved]

§ 10.21 Updating cost data and other information.

When a claim for the exemption is predicated on estimated cost data furnished either in advance of or at the time of entry, this fact should be clearly stated in writing at the time of entry, and suspension of liquidation may be requested by the importer or his agent pending the furnishing of actual cost data. Actual cost data must be submitted as soon as accounting procedures permit. To insure that information used for Customs purposes is reasonably current, the importer shall ordinarily be required to furnish updated cost and assembly data at least every six months, regardless of whether he considers that significant changes have occurred. The 6-month period for the submission of updated cost or other data may be extended by the district director if such extension is appropriate for the type of merchandise involved, or because of the accounting period normally used in the trade, or because of other relevant circumstances.

[T.D. 75-230, 40 FR 43025, Sept. 18, 1975]

§ 10.22 Marking.

Assembled articles entitled to the exemption are considered products of the country of assembly for the purposes of the country of origin marking requirements of section 304, Tariff Act of 1930, as amended (19 U.S.C. 1304). If an imported assembled article is made entirely of American-made materials, the United States origin of the material may be disclosed by using a legend such as "Assembled in ——— from material of U.S. origin," or a similar phrase.

[T.D. 75-230, 40 FR 43025, Sept. 18, 1975]

§ 10.23 Standards, quotas, and visas.

All requirements and restrictions applicable to imported merchandise, such as labeling, radiation standards, flame-retarding properties, quotas, and visas, apply to assembled articles eligible for the exemption in the same manner as they would apply to all other imported merchandise.

[T.D. 75-230, 40 FR 43025, Sept. 18, 1975]

§ 10.24 Documentation.

(a) *Documents required.* The following documents shall be filed in connection with the entry of assembled articles claimed to be subject to the exemption under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202).

(1) *Declaration by the assembler.* A declaration by the person who performed the assembly operations abroad shall be filed in substantially the following form:

I, ———, declare that to the best of my knowledge and belief the ——— were assembled in whole or in part from fabricated components listed and described below, which are products of the United States.

Marks of identification, numbers	Description of component	Quantity	Unit value at time and place of export from United States [1]	Port and date of export from United States	Name and address of manufacturer

[1] In accordance with Headnote 3, part 1B, schedule 8, Tariff Schedules of the United States (19 U.S.C. 1202). Description of the operations performed abroad on the exported components (in sufficient detail to enable Customs officers to determine whether the operations performed are within the provisions of item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202) (attach supplemental sheet if more space is required).

Date	Signature
Address	Capacity

(2) *Endorsement by the importer.* An endorsement, in substantially the following form, shall be signed by the importer:

I declare that to the best of my knowledge and belief the (above), (attached) declaration, and any other information submitted herewith, or otherwise supplied or referred to, is correct in every respect and there has been compliance with all pertinent headnotes of the Tariff Schedules of the United States (19 U.S.C. 1202).

Date	Signature
Address	Capacity

(b) *Revision of format.* In specific cases, the district director may revise the format of either of the documents specified in paragraph (a) of this section and may make such changes as conditions warrant, provided the data and information required to be supplied in these documents are presented. For example, if the components were furnished by the importer, the information on components may be supplied as part of the importer's endorsement, rather than as part of the assembler's declaration.

(c) *Reference to previously filed documents.* In lieu of filing duplicate lists of components and descriptions of assembly operations with each entry, the documents specified in paragraph (a) of this section may refer to assembly descriptions and lists of components previously filed with and approved by the district director, or to records showing costs, names of manufacturers, and other necessary data on components, provided the importer has arranged with the district director to maintain such records and keep them available for examination by authorized Customs officers.

(d) *Waiver of specific details for each entry.* There are cases where large quantities of United States components are purchased from various sources or exported at various ports and dates on a continuing basis, so that it is impractical to identify the exact source, port and date of export for each particular component included in an entry of merchandise claimed to be subject to the exemption under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202). In these cases, specific details such as the port and date of export and the name of the manufacturer of the United States components may be waived if the district director is satisfied that the importer and assembler have established reliable controls to insure that all components for which the exemption is claimed are in fact products of the United States. These controls shall include strict physical segregation of United States and foreign components, as well as records of United States components showing quantities, sources, costs, dates shipped abroad, and other necessary information. These records shall be maintained by the importer and assembler for 5 years from the date of the released entry in a manner so that they are readily available for audit, inspection, copying, reproduction or other official use by authorized Customs officers.

(e) *Waiver of documents.* When the district director is satisfied that unusual circumstances make the production of either or both of the documents specified in paragraph (a) of this section, or of any of the information set forth therein, impractical and is further satisfied that the requirements of item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), and related headnotes have been met, he may waive the production of such document(s) or information.

(f) *Unavailability of documents at time of entry.* If either or both of the documents specified in paragraph (a) of this section are not available at the time of entry, a bond on Customs Form 301 containing the bond conditions set forth in § 113.62 of this chapter for the production of the document(s) may be given pursuant to §§ 113.41—113.46 and 141.66 of this chapter.

(g) *Responsibility of correctness.* Subject to the civil and criminal sanctions provided by law for false or fraudulent entries, the importer has the ultimate responsibility for supplying all information needed by the Customs Service to process an entry, and for the completeness and truthfulness of such information. If certain information cannot be supplied by the assembler, it must be provided by the importer.

[T.D. 75-220, 40 FR 42026, Sept. 18, 1975, as amended by T.D. 79-159, 44 FR 31967, June 4, 1979; T.D. 84-213, 49 FR 41165, Oct. 19, 1984]

FREE ENTRY—ARTICLES FOR THE USE OF FOREIGN MILITARY PERSONNEL

§ 10.30c [Reserved]

TEMPORARY IMPORTATIONS UNDER BOND

§ 10.31 Entry; bond.

(a)(1) Entry of articles brought into the United States temporarily and claimed to be exempt from duty under Schedule 8, Part 5C, Tariff Schedules of the United States (TSUS),[24] unless

[24] "1. (a) The articles described in the provisions of this subpart, when not imported for sale or for sale on approval, may be admitted into the United States without the payment of duty, under bond for their exportation within 1 year from the date of importation, which period, in the discretion of the Secretary of the Treasury, may be extended, upon application, for one or more further periods which, when added to the initial 1 year, shall not exceed a total of 3 years, except that (1) articles imported under item 864.75 shall be admitted under bond for their importation within 6 months from the date of importation and such 6-month period shall not be extended, and (2) in the case of professional equipment and tools of trade admitted into the United States under item 864.50 which have been seized (other than by seizure made at the suit of private persons), the requirement of reexportation shall be suspended for the duration of the seizure. For purposes of this headnote, an aircraft engine or propeller, or any part or accessory of either, imported under item 864.50, which is removed physically from the United States as part of an aircraft departing from the United States in international traffic shall be treated as exported.

"(b) For articles admitted into the United States under item 864.50, entry shall be made by the nonresident importing the articles or by an organization represented by the nonresident which is established under the laws of a foreign country or has its principal place of business in a foreign country.

"2. Merchandise may be admitted into the United States under item 864.06 only on conditions that—

"(a) Such merchandise will not be processed into an article manufactured or produced in the United States if such article is—

(i) Alcohol, distilled spirits, wine, beer, or any dilution or mixture of any or all of the foregoing;

(ii) A perfume or other commodity containing ethyl alcohol (whether or not such alcohol is denatured), or

(iii) A product of wheat; and

"(b) If any processing of such merchandise results in an article (other than an article described in (a) of this headnote) manufactured or produced in the United States—

(i) A complete accounting will be made to the Customs Service for all articles, wastes, and irrecoverable losses resulting from such processing, and

(ii) All articles and valuable wastes resulting from such processing will be exported or destroyed under customs supervision within the bonded period.

"3. Upon satisfactory proof that any article admitted under item 864.30 has been destroyed because of its use for any purpose provided for therein, the obligation under the bond to export such article shall be treated as satisfied.

"4. Collectors of customs may defer the exaction of a bond for not to exceed 90 days after the date of importation for vehicles and craft entered under item 864.35 to take part in races or other specific contests for other than money purses, but unless any such vehicle or craft is exported or the bond

Continued

is given within the period of such deferment, such vehicle or craft shall be subject to forfeiture.

"5. Articles may be admitted under item 864.75 only on condition that the Secretary of the Treasury shall have found that the foreign country from which the articles were imported allows, or will allow, substantially reciprocal privileges in respect of similar imports to such country from the United States; and if the Secretary finds that a foreign country has discontinued, or will discontinue, the allowance of such privileges, the privileges of item 864.75 shall not apply thereafter in respect of imports from such foreign country.

"Item 864.05 Articles to be repaired, altered, or processed (including processes which result in articles manufactured or produced in the United States) * * *."

"Item 864.10 Models of women's wearing apparel imported by manufacturers for use solely as models in their own establishments * * *."

"Item 864.15 Articles imported by illustrators and photographers for use solely as models in their own establishments, in the illustrating of catalogues, pamphlets, or advertising matter * * *."

"Item 864.20 Samples solely for use in taking orders for merchandise * * *."

"Item 864.25 Articles solely for examination with a view to reproduction, or for such examination and reproduction (except photoengraved printing plates for examination and reproduction); and motion-picture advertising films * * *."

"Item 864.30 Articles intended solely for testing, experimental, or review purposes, including plans, specifications, drawings, blue-prints, photographs, and similar articles for use in connection with experiments or for study * * *."

"Item 864.35 Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests * * *."

"Item 864.40. Locomotives and other railroad equipment brought temporarily into the United States for use in clearing obstructions, fighting fires, or making emergency repairs on railroads within the United States, or for use in transportation otherwise than in international traffic when the Secretary of the Treasury finds that the temporary use of foreign railroad equipment is necessary to meet an emergency * * *."

"Item 864.45 Containers for compressed gases, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose * * *."

"Item 864.50 Professional equipment, tools of trade, repair components for equipment or tools admitted under this item, and camping equipment; all the foregoing imported by or for nonresidents sojourning temporarily in the United States and for the use of such nonresidents * * *."

"Item 864.55 Articles of special design for temporary use exclusively in connection with the manufacture or production of articles for export * * *."

"Item 864.60 Animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes, and the usual equipment therefor * * *."

"Item 864.65 Theatrical scenery, properties, and apparel brought into the United States by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibitions * * *."

"Item 864.70 Paintings, pastels, drawings, sketches, engravings, etchings, lithographs, woodcuts, photographic pictures, and philosophical and scientific apparatus brought into the United States by professional artists, lecturers, or scientists arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States * * *."

"Item 864.75 Automobiles, automobile chassis, automobile bodies, cutaway portions of any of the foregoing, and parts for any of the foregoing, finished, unfinished, or cutaway, when intended solely for show purposes * * *" (Schedule 8, Part 5C, Tariff Schedules of the United States.)

covered by an A.T.A. carnet as provided in Part 114 of this chapter, shall be made on Customs Form 3461 or 7533, supported by the documentation required by § 142.3 of this chapter. However, when § 10.36 or § 10.36a is applicable, or the aggregate value of the article is not over $250, the form prescribed for the informal entry of importations by mail, in baggage, or by other means, may be used. When entry is made on Customs Form 3461 or 7533, an entry summary, Customs Form 7501, shall be filed within 10 days after time of entry, in accordance with Subpart B, Part 142 of this chapter.

(2) If Customs Form 7501 is filed at time of entry, it shall serve as both the entry and entry summary, and Customs Form 3461 or 7533 shall not be required. Customs Form 7501 shall be in original only, except for entries under item 864.05, TSUS, which require a duplicate copy for statistical purposes. When articles are entered under an A.T.A. carnet, the importation voucher of the carnet shall serve as the entry.

(3) In addition to the data usually shown on a regular consumption entry summary, each temporary importation bond entry summary shall include:

(i) The TSUS item number under which entry is claimed.

(ii) A statement of the use to be made of the articles in sufficient detail to enable the district director to determine whether they are entitled to entry as claimed, and

(iii) A declaration that the articles are not to be put to any other use and that they are not imported for sale or sale on approval.

(b) The district director of Customs, if he is satisfied as to the importer's identity and good faith, may admit a vehicle or craft brought in by a nonresident to take part in a race or other specific contest for which no money purse is awarded, under the provisions of item 864.35, Tariff Schedules of the United States, without formal entry or security for exportation. If at the time of arrival it appears that the article is likely to remain in the United States beyond 90 days, formal entry and bond shall be taken.

(c) When any article has been admitted without formal entry or security for exportation and the importer thereafter desires to prolong his stay beyond 90 days, an entry covering the article and security for its exportation shall be accepted at any port where the article may be presented for entry. The time during which the imported article may remain in the United States under the entry shall be computed from the date of its original arrival in the United States. The estimated duties for the purpose of fixing the amount of any bond required by paragraph (f) of this section shall be the estimated duties which would have been required to be deposited had the article been entered under an ordinary consumption entry on the date of the original arrival.

(d) [Reserved]

(e) The entry or invoice shall: (1) Describe each article in detail; (2) set forth the value of each article; and (3) set forth any marks or numbers thereon or other distinguishing features thereof. In the case of a vehicle, aircraft, or pleasure boat entered under item 864.05 of the Tariff Schedules of the United States and § 10.36a, the registration number, and engine or motor number, and the body number (if available) shall also be shown on the entry. Examination of the imported articles shall be made whenever the circumstances warrant, and occasionally in any event to an extent which will enable the Customs officer to determine that the importation is in agreement with the invoice or entry as to identity and quantity and for the purpose of accepting the entry under the applicable provisions of Schedule 8, Part 5C, Tariff Schedules of the United States. No examination for the purpose of appraisement and no appraisement of the articles shall be made.

(f) With the exceptions stated herein, a bond shall be given on Customs Form 301, containing the bond conditions set forth in § 113.62 of this chapter in an amount equal to double the duties which it is estimated would accrue (or such larger amount as the district director shall state in writing to the entrant is necessary to protect the revenue) had all the articles covered by the entry been entered under an ordinary consumption entry. In the case of samples solely for use in taking orders entered under item 864.20, Tariff Schedules of the United States, motion-picture advertising films entered under item 864.25, and professional equipment, tools of trade and repair components for such equipment or tools entered under item 864.50, the bond required to be given shall be in an amount equal to 110 percent of the estimated duties determined at the time of entry. If appropriate a carnet, under the provisions of Part 114 of this chapter, may be filed in lieu of a bond on Customs Form 301 (containing the bond conditions set forth in § 113.62 of this chapter). Cash deposits in the amount of the bond may be accepted in lieu of sureties. When the articles are entered under item 864.05,

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864.20, or 864.50, Tariff Schedules of the United States, without formal entry, as provided for in §§ 10.36 and 10.36a, or the amount of the bond taken under any item of Schedule 8, Part 5C, Tariff Schedules of the United States, is less than $25, the bond shall be without surety or cash deposit, and the bond shall be modified to so indicate.

(g) Claim for free entry under Schedule 8, Part 5C, Tariff Schedules of the United States may be made for articles of any character described therein which have been previously entered under any other provision of law and the entry amended accordingly upon compliance with the requirements of this section, provided the articles have not been released from Customs custody, or even though released from Customs custody if it is established that the original entry was made on the basis of a clerical error, mistake of fact, or other inadvertence within the meaning of section 520(c)(1), Tariff Act of 1930, as amended, and was brought to the attention of the Customs Service within the time limits of that section. If an entry is so amended, the period of time during which the merchandise may remain in the Customs territory of the United States under bond shall be computed from the date of importation. In the case of articles covered by an informal mail entry, such a claim may be made within a reasonable time either before or after the articles have been released from Customs custody.

(h) After the entry and bond have been accepted, the articles may be released to the importer. The entry shall not be liquidated as the transaction does not involve liquidated duties.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 66-39, 31 FR 2817, Feb. 17, 1966; T.D. 69-146, 34 FR 9799, June 25, 1969; T.D. 70-89, 35 FR 6002, Apr. 11, 1970; T.D. 79-221, 44 FR 46813, Aug. 9, 1979; 44 FR 51567, Sept. 4, 1979; T.D. 80-26, 45 FR 3901, Jan. 21, 1980; T.D. 84-213, 49 FR 41165, Oct. 19, 1984]

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§ 10.33 Theatrical effects.[*]

(a) In connection with the entry under bond of theatrical scenery, property, and apparel, a declaration of the manager or proprietor shall be required on Customs Form 3325 in addition to the requirements of § 10.31.

(b) Animals imported for use or exhibition in theaters or menageries may be classified as theatrical properties.

(c) The term "theatrical scenery, properties, and apparel" shall not be construed to include motion-picture films.

§ 10.34 Articles brought by professional artists, lecturers, or scientists.

In connection with the entry of works of art and other articles provided for in item 864.70, Tariff Schedules of the United States, brought in by professional artists, lecturers, or scientists, a declaration on Customs Form 3325 shall be required in addition to the requirements of § 10.31.

§ 10.35 Models of women's wearing apparel.

(a) Models of women's wearing apparel admitted under item 864.10, Tariff Schedules of the United States, shall not be removed from the importer's establishment for reproducing, copying, painting, sketching, or for any other use by others, nor be used in the importer's establishment for such purposes except by the importer or his employees.

(b) Invoices covering models of women's wearing apparel entered under item 864.10 or 864.25 shall state the kind and color of the principal material from which the apparel is made, and shall contain a description of the lining and the trimming, stating whether composed of fur, lace, embroidery, or other material. Invoices shall also contain a statement as to how the trimming is applied, that is, whether on the cuffs, collar, sleeves, or elsewhere, and the total value of each completed garment or article.

[*] For regulations relating to return without formal entry of theatrical effects taken from the United States, see § 10.68.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 87-75, 52 FR 20066, May 29, 1987]

§ 10.36 Commercial travelers' samples; professional equipment and tools of trade; theatrical effects and other articles.

(a) Samples accompanying a commercial traveler who presents an adequate descriptive list or a special Customs invoice, and professional equipment, tools of trade, and repair components for such equipment or tools imported in his baggage for his own use by a nonresident sojourning temporarily in the United States may be entered on the importer's baggage declaration in lieu of formal entry and examination and may be passed under item 864.20 or item 864.50, Tariff Schedules of the United States, at the place of arrival in the same manner as other passengers' baggage. The examination may be made by an inspector who is qualified, in the opinion of the district director, to determine the amount of the bond required by § 10.31(c) to be filed in support of the entry. If the articles are a commercial traveler's samples and exceed $500 in value, a special Customs invoice or a descriptive list shall be furnished.

(b) When the proprietor or manager of a theatrical exhibition arriving from abroad who has entered his scenery, properties, and apparel under item 864.65, Tariff Schedules of the United States, contemplates side trips to a contiguous country with the exhibition within the period of time during which the merchandise may remain in the Customs territory of the United States under bond, including any lawful extension, a copy of the entry covering the effects and a copy of a descriptive list of such effects or invoice furnished by him may be certified by the examining officer and returned to the proprietor or manager for use in registering the effects with the Customs officers at the port of exit, and in clearing them through Customs on his return. Cancellation of the bond shall be effected by exportation in accordance with the provisions of § 10.38 at the time the theatrical effects are finally taken out of the United States before the expiration of the period of time during which the merchandise may remain in the Customs territory of the United States under bond, including any lawful extension. Similar treatment may be accorded articles entered under other items in Schedule 8, Part 5C, Tariff Schedules of the United States, upon approval by Headquarters, U.S. Customs Service.

(c) When a commercial traveler contemplates side trips to a contiguous country within the period of time during which the merchandise may remain in the Customs territory of the United States under bond, including any lawful extension, a copy of his baggage declaration and a copy of the descriptive list or special Customs invoice furnished by him may be certified by the examining officer and returned to the traveler for use in registering the samples with Customs officers at the port of exit, and in clearing them through Customs upon his return. Cancellation of the bond shall be effected by exportation in accordance with the provisions of § 10.38 at the time the samples are finally taken out of the United States before the expiration of the period of time during which the merchandise may remain in the Customs territory of the United States under bond, including any lawful extension.

(d) The privilege of clearance of commercial travelers' samples or professional equipment, tools of trade, and repair components for such equipment or tools imported for his own use by a nonresident sojourning temporarily in the United States on a baggage declaration under bond without surety or cash deposit shall not be accorded to a commercial traveler or such nonresident who, through fraud or culpable negligence, has failed to comply with the provisions of such a bond in connection with a prior arrival.

Such a commercial traveler or nonresident shall be required to file a formal entry under item 864.20 or item 864.50, Tariff Schedules of the United States with a bond supported by a surety or cash deposit in lieu of surety.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 69-146, 34 FR 9799, June 25, 1969; T.D. 84-213, 49 FR 41165, Oct. 19, 1984]

The HTS provisions

Because the HTS has been in effect for only a few months, and because the language of the provisions did not change in a substantive way from that of the TSUS items, it is useful to discuss Customs practices in the context of both the HTS and the TSUS while adding that, in most cases, the previously afforded treatment is likely to continue unchanged under the HTS. Customs regulations have generally been revised so as to make conforming changes in references and terms employed, rather than to alter applicable procedures relating to these provisions of the tariff schedule.

Subheading 9802.00.60/Item 806.30

According to the notes to the present subheading (as with the headnotes applicable to the former TSUS item), the value of the foreign processing on which the duty is levied is its cost to the importer or, if no charge is made, the value as set out in the invoice and entry papers. Generally the value used for customs purposes is the transaction value, as stated in the entry papers. If the appropriate customs officer concludes that the amount so set out does not represent a reasonable cost or value, then such value is determined in accordance with the valuation provisions of the Tariff Act of 1930, as amended by the Trade Agreements Act of 1979 (Public Law 96-39, July 26, 1979).

An article of metal (except precious metal) imported under HTS subheading 9802.00.60 must have been exported for processing abroad, and the article as processed, or the new article which results from the processing, must be further processed in the United States after its return from abroad. The Customs Service has held that melting, machining, grinding, drilling, tapping, threading, cutting, punching, rolling, forming, plating, and galvanizing are among the operations that qualify as "processing."

Examples of articles eligible for entry under this tariff provision are aluminum sheets processed from ingots of U.S. origin and returned to the United States to be cut to size and shape; lead ingots produced from lead scrap of U.S. origin and returned for further processing; metal screws made abroad from domestic wire and returned for plating; stainless steel tubing coated abroad with chromium and returned for rounding and buffing; tungsten carbide powder sent abroad for sintering and returned for further processing; electronic circuits printed on silicon wafers, exported for splitting and returned for further processing.

Before the exportation of an article for processing abroad under this subheading, the owner or exporter must file (as provided in section 10.9 of the Customs Regulations (19 CFR 10.9),[5] a certificate of registration describing the article(s) exported. The owner or exporter must state the name of the U.S. manufacturer, or, if of foreign origin, the name and address of the U.S. processor and the process of manufacture. The owner or exporter must further provide the name and address of the person who will further process the articles upon their return to the United States, or, if the person is not known, the reasons for believing the articles will be returned for further processing and the reason the person is not known. The article must be examined by a customs officer and laded for export under customs supervision. Upon its return from abroad, the owner, importer, consignee, or agent must declare that the article has been processed from the merchandise covered by the certificate of registration and must declare the nature and cost of the processing abroad and the processing to be performed in the United States. The declaration as to the origin of the article, and as to the nature and cost of the processing abroad, must be supported, moreover, by a declaration of the foreign processor. The foregoing requirements may be waived by the district director at the port of entry, but only when he is satisfied that the article is entitled to enter under TSUS item 806.30 and that all the requirements of the provisions have been met. If the registration form is not produced at entry, such a waiver can only be given if a single entry at one port is made.

[5] A copy of the Customs Regulations pertaining to former TSUS items 806.30 and 807.00, as set out in vol. 19 of the Code of Federal Regulations (CFR), is provided in app. A. Updated regulations pertaining to the HTS provisions are not available.

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Pursuant to a 1958 decision of the Customs Service (T.D. 54572(22)), the provisions of TSUS item 806.30 applied only when the U.S. metal article sent abroad for processing is to be returned for further processing by or for account of the person or firm which exported the article for processing abroad. Similar constraints apply to the HTS provisions.

Heading 9802.00.80/Item 807.00

When merchandise is assembled abroad, it is often difficult to establish its transaction value (either for the imported merchandise or for identical or similar merchandise) or deductive value, as those terms are defined in section 402 of the Tariff Act of 1930, as amended. A large portion of the entries under HTS heading 9802.00.80 and its predecessor, TSUS item 807.00, comprises trade by U.S. firms and their foreign affiliates that operate and transfer goods on a manufacturing-cost basis rather than on the basis of values established in the marketplace. Accordingly, the customs value for purposes of heading 9802.00.80 is in many cases based on computed value, as defined in section 402. However, the Customs Service attempts to ascertain the transaction value whenever possible (19 CFR 10.18 et seq.)

Computed value represents the sum of all costs, actual or estimated, for materials used, labor, overhead, depreciation, other general expenses, a normal profit, and packing costs. In most cases, only the cost of materials, labor, and packing can readily be ascertained. To this is added a markup for general expenses and profit equal to that usually reflected in sales by the foreign producers in their home markets of merchandise of the same class or kind as that exported to the United States. From this gross computed value is deducted the value of those U.S. components for which allowance is claimed under HTS heading 9802.00.80. Additionally, the value of packing materials of U.S. origin may be exempt from duty under HTS heading 9801.00.10. These deductions are generally based upon the values shown on the assembler's declaration and endorsed by the importer pursuant to section 10.24 of the Customs Regulations (19 CFR 10.24). When the values shown thereon appear unreasonable, other proof of value may be required.

After the implementation of the TSUS in 1963, no specific regulations were immediately issued with respect to the administration of former TSUS item 807.00. Rather, customs officers were informally advised to use section 10.1 of the Customs Regulations (19 CFR 10.1), relating to American goods returned without advancement in value. It was not until January 1968 that subsection (g), since amended, was added to section 10.1, specifically providing for the documentary proof to be filed in connection with the entry of articles containing U.S.-fabricated components claimed to be exempt from duty under TSUS item 807.00.

In October 1975, the Customs Service amended its regulations by adding sections 10.11 through 10.24 (19 CFR 10.11–10.24), which set forth definitions and interpretative regulations pertaining to TSUS item 807.00. The sections included examples describing specific situations in which the exemption from duty provided by TSUS item 807.00 might be available. Section 10.24 set forth the following documentary requirements applicable to assembled articles entered from former TSUS item 807.00:

(1) a declaration by the person who performed the assembling operations abroad listing and describing the U.S. components and describing the operations performed abroad on such components, and

(2) an endorsement of the importer declaring the declaration in (1) to be correct to the best of his knowledge and belief.

Section 10.24 also permitted the district director to revise the format of either of the documents specified above, waive specific details for each entry, and waive the foregoing documents if he "is satisfied that unusual circumstances make the production of either or both of the documents...or of any of the information set forth therein, impractical and is further satisfied that the requirements of item 807.00 ...and related headnotes have been met...."

As noted earlier, the duty treatment provided under former TSUS item 807.00 applied to fabricated components that are the product of the United States. In order to qualify for such treatment, the components must have been in condition ready for assembly without further fabrication after their exportation from the United States. However, components are not prohibited entry under former TSUS item 807.00 or current HTS heading 9802.00.80 because of foreign operations incidental to the assembly before, during, or after their assembly with other components, as long as the components do not lose their physical identity by change in form, shape, or otherwise. Thus, materials undefined in final dimension and shape which are cut abroad into specific shapes or patterns are not considered fabricated components and thus are not eligible for entry under this provision.

Under the relevant regulation (19 CFR 10.16), the assembly operations performed abroad may consist of any method used to join or fit together solid components, such as welding, soldering, riveting, force fitting, gluing, laminating, sewing, or the use of fasteners. They may be preceded, accompanied, or followed by operations incidental to assembly, as illustrated below. The mixing or combining of liquids, gases, chemicals, food ingredients, and amorphous solids with each other or with solid components is not regarded as assembly.

Operations incidental to the assembly process, whether performed before, during, or after assembly, do not constitute further fabrication and do not preclude entry under HTS heading 9802.00.80. The following are examples of operations which are deemed incidental to the assembly process:

(1) Cleaning;

(2) Removal of rust, grease, paint, or other preservative coating;

(3) Application of preservative paint or coating, including preservative metallic coating, lubricants, or protective encapsulation;

(4) Trimming, filing, or cutting off small amounts of excess materials;

(5) Adjustments in the shape or form of a component to the extent required by the assembly being performed abroad;

(6) Cutting to length of wire, thread, tape foil, and similar products exported in continuous lengths; separation by cutting of finished components, such as prestamped integrated circuit lead frames exported in multiple unit strips; and

(7) Final calibration, testing, marking, sorting, pressing, and folding of assembled articles.

Any significant process, operation, or treatment other than assembly whose primary purpose is the fabrication, completion, or physical or chemical improvement of a component, or which is not related to the assembly process, whether or not it effects a substantial transformation of the article, are not regarded as incidental to the assembly and preclude entry under the tariff provision. The following are examples of operations not considered incidental to assembly:

(1) Melting of exported ingots and pouring of the metal into molds to produce cast-metal parts;

(2) Cutting of garment parts according to pattern from exported material;

(3) Painting primarily intended to enhance the appearance of an article or to impart distinctive features or characteristics;

(4) Chemical treatment of components or assembled articles to impart new characteristics, such as shower-proofing, permapressing, sanforizing, dyeing, or bleaching of textiles;

(5) Machining, polishing, burnishing, peening, plating (other than plating incidental to the assembly), embossing, pressing, stamping, extruding, drawing, annealing, tempering, case hardening, and any other operation, treatment, or process which imparts significant new characteristics or qualities to the article affected.

The Customs interpretation of former TSUS items 806.30 and 807.00 (as noted above, expected generally to continue under the HTS) is in large part a result of the numerous significant interpretative decisions of the Court of International Trade and the Court of Appeals for the Federal Circuit over the last several years. The impact of these decisions is illustrated by the following statement from the Tariff Classification Study (schedule 8 volume, p. 103):

ITEM 807.00—Imports assembled with U.S. components. Item 807.00 contemplates that, when a finished component of U.S. origin is sent abroad and there assembled—without otherwise changing its condition—with one or more other components, the cost or value of such U.S. components shall not be included in the dutiable value of the assembled article in which it has been incorporated. *U.S. wire and tape, on spools, sent abroad where they are cut to length and then assembled with other components into a finished article are not finished components the cost of which may be deducted from the dutiable value of the imported article.* [Emphasis added.]

The subsequent series of cases involving General Instrument Corporation demonstrate the nature of the evolution of former TSUS item 807.00. The appellate court in *General Instrument Corporation* v. *United States,* 59 CCPA 171, 462 F.2d 1156, C.A.D. 1062 (1972), held that U.S.-fabricated wire was used directly in the assembly process "without further fabrication" within the meaning of that phrase in TSUS item 807.00 although it was cut into pieces abroad, when, for practical reasons, the assembly process required handling the wire directly from the spool and cutting it during that process. The court then extended its reasoning in *General Instrument Corporation* v. *United States,* 60 CCPA 178, 480 F.2d 1402, C.A.D. 1106 (1973), holding that there is no reason to consider articles cut to length prior to assembly subject to any different treatment than articles cut after assembly such as the wire bonded to a semiconductor chip and then severed in the earlier General Instrument Corporation case. In a third case of the same name, at 61 CCPA 86, 499 F.2d 1318, C.A.D. 1128 (1974), the court went even further in holding that the despooling, cementing, winding, and taping of wire are not "further fabrication" steps, but rather assembly steps within the meaning of TSUS item 807.00. The court stated, referring to the second General Instrument case, that "we can perceive no substantial differences between the instant assembly steps and those of General Instrument, which were held not to constitute 'further fabrication.'"

These and subsequent rulings by the courts, together with an intensified scrutiny of entries under the HTS provisions by the Customs Service, have added new dimensions to the interpretation of those tariff provisions.

Problems of Customs Administration

It is evident from the foregoing discussion that these two tariff provisions are not susceptible of easy application; this complicates their administration and thereby increases the potential incidence of misuse. For example, a prerequisite to the allowance of the partial duty exemptions is proof of the presence in the imported article of the exported U.S. metal article or fabr0icated component—not a substitute foreign equivalent. It is necessary to know precisely what U.S. articles were exported from the United States, that they were effectively segregated from and not commingled with foreign articles prior to their being processed or assembled, and exactly how they were used abroad in the production or manufacture of the imported article. Moreover, as indicated, the data required for valuation purposes are generally more complex and detailed than is required under ordinary circumstances.[6]

Ascertainment of the relevant facts is almost wholly dependent upon paper proof rather than physical examination of imports by customs officers. By reason of the large volume of trade under these provisions and the intricacy and mass of detailed information involved in each transaction, customs officers are, in practice, obliged to accept entries as submitted with only a limited opportunity for verification of their factual content.

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[6] A guide to the data requirements for importation under TSUS item 807.00 was published by the U.S. Customs Service under the title *Import Requirements on Articles Assembled Abroad from U.S. Components/Item 807.00 TSUS/: 807 Guide,* Customs Information Series C:79-1, 1979. For several illustrative cases, see: *Zwicker Knitting Mills* v. *United States,* 67 CCPA 37, C.A.D. 1240, 613 F.2d 295 (1980); *Southern Air Transport,* Inc. v. *United States,* 84 Cust. Ct., C.D. 4836 (1980); and *Mattel, Inc.* v. *United States,* 67 CCPA 74, 624 F.2d 1076 (1980).

Legislative History

Introduction

The HTS has carried forward the language and rates of duty of TSUS items 806.30 and 807.00 in subheading 9802.00.60 and heading 9802.00.80, respectively. Thus, for many importers, no effective change in the treatment of their particular goods by the Customs Service is likely (although case-by-case review is necessary).[7] The legislative history of the former TSUS items is more illuminating than that for chapter 98 and details the scope and intent of the prior provisions; it will therefore be discussed in some detail and, to a large extent, provides evidence of Congress' purpose in continuing the subject tariff treatment in the HTS.

Item 806.30

Former TSUS item 806.30 incorporated, without significant change, the provisions of paragraph 1615(g) of the Tariff Act of 1930, as amended by the Customs Simplification Act of 1956. According to its sponsor, the Honorable Victor A. Knox, the purpose of the provision was to facilitate the processing of U.S. metal articles in contiguous areas of Canada during breakdowns or other emergencies at nearby plants in the United States. In explanation, Mr. Knox stated on the floor of the House of Representatives that the provision would—

. . . permit manufacturers to send [metal articles] into Canada principally for processing . . . [when] . . . they are unable to process that particular metal product within their own plants. There have been periods of time when the industry has had breakdowns in manufacturing plant and did not have the facilities to continue on with the work . . .. It has been necessary for industry—I speak of the Detroit area—to ship to Algoma . . . Canada . . . metal products in order to have them processed, because there was no other plant accessible to the manufacturer to have this particular work done. . . . I believe there is no possibility that these particular products would ever be shipped to such countries as Belgium, Spain, Portugal, and so forth, because of high transportation cost . . . .[8] Debate on the United States Senate floor regarding the provision focused on whether it would tend to encourage importations of metal articles from low-wage countries. However, the Senate Committee on Finance, in reporting favorably on the provision, expressed no desire that its use be limited to imports from contiguous countries. In its analysis of the provision the Senate report stated:

Section 202 will permit manufacturers of any article of metal (except previous metal) processed in the United States to export such articles for further processing and at the time of reimportation to pay duty on the cost of the processing done in the foreign country.[9]

Item 807.00

The language of former TSUS item 807.00 was formulated by the U.S. Tariff Commission, now the U.S. International Trade Commission, in its Tariff Classification Study. This study was an important factor in the adoption of the TSUS, effective as of August 31, 1963 (Public Law 87-456, implemented by Presidential Proclamation No. 3548). TSUS item 807.00 had no direct counterpart in the tariff schedules in effect prior to August 31, 1963. It was designed to codify and regulate an anomalous but well-established Customs practice under paragraph 1615(a) of the Tariff Act of 1930, a result of a 1954 decision of the U.S. Customs Court (C.D. 1628) reversing an administrative ruling (abstract published as T.D. 52191).

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[7] *Conference Report on H.R. 3, the Omnibus Trade and Competitiveness Act of 1988*, House Report 10- 576, April 20, 1988, pp. 549-550.

[8] *Congressional Record*, July 13, 1953, pp. 8850-8859.

[9] Committee on Finance, United States Senate, Customs Simplification Act of 1954 . . . Report To Accompany H.R. 10009, Rept. No. 2326 (83rd Cong., 2d sess.), 1954, p. 5.

Paragraph 1615(a) provided for the duty-free entry of American products returned to the United States that had not been "advanced in value or improved in condition by any process of manufacture or other means." The Customs Court, in its 1954 decision (C.D. 1628), held that the labor expended abroad in installing an American motor in a Canadian-built motorboat did not advance the value of the American motor or improve it in condition. The court was of the opinion that the U.S. parts contained in the imported articles would qualify for duty-free entry if—

. . . by physical examination at the time of importation, they could be identified in the imported article as the identical American product exported from the United States and as not having been changed in any manner other than by their assembly with other parts into a new or different article.

If any work other than assembly with other parts was performed directly upon the American product, the allowance of duty would not have been accorded under paragraph 1615(a).

The Customs Service, in numerous rulings applying the principle of C.D. 1628 after 1954, allowed duty-free entry to American-made components assembled into foreign articles if, "under the theory of constructive segregation," the components were "capable of being identified and removed without injury" to themselves or to the articles into which they had been assembled.

TSUS item 807.00 continued the substance of earlier practice, but without the assumption that the American components had not been advanced in value or improved in condition by assembly and without reference to whether they could be removed without injury or constructively segregated.

In the Tariff Classification Study, the Commission commented on C.D. 1628 and the Customs Service practices based thereon as follows:

. . . There is no logic to attributing the labor costs involved in assembly exclusively to foreign parts, nor is there logic in holding that assembly operations do not advance or improve the component parts assembled therein. Such component parts reach their ultimate value only when they have been assembled into an article where they can in fact perform the function for which they were designed and made.

. . . Whether or not an American component can be separated from a foreign article "without injury" to either is an unrealistic and arbitrary condition upon which to predict partial exemption from duty.

The real issue is not whether you can remove "without injury" or "constructively segregate" the American part in order to "classify" it under paragraph 1615(a). The only classification of the imported article which must be made for tariff purposes is the classification of the imported article as an entirety. The substance of the issue is what proof shall be required to satisfy customs officers—

(1) that an American part has been assembled into the imported article, and

(2) that such part was assembled therein without having been changed in condition.

If (1) and (2) are satisfactorily proved, the question then arises as to how much allowance or deduction is to be made from the full value of the imported article on account of its having such "unimproved" American parts.[10]

To assist in the identification of the U.S. components, only the U.S. portion of the product (the exported components) were made eligible to be returned free of duty. The original language of the article description in TSUS item 807.00 was as follows:

[10] *Tariff Classification Study, Explanatory and Background Materials; Schedule 8.—Special Classification Provisions, Appendix to the Tariff Schedules,* Nov. 15, 1960, pp. 13 and 14.

Articles assembled abroad in whole or in part of products of the United States which were exported for such purposes and which have not been advanced in value or improved in condition by any means other than by the act of assembly.

The above language appeared to be ambiguous in certain respects and to preclude minor operations incidental to assembly abroad, such as painting. Therefore, in 1965, TSUS item 807.00 was amended by Public Law 89-241, as follows:

Articles assembled abroad in whole or in part of fabricated components, the products of the United States, which (a) were exported, in condition ready for assembly without further fabrication, for the purpose of such assembly and return to the United States, (b) have not lost their physical identity in such articles by change in form, shape, or otherwise, and (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process such as cleaning, lubricating, and painting.

Subsequently, in November 1966, the clause "for the purpose of such assembly and return to the United States" was deleted from the language of TSUS item 807.00, pursuant to Public Law 89-806. In a summary report of pending House-passed bills prepared for the use of the Senate Committee on Finance,[11] the bill (H.R. 11216, which became Public Law 89-806) is discussed as follows:

In the Tariff Schedules of the United States, item 807.00 continued this court-approved practice. However, the new provision eliminated the anomalies involved in the old practice, first by recognizing that U.S. components do increase in value by assembly operations and second by making it unnecessary to show that the U.S. component could be removed without injury to the assembled article. At the same time it was provided that for the duty-free treatment to apply on its return the U.S. component must have been sent abroad "for the purpose of assembly."

In the Tariff Schedules Technical Amendments Act of 1965 item 807.00 was clarified to make it clear that cleaning, lubricating, and painting could be performed in connection with the assembly function without subjecting the U.S. components to duty on their return to this country. In making this clarification, however, an additional restrictive clause was added to the duty-free provision. It requires that at the time of exportation of the U.S. component there be an intention that the assembled article is to be shipped to the United States. This additional restriction has raised complaints by interested importers and foreign shippers, and has also been said to introduce problems of customs administration.

H.R. 11216 would eliminate both the requirement that the American component be exported "for the purpose of such assembly" and the requirement that there be an intention at the time of exportation that it be returned to the United States. It would still be necessary, however, for the importer to establish by satisfactory proof that the components of an imported article for which duty-free treatment is claimed are, in fact, components produced in the United States. Moreover, it must be shown that they have not lost their physical identity in the assembled article and have not been advanced in value or improved in condition abroad except by the assembly operation, or operations, incidental to assembly.

[11] Committee on Finance, United States Senate, Summary of Minor House Passed Bills Pending Before the Committee on Finance, 1966, p. 14.

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APPENDIX B
STATISTICAL TABLES AND CONCORDANCES

Table B-1

U.S. imports for consumption under HTS subheadings 9802.00.60 and 9802.00.80, 1970-88

(In million of dollars)

Year	Total value			Dutiable value			Value of U.S. products		
	9802.00.60	9802.00.80	Total	9802.00.60	9802.00.80	Total	9802.00.60	9802.00.80	Total
1970	204.0	2004.2	2208.2	101.3	1570.5	1671.8	102.6	433.7	536.3
1971	199.4	2,566.4	2,765.8	75.1	2,030.8	2,105.9	124.3	535.6	659.9
1972	318.3	3,090.5	3,408.8	130.3	2,410.1	2,540.4	187.9	680.4	868.3
1973	462.6	3,784.5	4,247.1	212.9	3,025.4	3,238.3	249.7	759.1	1,008.8
1974	543.7	4,828.1	5,371.8	240.4	3,818.6	4,059.0	303.3	1,009.5	1,312.8
1975[1]	454.6	4,707.8	5,162.4	192.6	3,703.9	3,896.5	262.0	1,003.9	1,265.9
1976[1]	474.0	5,247.5	5,721.5	199.2	3,976.2	4,175.4	274.8	1,271.3	1,546.1
1977	465.1	6,723.4	7,188.5	190.7	5,021.4	5,212.1	274.4	1,702.0	1,976.4
1978	398.1	9,337.1	9,735.2	154.8	6,988.9	7,143.7	243.2	2,348.3	2,591.5
1979[1]	407.7	11,559.3	11,967.0	172.8	8,468.3	8,641.1	234.9	3,091.0	3,325.9
1980[1]	254.1	13,762.2	14,016.5	83.5	10,178.2	10,261.8	170.5	3,584.0	3,754.7
1981	256.5	15,924.0	16,180.8	80.3	11,653.9	11,734.2	176.2	4,270.3	4,446.6
1982	358.0	17,950.8	18,308.8	116.0	13,473.2	13,589.2	242.0	4,477.5	4,719.5
1983	341.5	21,234.4	21,575.9	112.5	16,076.8	16,189.3	229.0	5,157.6	5,386.6
1984	450.2	28,122.4	28,572.6	140.9	21,221.2	21,362.1	309.3	6,901.2	7,210.5
1985	419.7	30,115.4	30,535.1	144.6	24,565.7	24,710.3	275.0	5,549.7	5,824.7
1986	465.5	36,031.4	36,496.9	157.1	30,059.3	30,216.4	308.4	5,972.1	6,280.5
1987	953.9	67,595.1	68,549.0	538.4	55,067.9	55,606.2	415.6	12,527.2	12,942.8
1988	929.1	72,803.5	73,732.6	459.2	56,449.3	56,908.5	469.8	16,354.1	16,823.9

[1] Imports under subheading 9802.00.60 were slightly understated for 1975, 1976, 1979, and 1980 in earlier issues of this tabulation.

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

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted. Minor adjustments to official statistics were made to correct cases of misreporting. Statistics previously reported for certain commodity groupings have been revised to reflect changes in assignment made by the Commission's international trade analysts.

Since 1980, the staff of the Commission has made substantial revisions to the Census reported figures. These revisions, for the most part, were attributable to the exclusion of duty-free civil aircraft subheadings. The civil aircraft subheadings also reflect reimportation of American products, either further processed or assembled overseas.

Table B-2

U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

(In millions of dollars)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1985			
Japan	236.7	156.4	80.3
Canada	98.3	65.2	33.1
Belgium and Luxembourg	12.5	7.1	5.4
West Germany	12.0	7.0	5.0
France	6.8	3.8	3.0
United Kingdom	.9	.4	.5
Netherlands	.2	.2	(1)
Sweden	.1	(1)	(1)
Switzerland	.1	(1)	.1
Norway	.1	(1)	(1)
Ireland	(1)	(1)	(1)
Austria	(1)	(1)	(1)
Total, developed countries	367.7	240.2	127.5
Mexico	30.3	22.2	8.2
Malaysia	6.3	3.8	2.6
Singapore	5.8	3.5	2.4
Taiwan	5.2	4.2	.9
Costa Rica	1.3	.6	.7
Israel	1.1	.2	.9
Hong Kong	1.0	(1)	1.0
Philippines	.3	.2	.1
St Christopher-Nevis	.2	(1)	.1
Brazil	.2	.1	.1
South Korea	.1	.1	.1
Senegal	.1	.1	(1)
French West Indies	(1)	(1)	(1)
Montserrat	(1)	(1)	(1)
Poland	(1)	(1)	(1)
All other	(1)	(1)	(1)
Total, less developed countries	52.0	34.9	17.1
Grand total	419.7	275.1	144.6

See footnotes at end of table.

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Table B-2—Continued

U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

(In millions of dollars)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1986			
Japan	230.6	145.6	85.0
Canada	82.5	60.7	21.8
West Germany	22.8	12.5	10.3
Belgium and Luxembourg	17.0	8.6	8.4
Italy	7.9	5.1	2.8
France	6.0	2.3	3.6
Switzerland	2.1	1.1	1.0
United Kingdom	.8	.5	.3
Sweden	.5	(1)	.5
Netherlands	.1	(1)	(1)
Australia	(1)	(1)	(1)
Denmark	(1)	(1)	(1)
Ireland	(1)	(1)	(1)
Total, developed countries	370.3	236.5	133.8
Mexico	89.9	69.0	20.8
Singapore	4.2	2.4	1.7
Philippines	.4	.1	.3
Senegal	.3	.2	.1
Brazil	.2	.1	.1
Taiwan	.1	.1	(1)
St Christopher-Nevis	.1	(1)	(1)
Hong Kong	(1)	(1)	(1)
Poland	(1)	(1)	(1)
Mozambique	(1)	(1)	(1)
Costa Rica	(1)	(1)	(1)
Panama	(1)	(1)	(1)
Haiti	(1)	(1)	(1)
Malaysia	(1)	(1)	(1)
South Korea	(1)	(1)	(1)
Total, less developed countries	95.3	72.0	23.3
Grand total	465.5	308.4	157.1

See footnotes at end of table.

B-4

Table B-2—Continued

U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

(In millions of dollars)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1987			
Canada	550.6	200.4	350.2
Japan	176.0	107.4	68.6
Italy	70.8	5.6	65.2
West Germany	14.4	7.9	6.4
United Kingdom	4.6	2.0	2.5
France	1.2	.7	.5
Switzerland	1.2	.8	.3
Belgium and Luxembourg	1.1	.6	.5
Australia	.9	.4	.5
Denmark	.3	.2	.1
Netherlands	.2	.1	.1
Austria	.2	.1	.1
Sweden	.1	.1	(1)
Ireland	.1	(1)	(1)
Total, developed countries	821.5	326.4	495.1
Mexico	112.3	76.2	36.1
Brazil	11.1	7.8	3.3
Singapore	4.6	2.6	2.0
Portugal	2.4	1.7	.7
Philippines	.5	.1	.5
South Korea	.3	.2	.1
Senegal	.3	.2	.1
Malaysia	.3	.2	.1
Taiwan	.2	.1	.2
Spain	.1	(1)	.1
Venezuela	.1	.1	(1)
Mozambique	(1)	(1)	(1)
China	(1)	(1)	(1)
Hong Kong	(1)	(1)	(1)
St Lucia	(1)	(1)	(1)
All other	(1)	(1)	(1)
Total, less developed countries	132.4	89.1	43.3
Grand total	953.9	415.6	538.4

See footnotes at end of table.

Table B-2—Continued

U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

(In millions of dollars)

Source		*Total value*	*Duty-free value*	*Dutiable value*
1988				
Canada	618.8	264.3		354.6
Japan	92.1	58.8		33.3
West Germany	26.6	16.0		10.5
France	21.7	15.5		6.2
Italy	18.6	2.7		15.9
United Kingdom	10.3	2.7		7.6
Switzerland	1.3	.7		.6
Belgium	1.1	.9		.2
Australia	.7	.3		.4
Ireland	.3	.2		.1
Sweden	.3	.1		.2
Netherlands	.2	.1		.1
Denmark	([1])	([1])		([1])
Total, developed countries	792.1	362.4		429.6
Mexico	131.0	103.9		27.1
Singapore	3.8	2.2		1.7
Philippines	.8	.4		.3
Austria	.6	.3		.2
Taiwan	.3	.2		.1
Costa Rica	.1	.1		([1])
Brazil	.1	.1		([1])
Thailand	.1	.1		([1])
Hong Kong	.1	([1])		([1])
Israel	.1	([1])		([1])
Malaysia	([1])	([1])		([1])
Senegal	([1])	([1])		([1])
China	([1])	([1])		([1])
Barbados	([1])	([1])		([1])
Montserrat	([1])	([1])		([1])
All other	([1])	([1])		([1])
Total, less developed countries	137.0	107.4		29.6
Grand total	929.1	469.8		459.2

[1] Less than $50,000.

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

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

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Table B-3

Share of U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

(In percent of grand total)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1985			
Japan	56.4	56.9	55.5
Canada	23.4	23.7	22.9
Belgium and Luxembourg	3.0	2.6	3.7
West Germany	2.9	2.5	3.4
France	1.6	1.4	2.1
United Kingdom	.2	.2	.4
Netherlands	(1)	.1	(1)
Sweden	(1)	(1)	(1)
Switzerland	(1)	(1)	(1)
Norway	(1)	(1)	(1)
Ireland	(1)	(1)	(1)
Austria	(1)	(1)	(1)
Total, developed countries	87.5	87.4	88.0
Mexico	7.2	8.1	5.6
Malaysia	1.5	1.4	1.8
Singapore	1.4	1.3	1.6
Taiwan	1.2	1.5	.6
Costa Rica	.3	.2	.5
Israel	.3	.1	.6
Hong Kong	.2	(1)	.7
Philippines	.1	.1	(1)
St Christopher-Nevis	(1)	(1)	.1
Brazil	(1)	(1)	.1
South Korea	(1)	(1)	.1
Senegal	(1)	(1)	(1)
French West Indies	(1)	(1)	(1)
Montserrat	(1)	(1)	(1)
Poland	(1)	(1)	(1)
All other	(1)	(1)	(1)
Total, less developed countries	12.2	12.7	11.7
Grand total	100.0	100.0	100.0

See footnotes at end of table.

Table B-3—Continued

Share of U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

(In percent of grand total)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1986			
Japan	49.5	47.2	54.1
Canada	17.7	19.7	13.9
West Germany	4.9	4.1	6.5
Belgium and Luxembourg	3.6	2.8	5.4
Italy	1.7	1.7	1.8
France	1.3	.8	2.3
Switzerland	.5	.4	.6
United Kingdom	.2	.2	.2
Sweden	.1	(1)	.3
Netherlands	(1)	(1)	(1)
Australia	(1)	(1)	(1)
Denmark	(1)	(1)	(1)
Ireland	(1)	(1)	(1)
Total, developed countries	79.5	76.9	85.1
Mexico	19.3	22.4	13.3
Singapore	.9	.8	1.1
Philippines	.1	(1)	.2
Senegal	.1	.1	.1
Brazil	(1)	(1)	.1
Taiwan	(1)	(1)	(1)
St Christopher-Nevis	(1)	(1)	(1)
Hong Kong	(1)	(1)	(1)
Poland	(1)	(1)	(1)
Mozambique	(1)	(1)	(1)
Costa Rica	(1)	(1)	(1)
Panama	(1)	(1)	(1)
Haiti	(1)	(1)	(1)
Malaysia	(1)	(1)	(1)
South Korea	(1)	(1)	(1)
All other	(1)	(1)	(1)
Total, less developed countries	20.4	23.3	14.8
Grand total	100.0	100.0	100.0

See footnotes at end of table.

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Table B-3—Continued

Share of U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

(In percent of grand total)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1987			
Canada	57.7	48.2	65.0
Japan	18.5	25.8	12.7
Italy	7.4	1.3	12.1
West Germany	1.5	1.9	1.2
United Kingdom	.5	.5	.5
France	.1	.2	.1
Switzerland	.1	.2	.1
Belgium and Luxembourg	.1	.2	.1
Australia	.1	.1	.1
Denmark	(1)	.1	(1)
Netherlands	(1)	(1)	(1)
Austria	(1)	(1)	(1)
Sweden	(1)	(1)	(1)
Ireland	(1)	(1)	(1)
Total, developed countries	86.0	78.5	91.9
Mexico	11.8	18.3	6.7
Brazil	1.2	1.9	.6
Singapore	.5	.6	.4
Portugal	.3	.4	.1
Philippines	.1	(1)	.1
South Korea	(1)	(1)	(1)
Senegal	(1)	(1)	(1)
Malaysia	(1)	.1	(1)
Taiwan	(1)	(1)	(1)
Spain	(1)	(1)	(1)
Venezuela	(1)	(1)	(1)
Mozambique	(1)	(1)	(1)
China	(1)	(1)	(1)
Hong Kong	(1)	(1)	(1)
St Lucia	(1)	(1)	(1)
All other	(1)	(1)	(1)
Total, less developed countries	13.9	21.3	7.9
Grand total	100.0	100.0	100.0

See footnotes at end of table.

B-9

Table B-3—Continued

Share of U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1985-88

(In percent of grand total)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1988			
Canada	66.6	56.2	77.2
Japan	9.9	12.5	7.2
West Germany	2.9	3.4	2.3
France	2.3	3.3	1.3
Italy	2.0	.6	3.5
United Kingdom	1.1	.6	1.7
Switzerland	.1	.1	.1
Belgium	.1	.2	(1)
Australia	.1	.1	.1
Austria	.1	.1	.1
Ireland	(1)	(1)	(1)
Sweden	(1)	(1)	(1)
Netherlands	(1)	(1)	(1)
Denmark	(1)	(1)	(1)
Total, developed countrie	85.2	77.1	93.5
Mexico	14.1	22.1	5.9
Singapore	.4	.5	.4
Philippines	.1	.1	.1
Taiwan	(1)	(1)	(1)
Costa Rica	(1)	(1)	(1)
Brazil	(1)	(1)	(1)
Thailand	(1)	(1)	(1)
Hong Kong	(1)	(1)	(1)
Israel	(1)	(1)	(1)
Malaysia	(1)	(1)	(1)
Senegal	(1)	(1)	(1)
China	(1)	(1)	(1)
Barbados	(1)	(1)	(1)
Montserrat	(1)	(1)	(1)
El Salvador	(1)	(1)	(1)
All other	(1)	(1)	(1)
Total, less developed countries	14.6	22.7	6.4
Grand total	100.0	100.0	100.0

[1] Less than .05 percent

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

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

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Table B-4

U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

(In millions of dollars)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1985			
Japan	10,990.0	132.8	10,857.3
West Germany	4,657.1	108.9	4,548.3
Canada	1,926.8	569.7	1,357.1
Sweden	1,143.4	37.0	1,106.5
United Kingdom	658.9	70.8	588.1
France	401.5	53.0	348.4
Belgium and Luxembourg	143.3	11.1	132.2
Netherlands	123.6	16.0	107.6
Italy	100.4	30.7	69.7
Ireland	74.1	16.5	57.6
Austria	19.0	.6	18.4
Denmark	17.9	1.5	16.4
Switzerland	8.1	2.4	5.8
Republic of South Africa	3.4	1.1	2.3
Finland	2.3	.5	1.7
All other	4.7	1.4	3.3
Total, developed countries	20,274.5	1,054.0	19,220.6
Mexico	5,536.7	2,933.6	2,603.2
Singapore	995.5	192.2	803.3
Taiwan	518.1	95.9	422.3
Malaysia	427.2	216.9	210.3
South Korea	397.8	175.3	222.6
Hong Kong	393.0	78.4	314.6
Philippines	297.8	141.2	156.5
Brazil	289.4	42.4	247.1
Dominican Republic	246.6	176.5	70.2
Haiti	221.0	149.1	71.9
Costa Rica	98.4	70.7	27.7
Barbados	69.3	43.8	25.5
Thailand	63.2	24.7	38.5
Jamaica	41.5	29.2	12.3
Colombia	32.6	22.5	10.1
All other	212.7	103.4	109.2
Total, less developed countries	9,840.9	4,495.8	5,345.1
Grand total	30,115.4	5,549.7	24,565.7

See footnotes at end of table.

Table B-4—Continued

U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

(In millions of dollars)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1986			
Japan	13,468.5	174.5	13,294.0
West Germany	6,254.5	108.4	6,146.1
Canada	2,924.3	853.1	2,071.3
Sweden	1,180.7	35.8	1,144.9
United Kingdom	923.2	63.3	859.9
France	576.4	71.4	504.9
Italy	155.5	31.0	124.5
Belgium and Luxembourg	140.2	11.0	129.1
Netherlands	82.8	23.7	59.1
Ireland	51.9	14.9	36.9
Denmark	21.2	1.7	19.5
Switzerland	11.8	2.1	9.7
Austria	7.9	.4	7.5
New Zealand	5.1	.4	4.7
Australia	4.7	1.7	3.0
All other	4.0	1.2	2.8
Total, developed countries	25,812.6	1,394.6	24,418.0
Mexico	6,366.7	3,331.8	3,035.0
South Korea	949.5	66.3	883.2
Taiwan	518.5	91.0	427.5
Brazil	398.7	146.4	252.4
Singapore	365.5	71.5	293.9
Dominican Republic	329.1	236.0	93.1
Haiti	206.4	141.7	64.7
Hong Kong	205.7	46.1	159.6
Malaysia	202.5	84.8	117.7
Philippines	168.4	65.9	102.5
Costa Rica	133.1	91.9	41.2
Jamaica	70.2	50.9	19.3
Colombia	40.0	25.8	14.2
Honduras	32.8	22.9	9.9
Thailand	29.7	8.6	21.2
All other	202.0	95.9	106.0
Total, less developed countries	10,218.9	4,577.6	5,641.3
Grand total	36,031.5	5,972.1	30,059.3

See footnotes at end of table.

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Table B-4—Continued

U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

(In millions of dollars)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1987			
Canada	21,001.5	3,782.5	17,219.0
Japan	14,706.3	379.1	14,327.1
West Germany	7,978.3	126.2	7,852.1
United Kingdom	1,864.8	267.1	1,597.8
France	1,708.7	259.8	1,448.9
Sweden	1,397.5	86.5	1,311.1
Belgium and Luxembourg	338.4	10.2	328.2
Italy	271.7	49.2	222.5
Netherlands	111.3	29.8	81.5
Ireland	34.5	10.9	23.5
Denmark	19.0	1.4	17.7
Finland	16.3	2.6	13.7
Switzerland	10.0	2.0	8.0
Australia	6.0	2.1	4.0
Norway	3.3	1.0	2.4
All other	5.8	.5	5.2
Total, developed countries	49,473.6	5,010.8	44,462.8
Mexico	8,576.4	4,417.2	4,159.1
South Korea	2,676.1	391.2	2,284.9
Singapore	1,697.9	386.5	1,311.4
Malaysia	1,075.2	622.0	453.2
Taiwan	941.1	234.3	706.8
Philippines	643.1	322.0	321.2
Brazil	593.3	88.1	505.2
Dominican Republic	428.6	294.3	134.4
Hong Kong	359.9	83.8	276.1
Haiti	232.6	164.5	68.1
Thailand	221.3	149.4	71.9
Costa Rica	145.8	97.5	48.3
Jamaica	115.8	85.4	30.4
Yugoslavia	71.7	8.2	63.5
Colombia	48.0	30.6	17.4
All other	294.5	141.4	153.0
Total, less developed countries	18,121.5	7,516.4	10,605.1

See footnotes at end of table.

B-13

Table B-4—Continued

U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

(In millions of dollars)

Source		*Total value*	*Duty-free value*	*Dutiable value*
1988				
Canada	24,776.9	6,517.9		18,259.0
Japan	15,717.7	257.1		15,460.6
West Germany	4,884.0	97.1		4,786.9
Sweden	1,715.7	49.5		1,666.2
United Kingdom	1,643.4	213.0		1,430.3
France	1,381.6	205.7		1,175.9
Belgium	343.5	7.3		336.2
Italy	253.5	17.6		236.0
Netherlands	246.0	43.6		202.4
Ireland	32.1	8.9		23.2
Denmark	16.4	.9		15.5
Norway	5.9	1.8		4.1
Switzerland	5.1	1.3		3.8
Australia	3.6	1.3		2.3
Liechtenstein	3.6	.5		3.1
All other	4.2	1.0		3.1
Total, developed countries	51,033.2	7,424.5		43,608.7
Mexico	10,653.5	5,299.8		5,353.7
South Korea	3,088.7	543.8		2,544.9
Singapore	1,856.9	442.0		1,414.9
Malaysia	1,211.7	656.3		555.4
Taiwan	1,027.4	238.7		788.7
Brazil	820.3	115.7		704.6
Philippines	639.8	295.4		344.5
Dominican Republic	562.4	381.1		181.3
Thailand	397.6	181.7		215.8
Hong Kong	369.8	142.0		227.8
Haiti	215.6	146.4		69.2
Costa Rica	205.2	140.2		64.9
Jamaica	139.1	97.4		41.7
Yugoslavia	91.9	10.1		81.8
Colombia	82.6	50.0		32.6
All other	407.8	189.0		218.8
Total, less developed countries	21,770.3	8,929.6		12,840.7
Grand total	72,803.5	16,354.1		56,449.4

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

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

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Table B-5

Share of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

(In percent of grand total)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1985			
Japan	36.5	2.4	44.2
West Germany	15.5	2.0	18.5
Canada	6.4	10.3	5.5
Sweden	3.8	.7	4.5
United Kingdom	2.2	1.3	2.4
France	1.3	1.0	1.4
Belgium and Luxembourg	.5	.2	.5
Netherlands	.4	.3	.4
Italy	.3	.6	.3
Ireland	.2	.3	.2
Austria	.1	(1)	.1
Denmark	.1	(1)	.1
Switzerland	(1)	(1)	(1)
Republic of South Africa	(1)	(1)	(1)
Finland	(1)	(1)	(1)
All other	(1)	(1)	(1)
Total, developed countries	67.3	19.1	78.1
Mexico	18.4	52.9	10.6
Singapore	3.3	3.5	3.3
Taiwan	1.7	1.7	1.7
Malaysia	1.4	3.9	.9
South Korea	1.3	3.2	.9
Hong Kong	1.3	1.4	1.3
Philippines	1.0	2.5	.6
Brazil	1.0	.8	1.0
Dominican Republic	.8	3.2	.3
Haiti	.7	2.7	.3
Costa Rica	.3	1.3	.1
Barbados	.2	.8	.1
Thailand	.2	.4	.2
Jamaica	.1	.5	.1
Colombia	.1	.4	(1)
All other	.7	1.9	.4
Total, less developed countries	31.8	79.2	21.4
Grand total	100.0	100.0	100.0

See footnotes at end of table.

B-15

Table B-5—Continued

Share of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

(In percent of grand total)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1986			
Japan	37.4	2.9	44.2
West Germany	17.4	1.8	20.4
Canada	8.1	14.3	6.9
Sweden	3.3	.6	3.8
United Kingdom	2.6	1.1	2.9
France	1.6	1.2	1.7
Italy	.4	.5	.4
Belgium and Luxembourg	.4	.2	.4
Netherlands	.2	.4	.2
Ireland	.1	.3	.1
Denmark	.1	(1)	.1
Switzerland	(1)	(1)	(1)
Austria	(1)	(1)	(1)
New Zealand	(1)	(1)	(1)
Australia	(1)	(1)	(1)
All other	(1)	(1)	(1)
Total, developed countries	71.6	23.3	81.1
Mexico	17.7	55.8	10.1
South Korea	2.6	1.1	2.9
Taiwan	1.4	1.5	1.4
Brazil	1.1	2.5	.8
Singapore	1.0	1.2	1.0
Dominican Republic	.9	4.0	.3
Haiti	.6	2.4	.2
Hong Kong	.6	.8	.5
Malaysia	.6	1.4	.4
Philippines	.5	1.1	.3
Costa Rica	.4	1.5	.1
Jamaica	.2	.9	.1
Colombia	.1	.4	(1)
Honduras	.1	.4	(1)
Thailand	.1	.1	.1
All other	.6	1.6	.4
Total, less developed countries	27.9	75.1	18.2
Grand total	100.0	100.0	100.0

See footnotes at end of table.

B-16

Table B-5—Continued

Share of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

(In percent of grand total)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1987			
Canada	31.1	30.2	31.3
Japan	21.8	3.0	26.0
West Germany	11.8	1.0	14.3
United Kingdom	2.8	2.1	2.9
France	2.5	2.1	2.6
Sweden	2.1	.7	2.4
Belgium and Luxembourg	.5	.1	.6
Italy	.4	.4	.4
Netherlands	.2	.2	.1
Ireland	.1	.1	(1)
Denmark	(1)	(1)	(1)
Finland	(1)	(1)	(1)
Switzerland	(1)	(1)	(1)
Australia	(1)	(1)	(1)
Norway	(1)	(1)	(1)
All other	(1)	(1)	(1)
Total, developed countries	73.3	39.9	80.6
Mexico	12.7	35.3	7.6
South Korea	4.0	3.1	4.1
Singapore	2.5	3.1	2.4
Malaysia	1.6	5.0	.8
Taiwan	1.4	1.9	1.3
Philippines	1.0	2.6	.6
Brazil	.9	.7	.9
Dominican Republic	.6	2.3	.2
Hong Kong	.5	.7	.5
Haiti	.3	1.3	.1
Thailand	.3	1.2	.1
Costa Rica	.2	.8	.1
Jamaica	.2	.7	.1
Yugoslavia	.1	.1	.1
Colombia	.1	.2	(1)
All other	.4	1.1	.3
Total, less developed countries	26.4	59.0	18.9
Grand total	100.0	100.0	100.0

See footnotes at end of table.

Table B-5—Continued

Share of U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1985-88

(In percent of grand total)

Source	*Total value*	*Duty-free value*	*Dutiable value*
1988			
Canada	34.0	39.9	32.3
Japan	21.6	1.6	27.4
West Germany	6.7	.6	8.5
Sweden	2.4	.3	3.0
United Kingdom	2.3	1.3	2.5
France	1.9	1.3	2.1
Belgium	.5	(1)	.6
Italy	.3	.1	.4
Netherlands	.3	.3	.4
Ireland	(1)	.1	(1)
Austria	(1)	(1)	(1)
Denmark	(1)	(1)	(1)
Switzerland	(1)	(1)	(1)
Australia	(1)	(1)	(1)
Liechtenstein	(1)	(1)	(1)
All other	(1)	(1)	(1)
Total, developed countries	70.0	45.5	77.2
Mexico	14.6	32.4	9.5
South Korea	4.2	3.3	4.5
Singapore	2.6	2.7	2.5
Malaysia	1.7	4.0	1.0
Taiwan	1.4	1.5	1.4
Brazil	1.1	.7	1.2
Philippines	.9	1.8	.6
Dominican Republic	.8	2.3	.3
Thailand	.5	1.1	.4
Hong Kong	.5	.9	.4
Haiti	.3	.9	.1
Costa Rica	.3	.9	.1
Jamaica	.2	.6	.1
Yugoslavia	.1	.1	.1
Colombia	.1	.3	.1
All other	.5	1.1	.4
Total, less developed countries	29.3	53.5	22.3
Grand total	100.0	100.0	100.0

[1] Less than .05 percent

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

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

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Table B-6
U.S. imports for consumption under HTS subheading 9802.00.60, by commodity groups, 1985-88
(In thousands of dollars)

Commodity group	1985 Total value	1985 Duty-free value	1985 Dutiable value	1986 Total value	1986 Duty-free value	1986 Dutiable value
Agricultural, animal, and vegetable products	4	1	4	0	0	0
Forest products	0	0	0	1	(1)	1
Textiles, apparel, and footwear	0	0	0	5	4	(1)
Chemicals, coal, petroleum, natural gas, and related products:						
Certain inorganic chemical compounds	8,299	4,996	3,303	8,602	4,886	3,716
All other articles	31	14	17	1,263	924	339
Total	8,330	5,010	3,320	9,865	5,810	4,055
Minerals and metals:						
Iron and steel mill products, all grades	20,982	13,964	7,018	56,887	39,361	17,526
Shapes and plates of iron or steel, all grades	4,417	2,386	2,031	5,616	2,781	2,835
Pipe and tubing of iron or steel, all grades	1,036	603	434	819	556	264
Wire and wire products of iron or steel, all grades	254	147	107	1,196	514	682
Sheets and strip of iron or steel, all grades, including tin mill products	14,123	10,131	3,992	45,001	32,819	12,182
Other	1,151	696	455	4,255	2,691	1,564
Copper, wrought	2,770	1,770	1,000	1,142	720	422
Aluminum	266,274	181,740	84,534	273,757	181,075	92,682
Aluminum, unwrought	905	613	292	0	0	0
Aluminum, wrought other than foil	254,491	174,538	79,954	262,670	175,738	86,932
Aluminum foil	10,878	6,589	4,289	11,086	5,337	5,750
Nickel, wrought	681	552	129	817	704	113
Lead, unwrought	45	23	21	220	164	56
Tantalum, unwrought, unalloyed	2,033	1,469	564	2,150	1,523	626
Titanium, wrought	6,266	5,304	962	6,224	5,357	868
Tungsten, unwrought	438	180	258	535	221	315
Tungsten, wrought	278	103	175	211	95	117
Hinges, fittings and mountings, n.s.p.f	2,449	1,234	1,215	2,963	1,293	1,670
Interchangeable tools for hand-tools or for machine tools	1,549	1,082	467	1,551	1,097	454
All other articles	33,292	20,877	12,414	66,008	45,236	20,773
Total	337,056	228,298	108,758	412,466	276,846	135,620
Machinery and equipment:						
Parts of steam generating boilers	842	284	557	448	173	274
Parts of steam turbines	0	0	0	0	0	0
Internal combustion engines and parts thereof	1,753	1,490	263	1,154	972	183
Pumps and compressors, and parts thereof	2,079	1,117	962	927	426	502
Lifting, handling, loading, and unloading machinery and parts thereof	8	7	1	898	756	142
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	2,261	1,373	888	2,111	1,535	576
Office machines and parts thereof	6,200	2,469	3,731	295	108	187
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	2,274	1,110	1,164	2,688	1,155	1,533
Miscellaneous machinery parts	48	(1)	48	1	(1)	1
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	7,925	5,698	2,227	9,422	6,706	2,717

See footnotes at end of table.

Table B-6—Continued

U.S. imports for consumption under HTS subheading 9802.00.60, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1985 Total value	1985 Duty-free value	1985 Dutiable value	1986 Total value	1986 Duty-free value	1986 Dutiable value
Machinery and equipment—Continued:						
Parts of steam generating boilers	842	284	557	448	173	274
Parts of steam turbines	0	0	0	0	0	0
Internal combustion engines and parts thereof	1,753	1,490	263	1,154	972	183
Pumps and compressors, and parts thereof	2,079	1,117	962	927	426	502
Lifting, handling, loading, and unloading machinery and parts thereof	8	7	1	898	756	142
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	2,261	1,373	888	2,111	1,535	576
Office machines and parts thereof	6,200	2,469	3,731	295	108	187
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	2,274	1,110	1,164	2,688	1,155	1,533
Miscellaneous machinery parts	48	(1)	48	1	(1)	1
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	7,925	5,698	2,227	9,422	6,706	2,717
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	1,075	352	723	522	337	185
Electrical capacitors	0	0	0	20	16	5
Articles for making and breaking electrical circuits	1,460	794	666	2,487	1,475	1,012
Electronic tubes (except X-ray)	6,017	3,564	2,452	4,342	2,543	1,799
Semiconductors	7,852	4,478	3,374	140	117	23
Miscellaneous electrical articles	909	787	122	1,431	1,176	254
Parts for rail locomotives and rolling stock	34	6	28	52	21	31
Bodies and chassis for motor vehicles, and other motor vehicle parts	2,352	1,729	624	1,954	1,535	420
Parts of aircraft and space-craft	17,200	9,061	8,139	280	205	75
All other articles	10,364	5,027	5,337	12,157	5,356	6,801
Total	70,653	39,347	31,306	41,330	24,611	16,719
Miscellaneous manufactures	3,610	2,367	1,243	1,875	1,160	715
Grand total	419,654	275,022	144,632	465,542	308,431	157,110

See footnotes at end of table.

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Table B-6—Continued

U.S. imports for consumption under HTS subheading 9802.00.60, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1987 Total value	1987 Duty-free value	1987 Dutiable value	1988 Total value	1988 Duty-free value	1988 Dutiable value
Agricultural, animal, and vegetable products	0	0	0	0	0	0
Forest products	0	0	0	0	0	0
Textiles, apparel, and footwear	0	0	0	0	0	0
Chemicals, coal, petroleum, natural gas, and related products						
Certain inorganic chemical compounds	8,030	4,618	3,411	10,015	4,470	5,545
All other articles	47	17	30	287	172	114
Total	8,076	4,635	3,441	10,301	4,643	5,659
Minerals and metals:						
Iron and steel mill products, all grades	62,151	38,762	23,388	98,267	60,698	37,569
Shapes and plates of iron or steel, all grades	332	192	140	749	552	197
Pipe and tubing of iron or steel, all grades	1,441	1,031	410	9,765	6,692	3,074
Wire and wire products of iron or steel, steel, all grades	1,371	548	824	903	600	303
Sheets and strip of iron or steel, all grades, including tin mill products	40,642	29,066	11,576	63,602	48,564	15,038
Other	18,364	7,925	10,438	23,247	4,291	18,956
Copper, wrought	4,261	2,561	1,700	18,129	12,746	5,383
Aluminum	218,228	142,128	76,100	226,249	170,695	55,554
Aluminum, unwrought	0	0	0	0	0	0
Aluminum, wrought other than foil	207,677	137,158	70,519	212,805	164,496	48,310
Aluminum foil	10,537	4,967	5,571	13,444	6,200	7,244
Nickel, wrought	91	80	11	0	0	0
Lead, unwrought	307	210	96	280	193	87
Tantalum, unwrought, unalloyed	2,618	1,472	1,146	3,560	2,185	1,375
Titanium, wrought	7,197	6,165	1,033	450	198	253
Tungsten, unwrought	351	133	218	472	155	317
Tungsten, wrought	0	0	0	0	0	0
Hinges, fittings and mountings, n.s.p.f	2,977	1,082	1,895	2,972	968	2,004
Interchangeable tools for hand-tools or for machine tools	788	543	245	865	664	201
All other articles	73,999	45,944	28,055	18,347	13,499	4,848
Total	372,968	239,080	133,888	369,593	262,001	107,592
Machinery and equipment:						
Parts of steam generating boilers	1,018	196	822	2,977	699	2,279
Parts of steam turbines	14	(1)	14	16	14	3
Internal combustion engines and parts thereof	5,364	2,427	2,937	47,173	19,109	28,065
Pumps and compressors, and parts thereof	932	382	550	1,457	1,017	441
Lifting, handling, loading, and unloading machinery and parts thereof	5,484	1,584	3,900	7	7	(1)
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	20,464	16,379	4,085	18,020	13,430	4,590
Office machines and parts thereof	426	58	368	706	190	516
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	4,233	2,208	2,026	4,152	2,216	1,936

See footnotes at end of table.

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Table B-6—Continued

U.S. imports for consumption under HTS subheading 9802.00.60, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1987 Total value	1987 Duty-free value	1987 Dutiable value	1988 Total value	1988 Duty-free value	1988 Dutiable value
Machinery and equipment—Continued:						
Miscellaneous machinery parts	122	50	72	38	10	28
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	10,304	7,786	2,519	12,967	10,262	2,705
Microphones, loudspeakers, and related equipment; and radio-telegraphic and radiotelephonic apparatus and related equipment	246	70	176	80	33	48
Electrical capacitors	68	49	19	327	217	110
Articles for making and breaking electrical circuits	3,729	2,575	1,155	6,212	5,288	925
Electronic tubes (except X-ray)	4,667	2,818	1,849	3,474	2,085	1,390
Semiconductors	621	404	218	871	524	347
Miscellaneous electrical articles	664	564	101	62	53	9
Parts for rail locomotives and rolling stock	2	(1)	2	3	1	3
Bodies and chassis for motor vehicles, and other motor vehicle parts	2,991	2,393	598	7,660	5,275	2,385
Parts of aircraft and space-craft	489,270	121,253	368,017	400,277	109,540	290,737
All other articles	19,661	9,054	10,607	10,689	5,586	5,103
Total	570,283	170,248	400,035	517,170	175,553	341,618
Miscellaneous manufactures	2,545	1,576	969	31,999	27,636	4,363
Grand total	953,872	415,540	538,332	929,064	469,832	459,232

[1] Less than $500.

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

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

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Table B-7

U.S. imports for consumption under HTS subheading 9802.00.60, by principal sources, 1988

Source	Total value		Duty-free value	
	Value	Percent of total	Value	Percent of total
	Million dollars		Million dollars	
Grand total	929.1	100.0	469.9	100.0
Top 10 sources, total	925.3	99.6	467.7	99.5
Canada	618.8	66.6	264.3	56.2
Mexico	131.0	14.1	103.9	22.1
Japan	92.1	9.9	58.8	12.5
West Germany	26.6	2.9	16.0	3.4
France	21.7	2.3	15.5	3.3
Italy	18.6	2.0	2.7	.6
United Kingdom	10.3	1.1	2.7	.6
Singapore	3.8	.4	2.2	.5
Switzerland	1.3	.1	.7	.1
Belgium	1.1	.1	.9	.2
All other	3.8	.4	2.2	.5

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

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

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Table B-8

U.S. imports for consumption from Canada under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products	0	0	0
Forest products	0	0	0
Textiles, apparel, and footwear	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	0	0	0
All other articles	110	83	27
Total	110	83	27
Minerals and metals:			
Iron and steel mill products, all grades	33,119	12,319	20,800
Shapes and plates of iron or steel, all grades	661	501	160
Pipe and tubing of iron or steel, all grades	3,151	2,291	860
Wire and wire products of iron or steel, all grades	501	445	56
Sheets and strip of iron or steel, all grades, including tin mill products	5,696	4,880	816
Other	23,110	4,201	18,909
Copper, wrought	7,864	4,493	3,371
Aluminum	108,763	92,474	16,289
Aluminum, unwrought	0	0	0
Aluminum, wrought other than foil	108,763	92,474	16,289
Aluminum foil	0	0	0
Nickel, wrought	0	0	0
Lead, unwrought	254	180	75
Tantalum, unwrought, unalloyed	115	87	28
Titanium, wrought	30	14	16
Tungsten, unwrought	0	0	0
Tungsten, wrought	0	0	0
Hinges, fittings and mountings, n.s.p.f	2,163	407	1,756
Interchangeable tools for hand-tools or for machine tools	9	8	1
All other articles	12,259	9,338	2,920
Total	164,576	119,319	45,257
Machinery and equipment:			
Parts of steam generating boilers	2,977	699	2,279
Parts of steam turbines	16	14	3
Internal combustion engines and parts thereof	36,696	15,864	20,832
Pumps and compressors, and parts thereof	511	101	410
Lifting, handling, loading, and unloading machinery and parts thereof	7	7	(1)
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	17,941	13,392	4,549
Office machines and parts thereof	258	95	163
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	3,107	1,664	1,443
Miscellaneous machinery parts	38	10	28
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	441	339	102
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	19	16	3
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	962	561	401
Electronic tubes (except X-ray)	0	0	0
Semiconductors	0	0	0
Miscellaneous electrical articles	3	2	1
Parts for rail locomotives and rolling stock	3	1	3
Bodies and chassis for motor vehicles, and other motor vehicle parts	2,207	781	1,426
Parts of aircraft and space-craft	382,183	107,475	274,708
All other articles	6,514	3,745	2,769
Total	453,886	144,765	309,120
Miscellaneous manufactures	263	108	155
Grand total	618,835	264,275	354,559

[1] Less than $500.

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

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

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Table B-9

U.S. imports for consumption from Mexico under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products	0	0	0
Forest products	0	0	0
Textiles, apparel, and footwear	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	0	0	0
All other articles	7	4	2
Total	7	4	2
Minerals and metals:			
Iron and steel mill products, all grades	62,740	46,772	15,968
Shapes and plates of iron or steel, all grades	0	0	0
Pipe and tubing of iron or steel, all grades	6,614	4,401	2,214
Wire and wire products of iron or steel, all grades	403	155	248
Sheets and strip of iron or steel, all grades, including tin mill products	55,587	42,127	13,460
Other	137	89	47
Copper, wrought	9	6	3
Aluminum	4,744	3,861	883
Aluminum, unwrought	0	0	0
Aluminum, wrought other than foil	4,744	3,861	883
Aluminum foil	0	0	0
Nickel, wrought	0	0	0
Lead, unwrought	26	13	13
Tantalum, unwrought, unalloyed	0	0	0
Titanium, wrought	0	0	0
Tungsten, unwrought	0	0	0
Tungsten, wrought	0	0	0
Hinges, fittings and mountings, n.s.p.f	807	559	248
Interchangeable tools for hand-tools or for machine tools	840	647	193
All other articles	3,439	2,530	909
Total	72,605	54,388	18,217
Machinery and equipment:			
Parts of steam generating boilers	0	0	0
Parts of steam turbines	0	0	0
Internal combustion engines and parts thereof	7	7	(1)
Pumps and compressors, and parts thereof	946	915	31
Lifting, handling, loading, and unloading machinery and parts thereof	0	0	0
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	0	0	0
Office machines and parts thereof	10	2	8
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	637	447	189
Miscellaneous machinery parts	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	12,462	9,879	2,583
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	40	(1)	39
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	5,193	4,685	508
Electronic tubes (except X-ray)	0	0	0
Semiconductors	6	4	2
Miscellaneous electrical articles	0	0	0
Parts for rail locomotives and rolling stock	0	0	0
Bodies and chassis for motor vehicles, and other motor vehicle parts	5,289	4,356	933
Parts of aircraft and space-craft	421	414	7
All other articles	2,256	1,523	733
Total	27,266	22,233	5,033
Miscellaneous manufactures	31,158	27,285	3,874
Grand total	131,035	103,910	27,125

[1] Less than $500.

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

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

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Table B-10

U.S. Imports for consumption from Japan under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products	0	0	0
Forest products	0	0	0
Textiles, apparel, and footwear	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	0	0	0
All other articles	0	0	0
Total	0	0	0
Minerals and metals:			
Iron and steel mill products, all grades	0	0	0
Shapes and plates of iron or steel, all grades	0	0	0
Pipe and tubing of iron or steel, all grades	0	0	0
Wire and wire products of iron or steel, all grades	0	0	0
Sheets and strip of iron or steel, all grades, including tin mill products	0	0	0
Other	0	0	0
Copper, wrought	715	465	250
Aluminum	89,176	57,500	31,675
Aluminum, unwrought	0	0	0
Aluminum, wrought other than foil	77,088	52,204	24,884
Aluminum foil	12,088	5,296	6,792
Nickel, wrought	0	0	0
Lead, unwrought	0	0	0
Tantalum, unwrought, unalloyed	0	0	0
Titanium, wrought	0	0	0
Tungsten, unwrought	0	0	0
Tungsten, wrought	0	0	0
Hinges, fittings and mountings, n.s.p.f	0	0	0
Interchangeable tools for hand-tools or for machine tools	10	4	6
All other articles	459	368	91
Total	90,360	58,337	32,023
Machinery and equipment:			
Parts of steam generating boilers	0	0	0
Parts of steam turbines	0	0	0
Internal combustion engines and parts thereof	0	0	0
Pumps and compressors, and parts thereof	0	0	0
Lifting, handling, loading, and unloading machinery and parts thereof	0	0	0
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	14	9	5
Office machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	9	9	(1)
Miscellaneous machinery parts	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	0	0	0
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	4	3	2
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	1	1	1
Electronic tubes (except X-ray)	0	0	0
Semiconductors	0	0	0
Miscellaneous electrical articles	0	0	0
Parts for rail locomotives and rolling stock	0	0	0
Bodies and chassis for motor vehicles, and other motor vehicle parts	0	0	0
Parts of aircraft and space-craft	1,301	485	815
All other articles	432	5	427
Total	1,761	511	1,250
Miscellaneous manufactures	0	0	0
Grand total	92,121	58,849	33,273

[1] Less than $500.

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

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

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Table B-11

U.S. imports for consumption from West Germany under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products	0	0	0
Forest products	0	0	0
Textiles, apparel, and footwear	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	9,433	4,124	5,309
All other articles	170	85	85
Total	9,603	4,209	5,394
Minerals and metals:			
Iron and steel mill products, all grades	38	21	17
Shapes and plates of iron or steel, all grades	0	0	0
Pipe and tubing of iron or steel, all grades	0	0	0
Wire and wire products of iron or steel, all grades	0	0	0
Sheets and strip of iron or steel, all grades, including tin mill products	38	21	17
Other	0	0	0
Copper, wrought	9,542	7,783	1,759
Aluminum	1,356	903	453
Aluminum, unwrought	0	0	0
Aluminum, wrought other than foil	0	0	0
Aluminum foil	1,356	903	453
Nickel, wrought	0	0	0
Lead, unwrought	0	0	0
Tantalum, unwrought, unalloyed	3,445	2,098	1,347
Titanium, wrought	421	184	237
Tungsten, unwrought	472	155	317
Tungsten, wrought	0	0	0
Hinges, fittings and mountings, n.s.p.f	0	0	0
Interchangeable tools for hand-tools or for machine tools	0	0	0
All other articles	45	20	25
Total	15,319	11,164	4,155
Machinery and equipment:			
Parts of steam generating boilers	0	0	0
Parts of steam turbines	0	0	0
Internal combustion engines and parts thereof	1,010	469	541
Pumps and compressors, and parts thereof	0	0	0
Lifting, handling, loading, and unloading machinery and parts thereof	0	0	0
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	64	29	35
Office machines and parts thereof	413	73	340
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	2	([1])	2
Miscellaneous machinery parts	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	7	2	5
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	0	0	0
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	18	4	13
Electronic tubes (except X-ray)	0	0	0
Semiconductors	0	0	0
Miscellaneous electrical articles	58	51	8
Parts for rail locomotives and rolling stock	0	0	0
Bodies and chassis for motor vehicles, and other motor vehicle parts	0	0	0
Parts of aircraft and space-craft	0	0	0
All other articles	1	([1])	1
Total	1,574	629	945
Miscellaneous manufactures	59	44	15
Grand total	26,555	16,045	10,509

[1] Less than $500.

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

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

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Table B-12

U.S. Imports for consumption from France under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products	0	0	0
Forest products	0	0	0
Textiles, apparel, and footwear	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	0	0	0
All other articles	0	0	0
Total	0	0	0
Minerals and metals:			
Iron and steel mill products, all grades	0	0	0
Shapes and plates of iron or steel, all grades	0	0	0
Pipe and tubing of iron or steel, all grades	0	0	0
Wire and wire products of iron or steel, all grades	0	0	0
Sheets and strip of iron or steel, all grades, including tin mill products	0	0	0
Other	0	0	0
Copper, wrought	0	0	0
Aluminum	21,613	15,529	6,084
Aluminum, unwrought	0	0	0
Aluminum, wrought other than foil	21,613	15,529	6,084
Aluminum foil	0	0	0
Nickel, wrought	0	0	0
Lead, unwrought	0	0	0
Tantalum, unwrought, unalloyed	0	0	0
Titanium, wrought	0	0	0
Tungsten, unwrought	0	0	0
Tungsten, wrought	0	0	0
Hinges, fittings and mountings, n.s.p.f.	0	0	0
Interchangeable tools for hand-tools or for machine tools	0	0	0
All other articles	112	20	92
Total	21,725	15,549	6,176
Machinery and equipment:			
Parts of steam generating boilers	0	0	0
Parts of steam turbines	0	0	0
Internal combustion engines and parts thereof	0	0	0
Pumps and compressors, and parts thereof	0	0	0
Lifting, handling, loading, and unloading machinery and parts thereof	0	0	0
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	0	0	0
Office machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Miscellaneous machinery parts	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	0	0	0
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	0	0	0
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	0	0	0
Electronic tubes (except X-ray)	0	0	0

See footnotes at end of table.

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Table B-12—Continued

U.S. Imports for consumption from France under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Machinery and equipment—Continued:			
Semiconductors	0	0	0
Miscellaneous electrical articles	0	0	0
Parts for rail locomotives and rolling stock	0	0	0
Bodies and chassis for motor vehicles, and other motor vehicle parts	0	0	0
Parts of aircraft and space-craft	0	0	0
All other articles	0	0	0
Total	0	0	0
Miscellaneous manufactures	0	0	0
Grand total	21,725	15,549	6,176

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

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

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Table B-13

U.S. imports for consumption from Italy under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products	0	0	0
Forest products	0	0	0
Textiles, apparel, and footwear	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	0	0	0
All other articles	0	0	0
Total	0	0	0
Minerals and metals:			
Iron and steel mill products, all grades	2,232	1,515	717
Shapes and plates of iron or steel, all grades	16	13	3
Pipe and tubing of iron or steel, all grades	0	0	0
Wire and wire products of iron or steel, all grades	0	0	0
Sheets and strip of iron or steel, all grades, including tin mill products	2,217	1,503	714
Other	0	0	0
Copper, wrought	0	0	0
Aluminum	0	0	0
Aluminum, unwrought	0	0	0
Aluminum, wrought other than foil	0	0	0
Aluminum foil	0	0	0
Nickel, wrought	0	0	0
Lead, unwrought	0	0	0
Tantalum, unwrought, unalloyed	0	0	0
Titanium, wrought	0	0	0
Tungsten, unwrought	0	0	0
Tungsten, wrought	0	0	0
Hinges, fittings and mountings, n.s.p.f.	0	0	0
Interchangeable tools for hand-tools or for machine tools	0	0	0
All other articles	0	0	0
Total	2,232	1,515	717
Machinery and equipment:			
Parts of steam generating boilers	0	0	0
Parts of steam turbines	0	0	0
Internal combustion engines and parts thereof	0	0	0
Pumps and compressors, and parts thereof	0	0	0
Lifting, handling, loading, and unloading machinery and parts thereof	0	0	0
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	0	0	0
Office machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Miscellaneous machinery parts	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	0	0	0
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	0	0	0
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	33	33	(1)

See footnotes at end of table.

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Table B-13—Continued

U.S. imports for consumption from Italy under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Machinery and equipment—Continued:			
Electronic tubes (except X-ray)	0	0	0
Semiconductors	0	0	0
Miscellaneous electrical articles	0	0	0
Parts for rail locomotives and rolling stock	0	0	0
Bodies and chassis for motor vehicles, and other motor vehicle parts	0	0	0
Parts of aircraft and space-craft	16,336	1,160	15,176
All other articles	0	0	0
Total	16,369	1,193	15,176
Miscellaneous manufactures	0	0	0
Grand total	18,601	2,708	15,893

[1] Less than $500.

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

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

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Table B-14

U.S. imports for consumption from the United Kingdom under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products	0	0	0
Forest products	0	0	0
Textiles, apparel, and footwear	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	0	0	0
All other articles	0	0	0
Total	0	0	0
Minerals and metals:			
Iron and steel mill products, all grades	0	0	0
Shapes and plates of iron or steel, all grades	0	0	0
Pipe and tubing of iron or steel, all grades	0	0	0
Wire and wire products of iron or steel, all grades	0	0	0
Sheets and strip of iron or steel, all grades, including tin mill products	0	0	0
Other	0	0	0
Copper, wrought	0	0	0
Aluminum	0	0	0
Aluminum, unwrought	0	0	0
Aluminum, wrought other than foil	0	0	0
Aluminum foil	0	0	0
Nickel, wrought	0	0	0
Lead, unwrought	0	0	0
Tantalum, unwrought, unalloyed	0	0	0
Titanium, wrought	0	0	0
Tungsten, unwrought	0	0	0
Tungsten, wrought	0	0	0
Hinges, fittings and mountings, n.s.p.f	0	0	0
Interchangeable tools for hand-tools or for machine tools	0	0	0
All other articles	0	0	0
Total	0	0	0
Machinery and equipment:			
Parts of steam generating boilers	0	0	0
Parts of steam turbines	0	0	0
Internal combustion engines and parts thereof	8,763	2,475	6,288
Pumps and compressors, and parts thereof	0	0	0
Lifting, handling, loading, and unloading machinery and parts thereof	0	0	0
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	0	0	0
Office machines and parts thereof	25	20	5
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	2	2	(1)
Miscellaneous machinery parts	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	0	0	0
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	0	0	0
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	0	0	0
Electronic tubes (except X-ray)	0	0	0
Semiconductors	0	0	0

See footnotes at end of table.

Table B-14—Continued

U.S. imports for consumption from the United Kingdom under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Machinery and equipment—Continued:			
Miscellaneous electrical articles	0	0	0
Parts for rail locomotives and rolling stock	0	0	0
Bodies and chassis for motor vehicles, and other motor vehicle parts	0	0	0
Parts of aircraft and space-craft	0	0	0
All other articles	1,261	99	1,162
Total	10,051	2,596	7,455
Miscellaneous manufactures	209	63	146
Grand total	10,260	2,659	7,601

[1] Less than $500.

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

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

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Table B-15

U.S. imports for consumption from Singapore under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products	0	0	0
Forest products	0	0	0
Textiles, apparel, and footwear	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	0	0	0
All other articles	0	0	0
Total	0	0	0
Minerals and metals:			
Iron and steel mill products, all grades	0	0	0
Shapes and plates of iron or steel, all grades	0	0	0
Pipe and tubing of iron or steel, all grades	0	0	0
Wire and wire products of iron or steel, all grades	0	0	0
Sheets and strip of iron or steel, all grades, including tin mill products	0	0	0
Other	0	0	0
Copper, wrought	0	0	0
Aluminum	0	0	0
Aluminum, unwrought	0	0	0
Aluminum, wrought other than foil	0	0	0
Aluminum foil	0	0	0
Nickel, wrought	0	0	0
Lead, unwrought	0	0	0
Tantalum, unwrought, unalloyed	0	0	0
Titanium, wrought	0	0	0
Tungsten, unwrought	0	0	0
Tungsten, wrought	0	0	0
Hinges, fittings and mountings, n.s.p.f	0	0	0
Interchangeable tools for hand-tools or for machine tools	0	0	0
All other articles	0	0	0
Total	0	0	0
Machinery and equipment:			
Parts of steam generating boilers	0	0	0
Parts of steam turbines	0	0	0
Internal combustion engines and parts thereof	0	0	0
Pumps and compressors, and parts thereof	0	0	0
Lifting, handling, loading, and unloading machinery and parts thereof	0	0	0
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	0	0	0
Office machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Miscellaneous machinery parts	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	0	0	0
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	0	0	0
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	0	0	0
Electronic tubes (except X-ray)	3,474	2,085	1,390
Semiconductors	375	111	264

See footnotes at end of table.

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Table B-15—Continued

U.S. imports for consumption from Singapore under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Machinery and equipment—Continued:			
Miscellaneous electrical articles	0	0	0
Parts for rail locomotives and rolling stock	0	0	0
Bodies and chassis for motor vehicles, and other motor vehicle parts	0	0	0
Parts of aircraft and space-craft	0	0	0
All other articles	0	0	0
Total	3,850	2,196	1,654
Miscellaneous manufactures	0	0	0
Grand total	3,850	2,196	1,654

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

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

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Table B-16

U.S. imports for consumption from Switzerland under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products	0	0	0
Forest products	0	0	0
Textiles, apparel, and footwear	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	0	0	0
All other articles	0	0	0
Total	0	0	0
Minerals and metals:			
Iron and steel mill products, all grades	0	0	0
Shapes and plates of iron or steel, all grades	0	0	0
Pipe and tubing of iron or steel, all grades	0	0	0
Wire and wire products of iron or steel, all grades	0	0	0
Sheets and strip of iron or steel, all grades, including tin mill products	0	0	0
Other	0	0	0
Copper, wrought	0	0	0
Aluminum	0	0	0
Aluminum, unwrought	0	0	0
Aluminum, wrought other than foil	0	0	0
Aluminum foil	0	0	0
Nickel, wrought	0	0	0
Lead, unwrought	0	0	0
Tantalum, unwrought, unalloyed	0	0	0
Titanium, wrought	0	0	0
Tungsten, unwrought	0	0	0
Tungsten, wrought	0	0	0
Hinges, fittings and mountings, n.s.p.f.	0	0	0
Interchangeable tools for hand-tools or for machine tools	0	0	0
All other articles	1,137	562	574
Total	1,137	562	574
Machinery and equipment:			
Parts of steam generating boilers	0	0	0
Parts of steam turbines	0	0	0
Internal combustion engines and parts thereof	0	0	0
Pumps and compressors, and parts thereof	0	0	0
Lifting, handling, loading, and unloading machinery and parts thereof	0	0	0
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	0	0	0
Office machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Miscellaneous machinery parts	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	0	0	0
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	0	0	0
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	0	0	0
Electronic tubes (except X-ray)	0	0	0
Semiconductors	0	0	0
Miscellaneous electrical articles	0	0	0

See footnotes at end of table.

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Table B-16—Continued

U.S. imports for consumption from Switzerland under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Machinery and equipment—Continued:			
Parts for rail locomotives and rolling stock	0	0	0
Bodies and chassis for motor vehicles, and other motor vehicle parts	20	20	(1)
Parts of aircraft and space-craft	0	0	0
All other articles	26	26	(1)
Total	46	45	1
Miscellaneous manufactures	84	44	40
Grand total	1,266	651	615

[1] Less than $500.

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

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

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Table B-17

U.S. Imports for consumption from Belgium under HTS subheading 9802.00.60, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products	0	0	0
Forest products	0	0	0
Textiles, apparel, and footwear	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	0	0	0
All other articles	0	0	0
Total	0	0	0
Minerals and metals:			
Iron and steel mill products, all grades	0	0	0
Shapes and plates of iron or steel, all grades	0	0	0
Pipe and tubing of iron or steel, all grades	0	0	0
Wire and wire products of iron or steel, all grades	0	0	0
Sheets and strip of iron or steel, all grades, including tin mill products	0	0	0
Other	0	0	0
Copper, wrought	0	0	0
Aluminum	597	428	169
Aluminum, unwrought	0	0	0
Aluminum, wrought other than foil	597	428	169
Aluminum foil	0	0	0
Nickel, wrought	0	0	0
Lead, unwrought	0	0	0
Tantalum, unwrought, unalloyed	0	0	0
Titanium, wrought	0	0	0
Tungsten, unwrought	0	0	0
Tungsten, wrought	0	0	0
Hinges, fittings and mountings, n.s.p.f	0	0	0
Interchangeable tools for hand-tools or for machine tools	0	0	0
All other articles	521	492	28
Total	1,118	920	198
Machinery and equipment:			
Parts of steam generating boilers	0	0	0
Parts of steam turbines	0	0	0
Internal combustion engines and parts thereof	0	0	0
Pumps and compressors, and parts thereof	0	0	0
Lifting, handling, loading, and unloading machinery and parts thereof	0	0	0
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	0	0	0
Office machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Miscellaneous machinery parts	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	0	0	0
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	0	0	0
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	0	0	0
Electronic tubes (except X-ray)	0	0	0
Semiconductors	0	0	0
Miscellaneous electrical articles	0	0	0
Parts for rail locomotives and rolling stock	0	0	0
Bodies and chassis for motor vehicles, and other motor vehicle parts	0	0	0
Parts of aircraft and space-craft	0	0	0
All other articles	0	0	0
Total	0	0	0
Miscellaneous manufactures	0	0	0
Grand total	1,118	920	198

Note.—Because of rounding, figures may not add to the totals shown.
Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table B-18

U.S. imports for consumption under HTS subheading 9802.00.80, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1985 Total value	1985 Duty-free value	1985 Dutiable value	1986 Total value	1986 Duty-free value	1986 Dutiable value
Agricultural, animal, and vegetable products:						
Mushrooms and truffles	16,702	1,606	15,096	15,380	1,265	14,114
All other articles	1,045	237	808	4,588	183	4,405
Total	17,747	1,842	15,904	19,967	1,448	18,519
Forest products:						
Industrial papers, packaging and miscellaneous papers	117,006	94,345	22,661	121,395	96,369	25,025
All other articles	16,478	2,746	13,732	30,083	4,107	25,976
Total	133,483	97,090	36,393	151,478	100,477	51,002
Textiles, apparel, and footwear:						
Women's, girls', and infants' shirts and blouses	91,156	55,398	35,758	120,118	67,234	52,884
Women's, girls', and infants' coats and jackets	31,842	21,049	10,793	36,941	24,470	12,472
Women's, girls', and infants' trousers, slacks, and shorts	88,869	62,051	26,818	95,418	67,730	27,688
Men's and boys' shirts	98,992	40,039	58,953	114,927	55,648	59,279
Men's and boys' coats and jackets	49,308	24,806	24,502	50,848	30,863	19,985
Men's and boys' trousers, slacks, and shorts	154,565	112,398	42,167	228,429	164,656	63,773
Body-supporting garments	177,422	116,758	60,664	158,937	105,465	53,472
Gloves	29,865	17,186	12,680	25,710	14,652	11,058
Footwear	142,450	70,365	72,085	173,380	73,740	99,640
All other articles	307,883	203,279	104,604	428,893	301,803	127,090
Total	1,172,353	723,329	449,023	1,433,601	906,262	527,339
Chemicals, coal, petroleum, natural gas, and related products:						
Fabricated rubber and plastic products	22,446	14,736	7,710	35,807	18,112	17,696
All other articles	124,594	21,674	102,919	30,201	22,949	7,252
Total	147,040	36,410	110,629	66,008	41,061	24,948
Minerals and metals:						
Metallic containers	8,445	2,232	6,213	7,913	1,550	6,364
Locks and padlocks	27,076	18,883	8,193	45,288	30,619	14,669
Handtools	6,240	4,014	2,226	9,653	6,670	2,983
Structures of base metal	81,917	34,070	47,847	86,099	31,942	54,158
Nonelectric heating and cooking apparatus other than cast iron stoves	10,822	1,949	8,874	20,228	3,475	16,753
Miscellaneous metal products and articles	31,593	10,249	21,345	44,630	18,683	25,946
All other articles	29,799	6,868	22,932	45,519	16,865	28,654
Total	195,893	78,264	117,629	259,331	109,804	149,527
Machinery and equipment:						
Steam engines, turbines, and boilers; and gas generators and parts thereof	11,693	3,111	8,582	14,080	2,711	11,368
Internal combustion engines, piston-type, and parts thereof	948,454	252,464	695,990	1,049,605	233,845	815,760
Internal combustion engines, non-piston type, and parts thereof	13,426	6,558	6,868	27,387	10,232	17,156
Pumps for liquids and parts thereof	27,794	8,236	19,558	22,132	7,204	14,928

See footnotes at end of table.

Table B-18—Continued

U.S. imports for consumption under HTS subheading 9802.00.80, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1985 Total value	1985 Duty-free value	1985 Dutiable value	1986 Total value	1986 Duty-free value	1986 Dutiable value
Machinery and equipment—Continued:						
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	50,063	26,011	24,052	56,188	30,339	25,849
Compressors and parts thereof	66,560	12,082	54,478	87,235	8,939	78,296
Air-conditioning machines and parts thereof	24,973	10,763	14,210	38,154	16,774	21,379
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	21,457	5,413	16,044	22,918	5,944	16,974
Centrifuges and filtering and purifying machinery and parts thereof	14,199	4,198	10,001	15,101	4,287	10,814
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	12,235	5,108	7,127	20,626	4,428	16,197
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	215,755	71,905	143,850	208,335	58,649	149,686
Lifting, handling, loading, unloading machinery and parts thereof	112,049	36,746	75,303	125,873	49,410	76,464
Pulp and paper machinery; and book-binding and printing machinery	32,721	4,365	28,357	40,207	9,685	30,522
Sewing machines and parts thereof including furniture specially designed for such machines	30,566	1,624	28,943	27,566	2,155	25,411
Machines for working metal, stone, and other materials	242,746	37,179	205,567	365,579	55,378	310,200
Office machines and parts thereof	1,804,289	416,490	1,387,800	624,590	148,243	476,347
Automatic vending machines and parts thereof	5,468	1,299	4,169	3,844	1,309	2,535
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	44,724	30,976	13,748	61,755	43,749	18,006
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	9,035	3,119	5,916	4,313	1,367	2,946
Other miscellaneous machinery and mechanical equipment and parts thereof	143,078	36,968	106,110	150,361	34,627	115,735
Transformers	41,139	15,718	25,420	45,342	18,508	26,835
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	363,677	186,381	177,296	448,941	219,893	229,048
Portable electric hand tools	8,086	1,296	6,790	13,579	3,900	9,678
Electric household appliances	160,790	45,807	114,984	179,308	56,229	123,079
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	12,980	6,568	6,411	32,708	13,789	18,919
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	167,439	52,656	114,783	195,434	62,692	132,742
Microphones, loudspeakers, and related equipment	33,533	8,723	24,810	30,237	10,220	20,016

See footnotes at end of table.

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Table B-18—Continued

U.S. imports for consumption under HTS subheading 9802.00.80, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1985 Total value	1985 Duty-free value	1985 Dutiable value	1986 Total value	1986 Duty-free value	1986 Dutiable value
Machinery and equipment—Continued:						
Television receivers	277,569	29,550	248,019	449,408	85,757	363,651
Television apparatus and parts, other than cameras, receivers, and picture tubes	383,028	89,093	293,935	478,762	118,687	360,075
Radio receivers and transceivers and parts thereof	512,364	160,407	351,957	448,829	142,538	306,291
Record players, phonographs, record changers, and turntables, and parts thereof	9,466	5,623	3,843	6,420	3,390	3,029
Tape recorders, tape players, and dictation machines	429,764	133,673	296,092	379,051	117,007	262,044
Miscellaneous radiotelegraphic and radiotelephonic apparatus	13,710	296	13,414	4,295	162	4,134
Other miscellaneous electrical products and parts	273,087	125,933	147,154	292,637	140,912	151,725
Electrical capacitors	116,642	72,556	44,086	153,406	100,760	52,646
Articles for making and breaking electrical circuits	390,595	253,898	136,697	455,617	291,020	164,597
Voltage regulators	2,569	1,460	1,110	2,958	1,748	1,209
Electrical resistors	85,237	46,754	38,483	70,912	44,491	26,421
Electric lamps	28,084	16,416	11,668	32,417	14,908	17,509
Electronic tubes (except X-ray)	45,061	15,428	29,632	72,821	23,522	49,300
Semiconductors	1,242,746	733,037	509,709	545,461	292,794	252,668
Electrical conductors	703,346	421,161	282,186	830,017	503,812	326,205
Miscellaneous electrical articles	114,663	51,061	63,602	137,678	63,277	74,401
Rail locomotives and rolling stock	175,081	63,521	111,560	332,202	125,105	207,097
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	17,127,522	501,710	16,625,811	23,397,928	929,741	22,468,187
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	886,708	219,422	667,287	892,818	219,726	673,092
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	78,451	22,400	56,051	145,404	39,330	106,074
Pleasure boats; floating structures	123,589	26,752	96,836	160,847	35,510	125,337
All other articles	0	0	0	284	16	268
Total	27,638,213	4,281,912	23,356,301	33,201,567	4,408,716	28,792,851
Miscellaneous manufactures:						
Handbags	2,493	1,773	721	2,906	1,571	1,335
Luggage	23,087	13,644	9,443	29,131	12,999	16,133
Flat goods	3,992	2,283	1,709	4,316	2,483	1,832
Optical instruments, components and lenses	75,451	28,524	46,927	54,288	23,533	30,756
Surgical and medical instruments and apparatus	115,597	56,880	58,717	130,827	75,246	55,581
Scientific instruments	147,597	76,368	71,229	150,865	85,471	65,394
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	48,618	21,447	27,171	46,906	17,181	29,725
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	52,880	8,651	44,229	54,328	15,786	38,542
Photographic equipment and supplies	22,011	9,187	12,825	70,578	29,085	41,493
Magnetic recording media not having any material recorded thereon	17,598	7,409	10,189	24,173	5,937	18,237
Musical instruments, parts and accessories	7,582	4,442	3,139	12,350	6,332	6,017
Furniture, mattresses, and pillows, cushions, and similar furnishings	101,709	17,538	84,171	160,932	36,151	124,781

See footnotes at end of table.

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Table B-18—Continued

U.S. imports for consumption under HTS subheading 9802.00.80, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1985 Total value	1985 Duty-free value	1985 Dutiable value	1986 Total value	1986 Duty-free value	1986 Dutiable value
Miscellaneous manufactures:						
Handbags	2,493	1,773	721	2,906	1,571	1,335
Luggage	23,087	13,644	9,443	29,131	12,999	16,133
Flat goods	3,992	2,283	1,709	4,316	2,483	1,832
Optical instruments, components and lenses	75,451	28,524	46,927	54,288	23,533	30,756
Surgical and medical instruments and apparatus	115,597	56,880	58,717	130,827	75,246	55,581
Scientific instruments	147,597	76,368	71,229	150,865	85,471	65,394
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	48,618	21,447	27,171	46,906	17,181	29,725
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	52,880	8,651	44,229	54,328	15,786	38,542
Photographic equipment and supplies	22,011	9,187	12,825	70,578	29,085	41,493
Magnetic recording media not having any material recorded thereon	17,598	7,409	10,189	24,173	5,937	18,237
Musical instruments, parts and accessories	7,582	4,442	3,139	12,350	6,332	6,017
Furniture, mattresses, and pillows, cushions, and similar furnishings	101,709	17,538	84,171	160,932	36,151	124,781
Small arms (bore diameter 30mm and under)	6,779	685	6,094	6,808	181	6,627
Ammunition and munitions	785	103	682	709	105	604
Game machines, except coin or disc operated	3,626	317	3,309	12	4	8
Fishing tackle	1,759	698	1,061	2,142	845	1,297
Baseball and softball equipment	32,178	20,702	11,476	17,266	12,399	4,867
Dolls and stuffed toy figures of animate objects	46,384	2,893	43,492	6,660	464	6,196
Toys (except games), models, tricks, and party favors	44,260	19,292	24,968	32,617	13,591	19,026
Jewelry	32,913	30,789	2,124	50,678	48,625	2,053
All other articles	23,383	7,248	16,135	40,956	16,329	24,627
Total	810,682	330,871	479,811	899,447	404,317	495,130
Grand total	30,115,411	5,549,719	24,565,691	36,031,399	5,972,084	30,059,315

See footnotes at end of table.

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Table B-18—Continued

U.S. imports for consumption under HTS subheading 9802.00.80, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1987 Total value	1987 Duty-free value	1987 Dutiable value	1988 Total value	1988 Duty-free value	1988 Dutiable value
Agricultural, animal, and vegetable: products:						
Mushrooms and truffles	12,972	928	12,044	8,433	620	7,813
All other articles	6,510	605	5,904	4,658	539	4,119
Total	19,481	1,533	17,948	13,091	1,159	11,932
Forest products:						
Industrial papers, packaging and miscellaneous papers	142,470	115,381	27,090	152,682	125,364	27,318
All other articles	40,373	7,431	32,942	38,896	10,173	28,723
Total	182,843	122,812	60,032	191,579	135,537	56,042
Textiles, apparel, and footwear:						
Women's, girls', and infants' shirts and blouses	164,660	93,722	70,938	163,809	91,293	72,516
Women's, girls', and infants' coats and jackets	42,037	25,323	16,714	57,243	33,361	23,881
Women's, girls', and infants' trousers, slacks, and shorts	130,915	84,186	46,729	194,463	118,396	76,067
Men's and boys' shirts	149,010	76,683	72,327	191,938	103,642	88,296
Men's and boys' coats and jackets	60,762	35,593	25,169	75,061	47,298	27,762
Men's and boys' trousers, slacks, and shorts	296,828	211,435	85,393	395,782	278,385	117,397
Body-supporting garments	180,565	120,074	60,492	232,466	156,025	76,441
Gloves	29,905	16,978	12,927	37,432	18,051	19,380
Footwear	300,767	89,452	211,315	475,867	122,983	352,884
All other articles	485,987	311,302	174,685	558,051	342,124	215,927
Total	1,841,437	1,064,748	776,688	2,382,111	1,311,559	1,070,552
Chemicals, coal, petroleum, natural gas, and related products:						
Fabricated rubber and plastic products	82,313	27,891	54,422	117,157	42,164	74,993
All other articles	21,738	13,940	7,799	11,098	4,848	6,251
Total	104,051	41,831	62,221	128,255	47,012	81,243
Minerals and metals:						
Metallic containers	8,446	5,136	3,310	5,330	1,691	3,639
Locks and padlocks	58,289	35,218	23,071	73,740	45,464	28,276
Handtools	10,982	8,271	2,711	15,466	7,886	7,579
Structures of base metal	11,277	2,556	8,721	13,403	2,752	10,651
Nonelectric heating and cooking apparatus other than cast iron stoves	24,441	5,882	18,559	24,005	7,383	16,622
Miscellaneous metal products and articles	134,681	27,822	106,860	154,912	40,154	114,757
All other articles	147,721	77,709	70,011	73,004	20,910	52,094
Total	395,837	162,595	233,242	359,860	126,241	233,619
Machinery and equipment:						
Steam engines, turbines, and boilers; and gas generators and parts thereof	6,468	1,116	5,352	7,185	1,533	5,652
Internal combustion engines, piston-type, and parts thereof	2,382,814	324,271	2,058,543	2,564,867	375,497	2,189,370
Internal combustion engines, non-piston type, and parts thereof	731,587	155,244	576,343	391,000	52,407	338,594
Pumps for liquids and parts thereof	25,762	13,741	12,021	29,207	14,944	14,263
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	80,696	51,709	28,988	67,430	41,217	26,213

See footnotes at end of table.

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Table B-18—Continued

U.S. Imports for consumption under HTS subheading 9802.00.80, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1987 Total value	1987 Duty-free value	1987 Dutiable value	1988 Total value	1988 Duty-free value	1988 Dutiable value
Machinery and equipment—Continued:						
Compressors and parts thereof	94,897	19,281	75,616	124,998	24,108	100,890
Air-conditioning machines and parts thereof	89,309	31,190	58,119	121,301	36,334	84,967
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	17,826	5,432	12,394	26,547	10,618	15,928
Centrifuges and filtering and purifying machinery and parts thereof	30,723	7,943	22,780	40,792	11,025	29,767
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	12,583	993	11,591	5,835	881	4,954
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	281,680	65,866	215,814	365,314	89,406	275,908
Lifting, handling, loading, unloading machinery and parts thereof	136,041	43,416	92,626	133,371	38,722	94,649
Pulp and paper machinery; and bookbinding and printing machinery	38,744	6,876	31,868	51,536	11,208	40,328
Sewing machines and parts thereof including furniture specially designed for such machines	32,882	2,177	30,705	18,588	721	17,867
Machines for working metal, stone, and other materials	187,619	39,238	148,382	148,805	40,029	108,776
Office machines and parts thereof	2,237,276	493,910	1,743,366	2,605,352	556,978	2,048,374
Automatic vending machines and parts thereof	5,135	1,546	3,589	930	121	808
Taps, cocks, valves, and similar devices, and parts thereof used to control the flow of liquids, gases for solids	80,300	45,173	35,127	103,489	58,411	45,078
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings;torque converters; chain sprockets; clutches; and universal joints; and parts thereof	4,934	2,472	2,462	9,667	4,047	5,620
Other miscellaneous machinery and mechanical equipment and parts thereof	314,746	64,968	249,778	243,035	58,547	184,488
Transformers	45,487	19,406	26,081	59,444	24,591	34,853
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	556,800	271,793	285,007	638,884	314,375	324,509
Portable electric hand tools	24,252	7,232	17,020	44,681	23,109	21,572
Electric household appliances	206,175	80,765	125,409	214,634	96,385	118,250
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	27,448	15,390	12,058	53,410	13,298	40,111
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	189,936	55,164	134,772	209,627	60,441	149,186
Microphones, loudspeakers, and related equipment	31,417	9,167	22,250	53,905	20,458	33,447

See footnotes at end of table.

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Table B-18—Continued

U.S. imports for consumption under HTS subheading 9802.00.80, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1987 Total value	1987 Duty-free value	1987 Dutiable value	1988 Total value	1988 Duty-free value	1988 Dutiable value
Machinery and equipment—Continued:						
Television receivers	549,139	109,335	439,804	858,747	189,916	668,831
Television apparatus and parts, other than cameras, receivers, and picture tubes	533,169	119,267	413,901	534,942	121,314	413,627
Radio receivers and transceivers and parts thereof	348,129	110,367	237,761	291,859	91,479	200,380
Record players, phonographs, record changers, and turntables, and parts thereof	7,848	4,552	3,296	10,065	5,031	5,035
Tape recorders, tape players, and dictation machines	613,010	120,040	492,971	655,865	117,593	538,272
Miscellaneous radiotelegraphic and radiotelephonic apparatus	3,092	1,059	2,032	5,793	988	4,804
Other miscellaneous electrical products and parts	259,055	145,809	113,246	378,187	173,273	204,914
Electrical capacitors	183,922	126,699	57,223	165,721	114,717	51,004
Articles for making and breaking electrical circuits	588,921	354,805	234,117	759,030	452,638	306,391
Voltage regulators	3,950	2,647	1,303	4,483	2,922	1,561
Electrical resistors	68,979	43,094	25,885	74,271	46,826	27,445
Electric lamps	46,768	19,363	27,405	72,158	38,981	33,177
Electronic tubes (except X-ray)	61,508	20,545	40,963	54,383	22,754	31,629
Semiconductors	3,780,927	2,133,281	1,647,645	4,360,478	2,395,593	1,964,885
Electrical conductors	971,539	603,174	368,365	1,181,345	748,148	433,197
Miscellaneous electrical articles	186,625	88,482	98,143	198,528	98,582	99,946
Rail locomotives and rolling stock	458,316	172,531	285,786	285,551	85,488	200,063
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	41,760,769	3,362,449	38,398,320	44,056,359	5,839,003	38,217,356
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	3,415,005	655,506	2,759,499	3,921,451	921,728	2,999,723
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	1,732,436	476,841	1,255,596	1,615,503	503,519	1,111,984
Pleasure boats; floating structures	206,679	59,440	147,238	226,034	53,791	172,242
All other articles	34	22	11	117	9	109
Total	63,653,357	10,564,786	53,088,571	68,044,701	14,003,706	54,040,995
Miscellaneous manufactures:						
Handbags	4,065	1,931	2,135	4,067	2,455	1,612
Luggage	33,380	17,849	15,531	30,280	15,869	14,411
Flat goods	2,941	1,338	1,603	1,953	1,061	892
Optical instruments, components and lenses	16,966	8,201	8,765	23,951	7,967	15,984
Surgical and medical instruments and apparatus	195,284	104,705	90,580	270,496	143,895	126,601
Scientific instruments	290,830	114,658	176,172	248,535	126,289	122,246
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f.	61,307	19,456	41,851	55,660	17,258	38,403
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	79,342	24,537	54,805	85,885	22,811	63,075
Photographic equipment and supplies	79,753	37,933	41,820	112,764	53,110	59,654
Magnetic recording media not having any material recorded thereon	27,392	5,385	22,007	91,293	21,806	69,487
Musical instruments, parts and accessories	19,888	6,100	13,789	21,178	6,098	15,081

See footnotes at end of table.

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Table B-18—Continued

U.S. imports for consumption under HTS subheading 9802.00.80, by commodity groups, 1985-88

(In thousands of dollars)

Commodity group	1987 Total value	1987 Duty-free value	1987 Dutiable value	1988 Total value	1988 Duty-free value	1988 Dutiable value
Miscellaneous manufactures—Continued:						
Furniture, mattresses, and pillows, cushions, and similar furnishings	421,868	116,855	305,013	540,517	189,943	350,574
Small arms (bore diameter 30mm and under)	3,825	71	3,754	3,866	45	3,821
Ammunition and munitions	1,103	125	978	1,196	137	1,059
Game machines, except coin or disc operated	1,288	37	1,250	823	200	623
Fishing tackle	2,462	1,104	1,358	3,442	1,768	1,674
Baseball and softball equipment	13,611	10,440	3,171	10,612	8,502	2,110
Dolls and stuffed toy figures of animate objects	513	189	324	1,351	112	1,240
Toys (except games), models, tricks, and party favors	12,565	6,458	6,107	54,265	25,360	28,904
Jewelry	67,858	63,447	4,411	54,786	50,434	4,351
All other articles	61,799	28,111	33,688	66,968	33,778	33,189
Total	1,398,042	568,928	829,113	1,683,888	728,898	954,990
Grand total	67,595,048	12,527,233	55,067,815	72,803,484	16,354,111	56,449,373

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

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

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Table B-19

U.S. imports for consumption under HTS subheading 9802.00.80, by principal sources, 1988

Source	Total value		Duty-free value	
	Value	Percent of total	Value	Percent of total
	Million dollars		Million dollars	
Grand total	72,803.5	100.0	16,354.1	100.0
Top 10 sources, total	66,930.1	91.9	14,282.2	87.3
Canada	24,776.9	34.0	6,517.9	39.9
Japan	15,717.7	21.6	257.1	1.6
Mexico	10,653.5	14.6	5,299.8	32.4
West Germany	4,884.0	6.7	97.1	.6
South Korea	3,088.7	4.2	543.8	3.3
Singapore	1,856.9	2.6	442.0	2.7
Sweden	1,715.7	2.4	49.5	.3
United Kingdom	1,643.4	2.3	213.0	1.3
France	1,381.6	1.9	205.7	1.3
Malaysia	1,211.7	1.7	656.3	4.0
All other	5,873.4	8.0	2,071.9	12.7

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

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

Table B-20

U.S. imports for consumption from Canada under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	0	0	0
All other articles	4,533	439	4,094
Total	4,533	439	4,094
Forest products:			
Industrial papers, packaging and miscellaneous papers	269	90	179
All other articles	29,895	5,420	24,475
Total	30,164	5,510	24,654
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	12	5	8
Women's, girls', and infants' coats and jackets	242	114	128
Women's, girls', and infants' trousers, slacks, and shorts	94	41	53
Men's and boys' shirts	338	50	288
Men's and boys' coats and jackets	4	2	2
Men's and boys' trousers, slacks, and shorts	57	28	29
Body-supporting garments	709	417	292
Gloves	0	0	0
Footwear	88	3	85
All other articles	35,293	10,926	24,367
Total	36,837	11,586	25,252
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	15,566	3,913	11,653
All other articles	6,479	1,512	4,967
Total	22,045	5,425	16,620
Minerals and metals:			
Metallic containers	3,431	482	2,949
Locks and padlocks	5,245	683	4,562
Handtools	655	111	544
Structures of base metal	12,679	2,418	10,261
Nonelectric heating and cooking apparatus other than cast iron stoves	16,783	2,606	14,177
Miscellaneous metal products and articles	106,107	6,237	99,870
All other articles	28,582	9,446	19,136
Total	173,481	21,983	151,499
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	7,108	1,503	5,605
Internal combustion engines, piston-type, and parts thereof	1,329,175	102,904	1,226,270
Internal combustion engines, non-piston type, and parts thereof	178,966	24,642	154,324
Pumps for liquids and parts thereof	12,027	3,909	8,118
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	12,672	3,291	9,381
Compressors and parts thereof	30,882	15,877	15,005

See footnotes at end of table.

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Table B-20—Continued

U.S. imports for consumption from Canada under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Air-conditioning machines and parts thereof	12,307	2,090	10,217
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	6,609	1,214	5,395
Centrifuges and filtering and purifying machinery and parts thereof	31,040	6,075	24,965
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	4,494	651	3,843
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	193,427	70,210	123,217
Lifting, handling, loading, unloading machinery and parts thereof	32,422	5,054	27,369
Pulp and paper machinery; and bookbinding and printing machinery	27,278	3,436	23,842
Sewing machines and parts thereof including furniture specially designed for such machines	942	54	888
Machines for working metal, stone, and other materials	34,114	6,142	27,973
Office machines and parts thereof	327,976	100,138	227,838
Automatic vending machines and parts thereof	930	121	808
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	37,274	7,261	30,012
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	820	172	648
Other miscellaneous machinery and mechanical equipment and parts thereof	153,492	24,248	129,243
Transformers	14,772	760	14,011
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	43,890	6,521	37,369
Portable electric hand tools	6,730	1,579	5,151
Electric household appliances	17,341	2,835	14,506
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	25,697	7,289	18,408
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	83,884	10,452	73,432
Microphones, loudspeakers, and related equipment	8,626	1,307	7,319
Television receivers	34,233	3,664	30,569
Television apparatus and parts, other than cameras, receivers, and picture tubes	12,316	938	11,378
Radio receivers and transceivers and parts thereof	46,604	4,574	42,030
Record players, phonographs, record changers, and turntables, and parts thereof	0	0	0
Tape recorders, tape players, and dictation machines	38,575	887	37,688
Miscellaneous radiotelegraphic and radiotelephonic apparatus	2,141	926	1,215
Other miscellaneous electrical products and parts	49,203	9,311	39,893
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	44,849	9,028	35,821
Voltage regulators	12	2	9
Electrical resistors	405	84	321
Electric lamps	12,968	2,193	10,775
Electronic tubes (except X-ray)	8,921	1,559	7,362

See footnotes at end of table.

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Table B 20—Continued

U.S. imports for consumption from Canada under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Semiconductors	576,84	324,009	252,832
Electrical conductors	18,773	10,829	7,944
Miscellaneous electrical articles	10,590	3,348	7,242
Rail locomotives and rolling stock	110,542	55,283	55,259
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	17,982,169	4,895,435	13,086,733
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	2,254,118	457,629	1,796,489
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	280,405	139,311	141,094
Pleasure boats; floating structures	27,951	3,715	24,236
All other articles	117	9	109
Total	24,146,628	6,332,473	17,814,155
Miscellaneous manufactures:			
Handbags	0	0	0
Luggage	1,067	37	1,030
Flat goods	0	0	0
Optical instruments, components and lenses	18,563	5,730	12,833
Surgical and medical instruments and apparatus	12,272	3,864	8,408
Scientific instruments	44,913	7,760	37,153
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f.	6,271	1,190	5,081
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	244	36	208
Photographic equipment and supplies	381	35	345
Magnetic recording media not having any material recorded thereon	0	0	0
Musical instruments, parts and accessories	1,066	92	974
Furniture, mattresses, and pillows, cushions, and similar furnishings	268,492	120,096	148,396
Small arms (bore diameter 30mm and under)	1	1	1
Ammunition and munitions	522	58	463
Game machines, except coin or disc operated	0	0	0
Fishing tackle	235	124	111
Baseball and softball equipment	0	0	0
Dolls and stuffed toy figures of animate objects	0	0	0
Toys (except games), models, tricks, and party favors	74	32	42
Jewelry	42	4	38
All other articles	9,057	1,378	7,679
Total	363,199	140,437	222,762
Grand total	24,776,888	6,517,852	18,259,035

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

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

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Table B-21

U.S. imports for consumption from Japan under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	0	0	0
All other articles	0	0	0
Total	0	0	0
Forest products:			
Industrial papers, packaging and miscellaneous papers	9	7	2
All other articles	85	80	5
Total	94	87	7
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	0	0	0
Women's, girls', and infants' coats and jackets	50	(1)	50
Women's, girls', and infants' trousers, slacks, and shorts	147	(1)	147
Men's and boys' shirts	0	0	0
Men's and boys' coats and jackets	0	0	0
Men's and boys' trousers, slacks, and shorts	0	0	0
Body-supporting garments	0	0	0
Gloves	0	0	0
Footwear	48	27	22
All other articles	1,302	181	1,121
Total	1,548	208	1,339
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	104	94	10
All other articles	24	19	5
Total	128	113	15
Minerals and metals:			
Metallic containers	0	0	0
Locks and padlocks	0	0	0
Handtools	0	0	0
Structures of base metal	0	0	0
Nonelectric heating and cooking apparatus other than cast iron stoves	0	0	0
Miscellaneous metal products and articles	4	1	3
All other articles	49	28	22
Total	53	29	24
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	0	0	0
Internal combustion engines, piston-type, and parts thereof	48,082	5,342	42,740
Internal combustion engines, non-piston type, and parts thereof	0	0	0
Pumps for liquids and parts thereof	767	42	725
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	0	0	0
Compressors and parts thereof	81,359	1,176	80,183

See footnotes at end of table.

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Table B-21—Continued

U.S. imports for consumption from Japan under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Air-conditioning machines and parts thereof	0	0	0
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	13,830	6,851	6,978
Centrifuges and filtering and purifying machinery and parts thereof	0	0	0
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	0	0	0
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	121,478	15,136	106,341
Lifting, handling, loading, unloading machinery and parts thereof	14,350	2,451	11,899
Pulp and paper machinery; and bookbinding and printing machinery	0	0	0
Sewing machines and parts thereof including furniture specially designed for such machines	0	0	0
Machines for working metal, stone, and other materials	18,838	1,312	17,526
Office machines and parts thereof	77,207	29,729	47,479
Automatic vending machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	341	49	291
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	230	20	210
Other miscellaneous machinery and mechanical equipment and parts thereof	31,007	8,736	22,270
Transformers	12	7	4
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	146	65	81
Portable electric hand tools	0	0	0
Electric household appliances	26	(1)	26
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	0	0	0
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	0	0	0
Microphones, loudspeakers, and related equipment	237	70	167
Television receivers	2,152	220	1,932
Television apparatus and parts, other than cameras, receivers, and picture tube	13,120	2,045	11,075
Radio receivers and transceivers and parts thereof	850	368	482
Record players, phonographs, record changers, and turntables, and parts thereof	390	73	317
Tape recorders, tape players, and dictation machines	100,645	1,270	99,374
Miscellaneous radiotelegraphic and radiotelephonic apparatus	3,504	54	3,449
Other miscellaneous electrical products and parts	289	80	209
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	2,062	942	1,120
Voltage regulators	0	0	0
Electrical resistors	0	0	0
Electric lamps	0	0	0
Electronic tubes (except X-ray	4,685	1,972	2,713

See footnotes at end of table.

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Table B-21—Continued

U.S. imports for consumption from Japan under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Semiconductors	22,887	14,502	8,385
Electrical conductors	2,654	859	1,795
Miscellaneous electrical articles	172	41	131
Rail locomotives and rolling stock	73,206	11,855	61,351
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	14,706,153	136,519	14,569,634
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	292,706	3,748	288,958
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	22,427	3,614	18,812
Pleasure boats; floating structures	8,165	475	7,690
All other articles	0	0	0
Total	15,663,975	249,626	15,414,349
Miscellaneous manufactures:			
Handbags	0	0	0
Luggage	11	8	3
Flat goods	0	0	0
Optical instruments, components and lenses	0	0	0
Surgical and medical instruments and apparatus	20,561	4,256	16,304
Scientific instruments	13,635	941	12,694
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	2,330	256	2,074
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	411	84	326
Photographic equipment and supplies	992	227	764
Magnetic recording media not having any material recorded thereon	196	71	125
Musical instruments, parts and accessories	7,202	523	6,680
Furniture, mattresses, and pillows, cushions, and similar furnishings	280	217	63
Small arms (bore diameter 30mm and under)	3,865	44	3,820
Ammunition and munitions	0	0	0
Game machines, except coin or disc operated	0	0	0
Fishing tackle	0	0	0
Baseball and softball equipment	0	0	0
Dolls and stuffed toy figures of animate objects	0	0	0
Toys (except games), models, tricks, and party favors	0	0	0
Jewelry	451	179	273
All other articles	1,961	209	1,752
Total	51,894	7,015	44,879
Grand total	15,717,690	257,077	15,460,613

[1] Less than $500.

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

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

Table B-22

U.S. imports for consumption from Mexico under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	0	0	0
All other articles	73	64	8
Total	73	64	8
Forest products:			
Industrial papers, packaging and miscellaneous papers	152,381	125,250	27,131
All other articles	8,899	4,659	4,240
Total	161,280	129,909	31,371
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	39,541	20,429	19,113
Women's, girls', and infants' coats and jackets	11,797	8,132	3,665
Women's, girls', and infants' trousers, slacks, and shorts	46,753	31,457	15,296
Men's and boys' shirts	18,419	12,337	6,082
Men's and boys' coats and jackets	21,217	14,794	6,423
Men's and boys' trousers, slacks, and shorts	128,346	94,376	33,970
Body-supporting garments	35,621	28,291	7,330
Gloves	9,139	7,713	1,426
Footwear	81,725	64,821	16,903
All other articles	175,358	123,953	51,405
Total	567,917	406,304	161,613
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	92,651	36,255	56,397
All other articles	2,829	2,467	362
Total	95,480	38,722	56,759
Minerals and metals:			
Metallic containers	1,346	1,200	146
Locks and padlocks	68,245	44,611	23,634
Handtools	8,811	6,953	1,858
Structures of base metal	470	326	144
Nonelectric heating and cooking apparatus other than cast iron stoves	6,846	4,623	2,223
Miscellaneous metal products and articles	40,079	29,455	10,624
All other articles	33,240	10,049	23,192
Total	159,037	97,217	61,821
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	0	0	0
Internal combustion engines, piston-type, and parts thereof	558,471	199,425	359,046
Internal combustion engines, non-piston type, and parts thereof	22,914	21,102	1,811
Pumps for liquids and parts thereof	14,362	10,723	3,640
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	47,347	36,510	10,837
Compressors and parts thereof	11,435	6,473	4,962

See footnotes at end of table.

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Table B-22—Continued

U.S. imports for consumption from Mexico under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Air-conditioning machines and parts thereof	107,670	33,979	73,690
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	3,737	1,909	1,828
Centrifuges and filtering and purifying machinery and parts thereof	6,027	4,797	1,231
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	0	0	0
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	1,077	906	171
Lifting, handling, loading, unloading machinery and parts thereof	73,477	29,037	44,440
Pulp and paper machinery; and bookbinding and printing machinery	9,370	7,386	1,984
Sewing machines and parts thereof including furniture specially designed for such machines	0	0	0
Machines for working metal, stone, and other materials	34,556	26,543	8,013
Office machines and parts thereof	366,947	137,176	229,771
Automatic vending machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	64,602	50,941	13,660
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	4,358	3,333	1,026
Other miscellaneous machinery and mechanical equipment and parts thereof	25,816	19,879	5,937
Transformers	39,924	22,898	17,026
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	520,707	296,321	224,386
Portable electric hand tools	37,461	21,442	16,019
Electric household appliances	109,750	86,856	22,894
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	13,495	5,364	8,132
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	78,959	40,841	38,118
Microphones, loudspeakers, and related equipment	34,149	16,280	17,869
Television receivers	774,868	184,453	590,415
Television apparatus and parts, other than cameras, receivers, and picture tubes	398,461	109,231	289,229
Radio receivers and transceivers and parts thereof	159,417	59,137	100,280
Record players, phonographs, record changers, and turntables, and parts thereof	9,647	4,944	4,703
Tape recorders, tape players, and dictation machines	443,293	104,466	338,828
Miscellaneous radiotelegraphic and radiotelephonic apparatus	148	8	140
Other miscellaneous electrical products and parts	192,958	132,223	60,734
Electrical capacitors	145,797	98,633	47,165
Articles for making and breaking electrical circuits	605,233	383,155	222,078
Voltage regulators	3,652	2,540	1,113
Electrical resistors	67,328	43,892	23,436
Electric lamps	41,585	33,911	7,674
Electronic tubes (except X-ray)	14,840	7,498	7,342

See footnotes at end of table.

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Table B-22—Continued

U.S. imports for consumption from Mexico under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Semiconductors	237,084	156,592	80,492
Electrical conductors	1,065,513	709,477	356,035
Miscellaneous electrical articles	84,752	45,203	39,548
Rail locomotives and rolling stock	3,282	720	2,562
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	1,725,514	614,639	1,110,874
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	624,444	411,786	212,658
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	7,924	5,839	2,085
Pleasure boats; floating structures	27,854	18,593	9,261
All other articles	0	0	0
Total	8,820,205	4,207,061	4,613,144
Miscellaneous manufactures:			
Handbags	3,106	2,304	802
Luggage	20,760	12,761	7,999
Flat goods	512	254	259
Optical instruments, components and lenses	2,091	1,324	768
Surgical and medical instruments and apparatus	153,485	111,627	41,858
Scientific instruments	154,823	107,840	46,984
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	36,522	15,148	21,374
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	6,907	4,461	2,446
Photographic equipment and supplies	9,661	7,348	2,314
Magnetic recording media not having any material recorded thereon	75,661	19,522	56,139
Musical instruments, parts and accessories	11,397	5,131	6,265
Furniture, mattresses, and pillows, cushions, and similar furnishings	271,115	69,477	201,638
Small arms (bore diameter 30mm and under)	0	0	0
Ammunition and munitions	0	0	0
Game machines, except coin or disc operated	725	136	589
Fishing tackle	2,192	1,064	1,128
Baseball and softball equipment	0	0	0
Dolls and stuffed toy figures of animate objects	1,127	86	1,041
Toys (except games), models, tricks, and party favors	52,527	24,346	28,182
Jewelry	7,960	7,620	339
All other articles	38,968	30,077	8,891
Total	849,541	420,525	429,016
Grand total	10,653,533	5,299,801	5,353,732

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

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

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Table B-23

U.S. imports for consumption from West Germany under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	0	0	0
All other articles	0	0	0
Total	0	0	0
Forest products:			
Industrial papers, packaging and miscellaneous papers	0	0	0
All other articles	0	0	0
Total	0	0	0
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	16	11	4
Women's, girls', and infants' coats and jackets	0	0	0
Women's, girls', and infants' trousers, slacks, and shorts	17	8	9
Men's and boys' shirts	0	0	0
Men's and boys' coats and jackets	0	0	0
Men's and boys' trousers, slacks, and shorts	256	216	40
Body-supporting garments	0	0	0
Gloves	0	0	0
Footwear	0	0	0
All other articles	112	84	28
Total	401	319	82
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	15	5	10
All other articles	0	0	0
Total	15	5	10
Minerals and metals:			
Metallic containers	0	0	0
Locks and padlocks	0	0	0
Handtools	0	0	0
Structures of base metal	0	0	0
Nonelectric heating and cooking apparatus other than cast iron stoves	376	154	222
Miscellaneous metal products and articles	0	0	0
All other articles	679	112	567
Total	1,054	265	789
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	71	26	46
Internal combustion engines, piston-type, and parts thereof	343,094	38,988	304,106
Internal combustion engines, non-piston type, and parts thereof	0	0	0
Pumps for liquids and parts thereof	0	0	0
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	19	16	4
Compressors and parts thereof	1,115	568	547

See footnotes at end of table.

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

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Table B-23—Continued

U.S. imports for consumption from West Germany under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Air-conditioning machines and parts thereof	0	0	0
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	926	214	712
Centrifuges and filtering and purifying machinery and parts thereof	485	50	435
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	0	0	0
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	4,559	214	4,345
Lifting, handling, loading, unloading machinery and parts thereof	1,914	356	1,558
Pulp and paper machinery; and bookbinding and printing machinery	13,101	181	12,920
Sewing machines and parts thereof including furniture specially designed for such machines	0	0	0
Machines for working metal, stone, and other materials	38,642	1,453	37,189
Office machines and parts thereof	14,333	3,071	11,262
Automatic vending machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	3	2	1
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	0	0	0
Other miscellaneous machinery and mechanical equipment and parts thereof	8,140	883	7,257
Transformers	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	10,317	1,175	9,142
Portable electric hand tools	0	0	0
Electric household appliances	1,464	160	1,303
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	29	1	28
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	0	0	0
Microphones, loudspeakers, and related equipment	0	0	0
Television receivers	0	0	0
Television apparatus and parts, other than cameras, receivers, and picture tubes	0	0	0
Radio receivers and transceivers and parts thereof	0	0	0
Record players, phonographs, record changers, and turntables, and parts thereof	0	0	0
Tape recorders, tape players, and dictation machines	2	(1)	2
Miscellaneous radiotelegraphic and radiotelephonic apparatus	0	0	0
Other miscellaneous electrical products and parts	456	352	104
Electrical capacitors	383	200	183
Articles for making and breaking electrical circuits	269	72	196
Voltage regulators	0	0	0
Electrical resistors	0	0	0
Electric lamps	41	9	33
Electronic tubes (except X-ray)	0	0	0

See footnotes at end of table.

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Table B-23—Continued

U.S. imports for consumption from West Germany under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Semiconductors	429	290	138
Electrical conductors	0	0	0
Miscellaneous electrical articles	0	0	0
Rail locomotives and rolling stock	12,581	1,574	11,007
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	4,308,381	27,801	4,280,579
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	14,761	283	14,477
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	49,386	11,252	38,134
Pleasure boats; floating structures	7,889	163	7,726
All other articles	0	0	0
Total	4,832,789	89,353	4,743,436
Miscellaneous manufactures:			
Handbags	0	0	0
Luggage	0	0	0
Flat goods	0	0	0
Optical instruments, components and lenses	158	51	107
Surgical and medical instruments and apparatus	34,213	4,881	29,332
Scientific instruments	103	83	19
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	0	0	0
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	179	8	171
Photographic equipment and supplies	0	0	0
Magnetic recording media not having any material recorded thereon	14,779	2,069	12,709
Musical instruments, parts and accessories	0	0	0
Furniture, mattresses, and pillows, cushions, and similar furnishings	49	2	47
Small arms (bore diameter 30mm and under)	0	0	0
Ammunition and munitions	0	0	0
Game machines, except coin or disc operated	0	0	0
Fishing tackle	0	0	0
Baseball and softball equipment	0	0	0
Dolls and stuffed toy figures of animate objects	0	0	0
Toys (except games), models, tricks, and party favors	0	0	0
Jewelry	0	0	0
All other articles	225	13	212
Total	49,706	7,109	42,597
Grand total	4,883,966	97,052	4,786,914

See footnotes at end of table.

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Table B-24

U.S. imports for consumption from Korea under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	0	0	0
All other articles	0	0	0
Total	0	0	0
Forest products:			
Industrial papers, packaging and miscellaneous papers	0	0	0
All other articles	0	0	0
Total	0	0	0
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	1,247	23	1,225
Women's, girls', and infants' coats and jackets	820	70	750
Women's, girls', and infants' trousers, slacks, and shorts	462	8	454
Men's and boys' shirts	3,147	70	3,077
Men's and boys' coats and jackets	866	249	617
Men's and boys' trousers, slacks, and shorts	57	19	38
Body-supporting garments	18	11	7
Gloves	0	0	0
Footwear	219,984	26,281	193,703
All other articles	2,495	271	2,224
Total	229,097	27,001	202,095
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	0	0	0
All other articles	0	0	0
Total	0	0	0
Minerals and metals:			
Metallic containers	101	1	100
Locks and padlocks	0	0	0
Handtools	0	0	0
Structures of base metal	0	0	0
Nonelectric heating and cooking apparatus other than cast iron stoves	0	0	0
Miscellaneous metal products and articles	1	1	(1)
All other articles	0	0	0
Total	103	2	100
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	0	0	0
Internal combustion engines, piston-type, and parts thereof	0	0	0
Internal combustion engines, non-piston type, and parts thereof	0	0	0
Pumps for liquids and parts thereof	0	0	0
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	0	0	0
Compressors and parts thereof	0	0	0

See footnotes at end of table.

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Table B-24—Continued

U.S. Imports for consumption from Korea under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Air-conditioning machines and parts thereof	0	0	0
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	0	0	0
Centrifuges and filtering and purifying machinery and parts thereof	0	0	0
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	0	0	0
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	0	0	0
Lifting, handling, loading, unloading machinery and parts thereof	4,552	799	3,753
Pulp and paper machinery; and bookbinding and printing machinery	0	0	0
Sewing machines and parts thereof including furniture specially designed for such machines	347	1	346
Machines for working metal, stone, and other materials	0	0	0
Office machines and parts thereof	81,002	24,117	56,884
Automatic vending machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	0	0	0
Other miscellaneous machinery and mechanical equipment and parts thereof	63	17	45
Transformers	49	31	18
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	1,147	578	570
Portable electric hand tools	0	0	0
Electric household appliances	0	0	0
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	0	0	0
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	2,691	1,279	1,412
Microphones, loudspeakers, and related equipment	27	3	24
Television receivers	0	0	0
Television apparatus and parts, other than cameras, receivers, and picture tubes	34	15	19
Radio receivers and transceivers and parts thereof	976	350	625
Record players, phonographs, record changers, and turntables, and parts thereof	0	0	0
Tape recorders, tape players, and dictation machines	1,332	7	1,325
Miscellaneous radiotelegraphic and radiotelephonic apparatus	0	0	0
Other miscellaneous electrical products and parts	19,798	4,945	14,853
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	737	427	309
Voltage regulators	0	0	0
Electrical resistors	456	335	122
Electric lamps	0	0	0
Electronic tubes (except X-ray)	198	93	105

See footnotes at end of table.

Table B-24—Continued

U.S. imports for consumption from Korea under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Semiconductors	655,711	396,793	258,919
Electrical conductors	35	29	6
Miscellaneous electrical articles	34,102	17,701	16,401
Rail locomotives and rolling stock	1,068	720	348
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	2,020,824	62,106	1,958,718
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	16,534	2,350	14,184
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	0	0	0
Pleasure boats; floating structures	212	47	166
All other articles	0	0	0
Total	2,841,895	512,742	2,329,152
Miscellaneous manufactures:			
Handbags	0	0	0
Luggage	691	5	686
Flat goods	0	0	0
Optical instruments, components and lenses	0	0	0
Surgical and medical instruments and apparatus	1,891	848	1,043
Scientific instruments	0	0	0
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	18	5	12
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	9,657	1,459	8,198
Photographic equipment and supplies	11	6	5
Magnetic recording media not having any material recorded thereon	85	26	59
Musical instruments, parts and accessories	303	15	288
Furniture, mattresses, and pillows, cushions, and similar furnishings	0	0	0
Small arms (bore diameter 30mm and under)	0	0	0
Ammunition and munitions	0	0	0
Game machines, except coin or disc operated	0	0	0
Fishing tackle	162	154	8
Baseball and softball equipmen	0	0	0
Dolls and stuffed toy figures of animate objects	6	([1])	6
Toys (except games), models, tricks, and party favors	1,071	854	216
Jewelry	0	0	0
All other articles	3,723	679	3,044
Total	17,617	4,051	13,566
Grand total	3,088,711	543,797	2,544,913

[1] Less than $500.

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

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

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Table B-25

U.S. imports for consumption from Singapore under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	0	0	0
All other articles	0	0	0
Total	0	0	0
Forest products:			
Industrial papers, packaging and miscellaneous papers	0	0	0
All other articles	0	0	0
Total	0	0	0
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	651	2	648
Women's, girls', and infants' coats and jackets	123	(1)	123
Women's, girls', and infants' trousers, slacks, and shorts	322	1	321
Men's and boys' shirts	1,960	15	1,945
Men's and boys' coats and jackets	0	0	0
Men's and boys' trousers, slacks, and shorts	0	0	0
Body-supporting garments	0	0	0
Gloves	0	0	0
Footwear	281	48	234
All other articles	1,676	101	1,574
Total	5,013	167	4,846
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	4	2	2
All other articles	0	0	0
Total	4	2	2
Minerals and metals:			
Metallic containers	0	0	0
Locks and padlocks	0	0	0
Handtools	5,225	437	4,788
Structures of base metal	0	0	0
Nonelectric heating and cooking apparatus other than cast iron stoves	0	0	0
Miscellaneous metal products and articles	30	6	24
All other articles	185	27	158
Total	5,440	470	4,970
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	0	0	0
Internal combustion engines, piston-type, and parts thereof	552	166	385
Internal combustion engines, non-piston type, and parts thereof	0	0	0
Pumps for liquids and parts thereof	0	0	0
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	2	(1)	2
Compressors and parts thereof	0	0	0

See footnotes at end of table.

Table B-25—Continued

U.S. imports for consumption from Singapore under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Air-conditioning machines and parts thereof	0	0	0
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	0	0	0
Centrifuges and filtering and purifying machinery and parts thereof	0	0	0
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	0	0	0
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	0	0	0
Lifting, handling, loading, unloading machinery and parts thereof	0	0	0
Pulp and paper machinery; and bookbinding and printing machinery	0	0	0
Sewing machines and parts thereof including furniture specially designed for such machines	0	0	0
Machines for working metal, stone, and other materials	0	0	0
Office machines and parts thereof	1,168,820	190,222	978,598
Automatic vending machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	0	0	0
Other miscellaneous machinery and mechanical equipment and parts thereof	3	3	(1)
Transformers	8	2	7
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	4,608	1,201	3,407
Portable electric hand tools	0	0	0
Electric household appliances	0	0	0
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	0	0	0
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	81	2	79
Microphones, loudspeakers, and related equipment	946	191	755
Television receivers	0	0	0
Television apparatus and parts, other than cameras, receivers, and picture tubes	0	0	0
Radio receivers and transceivers and parts thereof	11,424	2,232	9,192
Record players, phonographs, record changers, and turntables, and parts thereof	0	0	0
Tape recorders, tape players, and dictation machines	0	0	0
Miscellaneous radiotelegraphic and radiotelephonic apparatus	0	0	0
Other miscellaneous electrical products and parts	52,893	12,444	40,449
Electrical capacitors	1	1	(1)
Articles for making and breaking electrical circuits	3,818	517	3,301
Voltage regulators	0	0	0
Electrical resistors	5	3	2
Electric lamps	4,671	863	3,808
Electronic tubes (except X-ray)	0	0	0

See footnotes at end of table.

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Table B-25—Continued

U.S. imports for consumption from Singapore under TSUS item 807.00, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Semiconductors	580,498	229,086	351,413
Electrical conductors	1,242	1,014	228
Miscellaneous electrical articles	15,290	3,134	12,156
Rail locomotives and rolling stock	0	0	0
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	0	0	0
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	0	0	0
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	0	0	0
Pleasure boats; floating structures	225	42	183
All other articles	0	0	0
Total	1,845,088	441,122	1,403,966
Miscellaneous manufactures:			
Handbags	0	0	0
Luggage	176	35	141
Flat goods	0	0	0
Optical instruments, components and lenses	377	113	265
Surgical and medical instruments and apparatus	0	0	0
Scientific instruments	165	45	120
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	212	34	178
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	0	0	0
Photographic equipment and supplies	0	0	0
Magnetic recording media not having any material recorded thereon	128	5	124
Musical instruments, parts and accessories	0	0	0
Furniture, mattresses, and pillows, cushions, and similar furnishings	0	0	0
Small arms (bore diameter 30mm and under)	0	0	0
Ammunition and munitions	0	0	0
Game machines, except coin or disc operated	0	0	0
Fishing tackle	0	0	0
Baseball and softball equipment	0	0	0
Dolls and stuffed toy figures of animate objects	0	0	0
Toys (except games), models, tricks, and party favors	0	0	0
Jewelry	0	0	0
All other articles	270	10	260
Total	1,329	241	1,088
Grand total	1,856,874	442,002	1,414,872

[1] Less than $500.

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

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

Table B-26

U.S. imports for consumption from Sweden under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	0	0	0
All other articles	0	0	0
Total	0	0	0
Forest products:			
Industrial papers, packaging and miscellaneous papers	0	0	0
All other articles	0	0	0
Total	0	0	0
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	0	0	0
Women's, girls', and infants' coats and jackets	0	0	0
Women's, girls', and infants' trousers, slacks, and shorts	0	0	0
Men's and boys' shirts	1	1	(1)
Men's and boys' coats and jackets	0	0	0
Men's and boys' trousers, slacks, and shorts	0	0	0
Body-supporting garments	0	0	0
Gloves	0	0	0
Footwear	0	0	0
All other articles	772	585	188
Total	773	585	188
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	0	0	0
All other articles	1,197	685	512
Total	1,197	685	512
Minerals and metals:			
Metallic containers	0	0	0
Locks and padlocks	0	0	0
Handtools	49	25	24
Structures of base metal	0	0	0
Nonelectric heating and cooking apparatus other than cast iron stoves	0	0	0
Miscellaneous metal products and articles	1,314	121	1,192
All other articles	0	0	0
Total	1,363	147	1,216
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	0	0	0
Internal combustion engines, piston-type, and parts thereof	0	0	0
Internal combustion engines, non-piston type, and parts thereof	140	2	138
Pumps for liquids and parts thereof	0	0	0
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	0	0	0
Compressors and parts thereof	0	0	0

See footnotes at end of table.

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Table B-26—Continued

U.S. imports for consumption from Sweden under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Air-conditioning machines and parts thereof	0	0	0
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	0	0	0
Centrifuges and filtering and purifying machinery and parts thereof	0	0	0
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	0	0	0
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	24,507	651	23,856
Lifting, handling, loading, unloading machinery and parts thereof	0	0	0
Pulp and paper machinery; and bookbinding and printing machinery	0	0	0
Sewing machines and parts thereof including furniture specially designed for such machines	0	0	0
Machines for working metal, stone, and other materials	0	0	0
Office machines and parts thereof	16,200	505	15,695
Automatic vending machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	0	0	0
Other miscellaneous machinery and mechanical equipment and parts thereof	184	51	134
Transformers	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	0	0	0
Portable electric hand tools	0	0	0
Electric household appliance	0	0	0
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	0	0	0
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	0	0	0
Microphones, loudspeakers, and related equipment	0	0	0
Television receivers	0	0	0
Television apparatus and parts, other than cameras, receivers, and picture tubes	0	0	0
Radio receivers and transceivers and parts thereof	0	0	0
Record players, phonographs, record changers, and turntables, and parts thereof	0	0	0
Tape recorders, tape players, and dictation machines	0	0	0
Miscellaneous radiotelegraphic and radiotelephonic apparatus	0	0	0
Other miscellaneous electrical products and parts	0	0	0
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	0	0	0
Voltage regulators	0	0	0
Electrical resistors	0	0	0
Electric lamps	0	0	0
Electronic tubes (except X-ray)	0	0	0

See footnotes at end of table.

Table B-26—Continued

U.S. imports for consumption from Sweden under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Semiconductors	0	0	0
Electrical conductors	0	0	0
Miscellaneous electrical articles	0	0	0
Rail locomotives and rolling stock	0	0	0
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	1,608,315	20,932	1,587,383
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	9,892	166	9,726
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	50,826	25,536	25,290
Pleasure boats; floating structures	0	0	0
All other articles	0	0	0
Total	1,710,065	47,843	1,662,222
Miscellaneous manufactures:			
Handbags	0	0	0
Luggage	0	0	0
Flat goods	0	0	0
Optical instruments, components and lenses	1,300	124	1,176
Surgical and medical instruments and apparatus	9	7	1
Scientific instruments	322	24	298
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	5	2	4
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	0	0	0
Photographic equipment and supplies	0	0	0
Magnetic recording media not having any material recorded thereon	0	0	0
Musical instruments, parts and accessories	0	0	0
Furniture, mattresses, and pillows, cushions, and similar furnishings	0	0	0
Small arms (bore diameter 30mm and under)	0	0	0
Ammunition and munitions	674	79	595
Game machines, except coin or disc operated	0	0	0
Fishing tackle	0	0	0
Baseball and softball equipment	0	0	0
Dolls and stuffed toy figures of animate objects	0	0	0
Toys (except games), models, tricks, and party favors	0	0	0
Jewelry	0	0	0
All other articles	0	0	0
Total	2,309	235	2,074
Grand total	1,715,707	49,495	1,666,212

[1] Less than $500.

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

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

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Table B-27

U.S. Imports for consumption from the United Kingdom under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	0	0	0
All other articles	21	8	13
Total	21	8	13
Forest products:			
Industrial papers, packaging and miscellaneous papers	0	0	0
All other articles	0	0	0
Total	0	0	0
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	0	0	0
Women's, girls', and infants' coats and jackets	0	0	0
Women's, girls', and infants' trousers, slacks, and shorts	0	0	0
Men's and boys' shirts	6	(1)	6
Men's and boys' coats and jackets	0	0	0
Men's and boys' trousers, slacks, and shorts	51	32	18
Body-supporting garments	0	0	0
Gloves	0	0	0
Footwear	16	14	2
All other articles	87	59	28
Total	160	106	54
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	48	11	38
All other articles	48	24	24
Total	96	35	61
Minerals and metals:			
Metallic containers	0	0	0
Locks and padlocks	0	0	0
Handtools	0	0	0
Structures of base metal	0	0	0
Nonelectric heating and cooking apparatus other than cast iron stoves	0	0	0
Miscellaneous metal products and articles	45	10	34
All other articles	0	0	0
Total	45	10	34
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	6	5	1
Internal combustion engines, piston-type, and parts thereof	6,217	641	5,576
Internal combustion engines, non-piston type, and parts thereof	179,533	3,077	176,457
Pumps for liquids and parts thereof	1,862	221	1,641
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	7,324	1,369	5,955
Compressors and parts thereof	195	14	182

See footnotes at end of table.

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Table B-27—Continued

U.S. imports for consumption from the United Kingdom under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Air-conditioning machines and parts thereof	0	0	0
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	0	0	0
Centrifuges and filtering and purifying machinery and parts thereof	0	0	0
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	0	0	0
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	0	0	0
Lifting, handling, loading, unloading machinery and parts thereof	5	5	(1)
Pulp and paper machinery; and bookbinding and printing machinery	573	32	541
Sewing machines and parts thereof including furniture specially designed for such machines	0	0	0
Machines for working metal, stone, and other materials	4,533	758	3,774
Office machines and parts thereof	21,659	3,283	18,376
Automatic vending machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	565	119	446
Other miscellaneous machinery and mechanical equipment and parts thereof	3,719	811	2,908
Transformers	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	2,202	250	1,953
Portable electric hand tools	0	0	0
Electric household appliances	6,784	1,887	4,898
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	11	(1)	10
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	26	25	1
Microphones, loudspeakers, and related equipment	71	45	26
Television receivers	0	0	0
Television apparatus and parts, other than cameras, receivers, and picture tubes	0	0	0
Radio receivers and transceivers and parts thereof	301	177	124
Record players, phonographs, record changers, and turntables, and parts thereof	0	0	0
Tape recorders, tape players, and dictation machines	38	3	35
Miscellaneous radiotelegraphic and radiotelephonic apparatus	0	0	0
Other miscellaneous electrical products and parts	17,360	956	16,405
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	585	298	288
Voltage regulators	0	0	0
Electrical resistors	0	0	0
Electric lamps	0	0	0
Electronic tubes (except X-ray)	0	0	0

See footnotes at end of table.

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Tables B-27—Continued

U.S. imports for consumption from the United Kingdom under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Semiconductors	5,918	3,699	2,219
Electrical conductors	311	179	132
Miscellaneous electrical articles	1,350	205	1,145
Rail locomotives and rolling stock	0	0	0
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	824,877	11,880	812,997
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	44,717	7,146	37,571
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	429,420	149,322	280,098
Pleasure boats; floating structures	449	21	428
All other articles	0	0	0
Total	1,560,611	186,426	1,374,185
Miscellaneous manufactures:			
Handbags	0	0	0
Luggage	94	56	38
Flat goods	0	0	0
Optical instruments, components and lenses	181	146	36
Surgical and medical instruments and apparatus	21,058	5,293	15,766
Scientific instruments	13,316	2,463	10,852
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	100	45	54
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	105	25	80
Photographic equipment and supplies	47,353	18,383	28,970
Magnetic recording media not having any material recorded thereon	0	0	0
Musical instruments, parts and accessories	0	0	0
Furniture, mattresses, and pillows, cushions, and similar furnishings	0	0	0
Small arms (bore diameter 30mm and under)	0	0	0
Ammunition and munitions	0	0	0
Game machines, except coin or disc operated	0	0	0
Fishing tackle	0	0	0
Baseball and softball equipment	0	0	0
Dolls and stuffed toy figures of animate objects	0	0	0
Toys (except games), models, tricks, and party favors	0	0	0
Jewelry	29	10	18
All other articles	201	30	171
Total	82,437	26,451	55,986
Grand total	1,643,369	213,036	1,430,333

[1] Less than $500.

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

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

Table B-28

U.S. imports for consumption from France under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	0	0	0
All other articles	0	0	0
Total	0	0	0
Forest products:			
Industrial papers, packaging and miscellaneous papers	0	0	0
All other articles	0	0	0
Total	0	0	0
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	0	0	0
Women's, girls', and infants' coats and jackets	0	0	0
Women's, girls', and infants' trousers, slacks, and shorts	0	0	0
Men's and boys' shirts	0	0	0
Men's and boys' coats and jackets	0	0	0
Men's and boys' trousers, slacks, and shorts	0	0	0
Body-supporting garments	0	0	0
Gloves	0	0	0
Footwear	0	0	0
All other articles	1,031	324	706
Total	1,031	324	706
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	151	48	103
All other articles	0	0	0
Total	151	48	103
Minerals and metals:			
Metallic containers	451	8	443
Locks and padlocks	0	0	0
Handtools	0	0	0
Structures of base metal	0	0	0
Nonelectric heating and cooking apparatus other than cast iron stoves	0	0	0
Miscellaneous metal products and articles	432	25	407
All other articles	0	0	0
Total	883	33	850
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	0	0	0
Internal combustion engines, piston-type, and parts thereof	3,317	131	3,186
Internal combustion engines, non-piston type, and parts thereof	9,169	3,455	5,714
Pumps for liquids and parts thereof	0	0	0
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	0	0	0
Compressors and parts thereof	0	0	0

See footnotes at end of table.

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Table B-28—Continued

U.S. imports for consumption from France under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Air-conditioning machines and parts thereof	0	0	0
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	0	0	0
Centrifuges and filtering and purifying machinery and parts thereof	10	1	10
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	31	29	2
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	17,851	1,902	15,948
Lifting, handling, loading, unloading machinery and parts thereof	0	0	0
Pulp and paper machinery; and bookbinding and printing machinery	274	3	271
Sewing machines and parts thereof including furniture specially designed for such machines	0	0	0
Machines for working metal, stone, and other materials	0	0	0
Office machines and parts thereof	1,630	219	1,411
Automatic vending machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	41	5	37
Other miscellaneous machinery and mechanical equipment and parts thereof	4,580	36	4,544
Transformers	0	0	0
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	0	0	0
Portable electric hand tools	0	0	0
Electric household appliances	23	4	19
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	918	6	912
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	0	0	0
Microphones, loudspeakers, and related equipment	0	0	0
Television receivers	0	0	0
Television apparatus and parts, other than cameras, receivers, and picture tubes	56	6	51
Radio receivers and transceivers and parts thereof	0	0	0
Record players, phonographs, record changers, and turntables, and parts thereof	0	0	0
Tape recorders, tape players, and dictation machines	9	2	7
Miscellaneous radiotelegraphic and radiotelephonic apparatus	0	0	0
Other miscellaneous electrical products and parts	19	16	4
Electrical capacitors	0	0	0
Articles for making and breaking electrical circuits	124	39	85
Voltage regulators	0	0	0
Electrical resistors	0	0	0
Electric lamps	0	0	0
Electronic tubes (except X-ray)	7	7	(1)

See footnotes at end of table.

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Table B-28—Continued

U.S. imports for consumption from France Under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Semiconductors	1,173	416	757
Electrical conductors	0	0	0
Miscellaneous electrical articles	0	0	0
Rail locomotives and rolling stock	77,869	13,688	64,181
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	123,279	2,479	120,800
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	361,336	13,115	348,220
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	773,748	168,405	605,342
Pleasure boats; floating structures	0	0	0
All other articles	0	0	0
Total	1,375,463	203,964	1,171,500
Miscellaneous manufactures:			
Handbags	0	0	0
Luggage	0	0	0
Flat goods	0	0	0
Optical instruments, components and lenses	0	0	0
Surgical and medical instruments and apparatus	4,048	1,375	2,673
Scientific instruments	34	1	33
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	0	0	0
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	0	0	0
Photographic equipment and supplies	0	0	0
Magnetic recording media not having any material recorded thereon	6	3	4
Musical instruments, parts and accessories	0	0	0
Furniture, mattresses, and pillows, cushions, and similar furnishings	0	0	0
Small arms (bore diameter 30mm and under)	0	0	0
Ammunition and munitions	0	0	0
Game machines, except coin or disc operated	0	0	0
Fishing tackle	0	0	0
Baseball and softball equipment	0	0	0
Dolls and stuffed toy figures of animate objects	0	0	0
Toys (except games), models, tricks, and party favors	0	0	0
Jewelry	0	0	0
All other articles	0	0	0
Total	4,088	1,378	2,710
Grand total	1,381,616	205,747	1,175,869

[1] Less than $500.

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

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

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Table B-29

U.S. imports for consumption from Malaysia under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	0	0	0
All other articles	0	0	0
Total	0	0	0
Forest products:			
Industrial papers, packaging and miscellaneous papers	0	0	0
All other articles	0	0	0
Total	0	0	0
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	6	(1)	6
Women's, girls', and infants' coats and jackets	0	0	0
Women's, girls', and infants' trousers, slacks, and shorts	0	0	0
Men's and boys' shirts	2,393	34	2,358
Men's and boys' coats and jackets	0	0	0
Men's and boys' trousers, slacks, and shorts	0	0	0
Body-supporting garments	1,704	996	708
Gloves	0	0	0
Footwear	51	41	10
All other articles	385	12	373
Total	4,539	1,084	3,455
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	11	2	8
All other articles	0	0	0
Total	11	2	8
Minerals and metals:			
Metallic containers	0	0	0
Locks and padlocks	0	0	0
Handtools	0	0	0
Structures of base metal	0	0	0
Nonelectric heating and cooking apparatus other than cast iron stoves	0	0	0
Miscellaneous metal products and articles	0	0	0
All other articles	22	3	19
Total	22	3	19
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	0	0	0
Internal combustion engines, piston-type, and parts thereof	0	0	0
Internal combustion engines, non-piston type, and parts thereof	0	0	0
Pumps for liquids and parts thereof	0	0	0
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	0	0	0
Compressors and parts thereof	0	0	0

See footnotes at end of table.

Table B-29—Continued

U.S. imports for consumption from Malaysia under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Machinery and equipment—Continued:			
Air-conditioning machines and parts thereof	0	0	0
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	0	0	0
Centrifuges and filtering and purifying machinery and parts thereof	0	0	0
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	0	0	0
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	0	0	0
Lifting, handling, loading, unloading machinery and parts thereof	55	37	18
Pulp and paper machinery; and bookbinding and printing machinery	0	0	0
Sewing machines and parts thereof including furniture specially designed for such machines	0	0	0
Machines for working metal, stone, and other materials	0	0	0
Office machines and parts thereof	428	115	313
Automatic vending machines and parts thereof	0	0	0
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	0	0	0
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and universal joints; and parts thereof	0	0	0
Other miscellaneous machinery and mechanical equipment and parts thereof	111	17	94
Transformers	5	4	1
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	1,296	320	976
Portable electric hand tools	0	0	0
Electric household appliances	0	0	0
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	0	0	0
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	0	0	0
Microphones, loudspeakers, and related equipment	1,458	374	1,084
Television receivers	0	0	0
Television apparatus and parts, other than cameras, receivers, and picture tubes	8,374	5,538	2,835
Radio receivers and transceivers and parts thereof	31,296	11,170	20,126
Record players, phonographs, record changers, and turntables, and parts thereof	0	0	0
Tape recorders, tape players, and dictation machines	0	0	0
Miscellaneous radiotelegraphic and radiotelephonic apparatus	0	0	0
Other miscellaneous electrical products and parts	20,424	7,103	13,322
Electrical capacitors	2	1	2
Articles for making and breaking electrical circuits	3,090	1,733	1,357
Voltage regulators	4	(1)	4
Electrical resistors	0	0	0
Electric lamps	11,143	1,821	9,322
Electronic tubes (except X-ray)	0	0	0

See footnotes at end of table.

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Table B-29—Continued

U.S. imports for consumption from Malaysia under HTS subheading 9802.00.80, by commodity groups, 1988

(In thousands of dollars)

Commodity group	*Total value*	*Duty-free value*	*Dutiable value*
Machinery and equipment—Continued:			
Semiconductors	1,128,554	626,348	502,205
Electrical conductors	18	10	7
Miscellaneous electrical articles	735	548	187
Rail locomotives and rolling stock	0	0	0
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	0	0	0
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	0	0	0
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	0	0	0
Pleasure boats; floating structures	0	0	0
All other articles	0	0	0
Total	1,206,993	655,140	551,853
Miscellaneous manufactures:			
Handbags	0	0	0
Luggage	0	0	0
Flat goods	0	0	0
Optical instruments, components and lenses	0	0	0
Surgical and medical instruments and apparatus	59	27	32
Scientific instruments	0	0	0
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f.	0	0	0
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	0	0	0
Photographic equipment and supplies	0	0	0
Magnetic recording media not having any material recorded thereon	22	19	2
Musical instruments, parts and accessories	0	0	0
Furniture, mattresses, and pillows, cushions, and similar furnishings	39	37	2
Small arms (bore diameter 30mm and under)	0	0	0
Ammunition and munitions	0	0	0
Game machines, except coin or disc operated	0	0	0
Fishing tackle	0	0	0
Baseball and softball equipment	0	0	0
Dolls and stuffed toy figures of animate objects	0	0	0
Toys (except games), models, tricks, and party favors	0	0	0
Jewelry	0	0	0
All other articles	0	0	0
Total	120	84	36
Grand total	1,211,684	656,313	555,371

[1] Less than $500.

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

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

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Adjustments Made to Census-reported 9802.00.60 and 9802.00.80 Statistics in 1988

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Tariff item 806.30: TSUSA items deleted from Census statistics, 1988
(In dollars)

TSUSA	Country	Total value	Value of U.S. products	Value added
309.4361	CANADA	8,218	7,273	945
417.4000	FR GERM	2,806,422	1,734,034	1,072,388
423.5050	FR GERM	1,107,013	815,585	291,428
423.5096	AUSTRIA	296,793	170,498	126,295
	FR GERM	3,219,301	2,741,778	477,523
437.8236	DENMARK	270,725	241,647	29,078
520.3300	FR GERM	4,202	2,084	2,118
692.1040	CANADA	738,539	725,000	13,539
	FR GERM	222,867	168,500	54,367
800.0035	CANADA	13,786,835	3,641,451	10,145,384
Total		22,460,915	10,247,850	12,213,065

Tariff item 806.30: TSUSA items transferred and reported under 807.00, 1988
(In dollars)

TSUSA	Country	Total value	Value of U.S. products	Value added
204.3000	MEXICO	3,136	2,607	529
358.1400	CANADA	70,805	41,883	28,922
376.2470	PHIL R	8,704	1,983	6,721
384.2960	MEXICO	1,358	1,274	84
386.5300	MEXICO	404	305	99
649.8300	MEXICO	332,533	319,474	13,059
654.0045	CANADA	4,774	1,800	2,974
660.7150	CANADA	14,958	7,058	7,900
	U KING	8,304	1,572	6,732
660.7160	AUSTRAL	30,664	7,235	23,429
	IRELAND	218,360	109,690	108,670
	MEXICO	747,227	741,866	5,361
	NETHLDS	29,450	11,600	17,850
660.7165	CANADA	129,816	104,838	24,978
	MEXICO	5,302,821	5,245,692	57,129
660.7170	MEXICO	45,230	43,823	1,407
674.3522	CANADA	21,228	15,000	6,228
674.3576	AUSTRAL	188,238	111,250	76,988
674.6040	CANADA	1,166	1,098	68
684.6700	CANADA	69,359	360	68,999
	U KING	26,185	25,435	750
685.1210	MEXICO	5,653	4,000	1,653
685.2430	JAPAN	26,453	24,533	1,920
687.7460	MEXICO	50,309	27,513	22,796
692.0310	CANADA	74,495	35,154	39,341
708.4740	FR GERM	1,620	1,017	603
711.7840	CANADA	42,453	11,313	31,140
712.4950	FR GERM	10,902	9,902	1,000
773.2500	CANADA	2,659	2,530	129
Total		7,469,264	6,911,805	557,459

Tariff item 807.00: TSUSA items deleted from Census statistics, 1988
(In dollars)

TSUSA	Country	Total value	Value of U.S. products	Value added
166.3000	CANADA	27,702	13,008	14,694
170.1000	DOM REP	35,778	30,745	5,033
310.5049	CANADA	1,247	40	1,207
338.5998	CANADA	2,518	1,248	1,270
346.5200	FRANCE	490	333	157
407.0600	SWITZLD	360,000	180,000	180,000
446.1516	MEXICO	40,402	20,201	20,201
461.4025	CANADA	42,866	24,727	18,139
461.4037	CANADA	49,662	10,020	39,642
	U KING	25,482	5,753	19,729
473.8820	CANADA	35,538	20,613	14,925
532.2400	ITALY	11,069	9,337	1,732
605.2040	CANADA	195,747	5,790	189,957
606.6905	CANADA	27,264	6,218	21,046
646.7600	CANADA	1,987	619	1,368
657.8000	CANADA	21,733	1,411	20,322
661.9520	CANADA	197,813	56,908	140,905
	SWITZLD	420,453	307	420,146
682.6100	CANADA	2,800,000	280,000	2,520,000
	MEXICO	7,553	675	6,878
711.9830	MEXICO	40,182	34,003	6,179
711.9850	CANADA	3,314,497	368,356	2,946,141
	MEXICO	6,139,524	2,985,741	3,153,783
	HG KONG	17,296	5,537	11,759
711.9860	CANADA	1,315	487	828
	MEXICO	28,814	16,006	12,808
	HG KONG	36,126	12,912	23,214
800.0035	MEXICO	278,763	24,485	254,278
	SALVADR	5,530	5,084	446
	HAITI	109,393	100,498	8,895
	BRAZIL	242,159	184,191	57,968
	NETHLDS	50,988	25,494	25,494
	BELGIUM	549,400	76,129	473,271
	FR GERM	71,550	67,020	4,530
	MALAYSA	67,503	47,820	19,683
	SINGAPR	249,731	38,820	210,911
	PHIL R	13,076	11,171	1,905
	KOR REP	558,963	253,105	305,858
	HG KONG	55,816	41,699	14,117
	CHINA T	8,909	3,871	5,038
	JAPAN	48,351	23,658	24,693
801.0000	AUSTRAL	191,955	119,470	72,485
806.2040	MEXICO	86,638	18,062	68,576
	U KING	27,799	20,209	7,590
	FR GERM	73,595	66,130	7,465
	SINGAPR	24,267	8,378	15,889
	CHINA M	21,360	15,168	6,192
	HG KONG	13,994	8,422	5,572
854.1000	DENMARK	446,056	45,654	400,402
	U KING	1,749,603	69,605	1,679,998
870.4000	CANADA	18,127	1,803	16,324
Total		18,846,584	5,366,941	13,479,643

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Tariff item 807.00: TSUSA items transferred and reported under 806.30, 1988
(In dollars)

TSUSA	*Country*	*Total value*	*Value of U.S. products*	*Value added*
605.0220	BELGIUM	371,156	358,464	12,692
605.0260	BELGIUM	149,499	133,794	15,705
606.6912	CANADA	31,920	812	31,108
607.7220	MEXICO	18,968	13,958	5,010
607.9020	MEXICO	127,211	85,379	41,832
607.9315	CANADA	22,178	21,929	249
608.1350	CANADA	16,657	244	16,413
609.1790	CANADA	51,182	50,214	968
609.3700	CANADA	6,506	51	6,455
609.4145	CANADA	15,708	14,381	1,327
609.8045	CANADA	57,781	52,867	4,914
609.8240	CANADA	117,141	110,583	6,558
610.9275	CANADA	19,455	6,667	12,788
612.3500	JAPAN	73,893	23,733	50,160
618.2560	JAPAN	223,028	161,987	61,041
618.2563	CANADA	11,880	8,416	3,464
	JAPAN	60,869	42,566	18,303
618.4700	MEXICO	149,402	77,837	71,565
	JAPAN	36,612	26,007	10,605
624.0330	MEXICO	26,061	13,219	12,842
629.2000	CANADA	42,846	36,449	6,397
629.6500	CANADA	178,300	65,400	112,900
644.0900	JAPAN	71,601	20,341	51,260
644.1200	JAPAN	156,352	77,032	79,320
646.6040	CANADA	5,632	2,044	3,588
	NETHLDS	8,544	514	8,030
646.6340	CANADA	1,342	716	626
	MEXICO	2,742	2,729	13
646.7000	CANADA	3,625	571	3,054
	MEXICO	2,553	2,409	144
653.1000	CANADA	6,169	2	6,167
653.1500	MEXICO	2,026	1,193	833
654.2520	MEXICO	17,883	15,425	2,458
660.1040	CANADA	2,958,752	681,174	2,277,578
680.4144	CANADA	26,291	2,085	24,206
727.7050	MEXICO	770	120	650
745.5630	MEXICO	13,755	11,204	2,551
Total		5,086,290	2,122,516	2,963,774

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Industry Groups Concorded With Commodity Groups

Subheading 9802.00.60 Industry and Commodity Groups

Agricultural and Forest Products

Agricultural, animal, and vegetable products

Forest products

Textiles, Apparel, and Footwear

Textiles, apparel, and footwear

Chemicals, Coal, Petroleum, Natural Gas, and Related Products

Chemicals, coal, petroleum, natural gas, and related products

Minerals and Metals

Minerals and metals

Internal Combustion Engines and Parts Thereof

Internal combustion engines and parts thereof

Office Machines and Parts Thereof

Office machines and parts thereof

Motors, Generators, Transformers, and Related Equipment

Motors and generators, and miscellaneous equipment related to motors

Radio and Telephonic Equipment and Parts Thereof

Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus

Semiconductors

Semiconductors

Other Electrical Articles

Electrical capacitors

Articles for making and breaking electrical circuits

Electronic tubes (except-ray)

Miscellaneous electrical articles

Motor Vehicle Parts, Industrial Vehicles, Non-Self-Propelled Vehicles, Motorcycles, Rail Locomotives, and Rolling Stock

Parts for rail locomotives and rolling stock

Bodies and chassis for motor vehicles, and other motor-vehicle parts

Other Machinery and Equipment

Parts of steam-generating boilers

Parts of steam turbines

Subheading 9802.00.60 Industry and Commodity Groups—Continued

Other Machinery and Equipment—Continued

Pumps and compressors, and parts thereof

Lifting, handling, loading, and unloading machinery and parts thereof

Machines for working metal, stone, and other materials, except gas-operated metalworking appliances

Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases, or solids

Miscellaneous machinery parts

Parts of aircraft and spacecraft

All other articles

Miscellaneous Manufactures

Miscellaneous manufactures

Subheading 9802.00.80 Industry and Commodity Groups

Agricultural and Forest Products

Agricultural, animal, and vegetable products

Forest products

Shirts and Blouses

Women's, girls', and infants' shirts and blouses

Men's and boys' shirts

Trousers, Slacks, and Shorts

Women's, girls', and infants' trousers, slacks, and shorts

Men's and boys' trousers, slacks, and shorts

Body-Supporting Garments

Body-supporting garments

Footwear

Footwear

Other Textiles and Apparel

Women's, girls', and infants' coats and jackets

Men's and boys' coats and jackets

Gloves

All other articles

Chemicals, Coal, Petroleum, Natural Gas, and Related Products

Chemicals, coal, petroleum, natural gas, and related products

Minerals and Metals

Minerals and metals

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Internal Combustion Engines and Parts Thereof

Internal combustion engines, piston-type, and parts thereof

Internal combustion engines, non-piston-type, and parts thereof

Office Machines and Parts Thereof

Office machines and parts thereof

Motors, Generators, and Transformers; and Miscellaneous Equipment

Related to Motors, Generators, and Transformers

Transformers

Motors and generators and miscellaneous equipment related to motors, generators, and transformers

Television Apparatus and Parts, Other Than Cameras and Picture Tubes

Television receivers

Television apparatus and parts, other than cameras, receivers, and picture tubes

Radio and Telephonic Equipment and Parts Thereof

Telephone and telegraph apparatus, and radio navigational, radar, and radio remote control apparatus

Microphones, loudspeakers, and related equipment

Radio receivers and transceivers and parts thereof

Miscellaneous radiotelegraphic and radiotelephonic apparatus

Tape Recorders, Record Players, and Related Equipment

Record players, phonographs, record changers, and turntables, and parts thereof

Tape recorders, tape players, and dictation machines

Semiconductors

Semiconductors

Other Electrical Articles

Other miscellaneous electrical products and parts

Electrical capacitors

Articles for making and breaking electrical circuits

Voltage regulators

Electrical resistors

Electronic tubes (except x-ray)

Electrical conductors

Miscellaneous electrical articles

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Motor Vehicles, Including Automobile Trucks and Truck Tractors, Motor Buses, Passenger Automobiles, Special-Purpose Motor Vehicles, and Snowmobiles

Motor vehicles, including automobile trucks and truck tractors, motor buses, passenger automobiles, special-purpose motor vehicles, and snowmobiles

Motor-Vehicle Parts, Industrial Vehicles, Non-Self-Propelled Vehicles, Motorcycles, Rail Locomotives, and Rolling Stock

Rail locomotives and rolling stock

Motor-vehicle parts, industrial vehicles, non-self-propelled vehicles and motorcycles

Other Machinery and Equipment

Steam engines, turbines, and boilers; and gas generators and parts thereof

Pumps for liquids and parts thereof

Fans and blowers and parts thereof; air pumps, vacuum pumps and parts thereof

Compressors and parts thereof

Air-conditioning machines and parts thereof

Furnace burners and nonelectric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment and parts thereof

Centrifuges and filtering and purifying machinery and parts thereof

Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and related machines and parts thereof

Mechanical shovels, coal-cutters, excavating, leveling, boring, and related equipment

Lifting, handling, loading, unloading machinery and parts thereof

Pulp and paper machinery, and bookbinding and printing machinery

Sewing machines and parts thereof

Machines for working metal, stone, and other materials

Automatic vending machines and parts thereof

Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases, or solids

Gear boxes and other speed changers, fixed, multiple, or variable

Other miscellaneous machinery and mechanical equipment and parts thereof

Portable electric hand tools

Electric household appliances

Electric furnaces and ovens, welding, brazing, induction, and dielectric heating equipment

Electric lamps

Nonmilitary airplanes (all types); parts of aircraft; and spacecraft

Pleasure boats; floating structures

All other articles

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Scientific Instruments and Apparatus

Surgical and medical instruments and apparatus

Scientific instruments

Furniture, Mattresses, and Pillows

Furniture, mattresses, and pillows, cushions, and similar furnishings

Other Miscellaneous Manufactures

Handbags

Luggage

Flat goods

Optical instruments, components, and lenses

Balancing machines, and parts, and other drawing, measuring, and mathematical instruments

Watches, clocks, and clockwork-operated devices (including timeclocks)

Photographic equipment and supplies

Magnetic recording media not having any material recorded thereon

Musical instruments, parts and accessories

Small arms (bore diameter 30mm and under)

Ammunition and munitions

Game machines, except coin or disc operated

Fishing tackle

Baseball and softball equipment

Dolls and stuffed toy figures of animate objects

Toys (except games), models, tricks, and party favors

Jewelry

All other articles

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APPENDIX C
TARIFF AND TRADE AGREEMENT TERMS

Tariff and Trade Agreement Terms

The **Harmonized Tariff Schedule of the United States** (HTS) replaced the former Tariff Schedules of the United States (TSUS) effective January 1, 1989. Chapters 1 through 97 of the HTS are based upon the internationally adopted Harmonized Commodity Description and Coding System (the Harmonized System or HS) and are identical through the 6-digit level of product description in all signatory countries. Additional U.S. product subdivisions appear at the 8-digit level; and chapters 98 and 99 contain special classification provisions and temporary rate provisions, respectively.

The rates of duty in the **general** subcolumn of rate column 1 of the HTS are most-favored-nation (MFN) rates and, in general, represent the final stage of the reductions granted in the Tokyo Round of the Multilateral Trade Negotiations. Column 1-general duty rates are applicable to imported goods from all countries except products of those Communist countries and areas enumerated in general note 3(b) to the HTS, the latter dutiable at the rates set forth in **column 2**. The People's Republic of China, Hungary, Poland and Yugoslavia are the only Communist countries eligible for MFN treatment. Among articles dutiable at column 1-general rates, particular products of enumerated countries may be eligible for reduced rates of duty or for duty-free treatment under one or more preferential tariff programs. Such tariff treatment is set forth in the **special** rates of duty subcolumn of column 1.

The **Generalized System of Preferences** (GSP) affords nonreciprocal tariff preferences to developing countries to aid their economic development and to diversify and expand their production and exports. The U.S. GSP, enacted in title V of the Trade Act of 1974 and renewed in the Trade and Tariff Act of 1984, applies to merchandise imported on or after January 1, 1976 and before July 4, 1993. Indicated by the symbol "A" or "A*" in the special rates of duty subcolumn of column 1, the GSP provides duty-free entry to eligible articles the product of, and imported directly from, designated beneficiary developing countries, as set forth in HTS general note 3(c)(ii).

The **Caribbean Basin Economic Recovery Act** (CBERA) affords nonreciprocal tariff preferences to developing countries in the Caribbean area to aid their economic development and to diversify and expand their production and exports. The CBERA, enacted in title II of Public Law No. 98–67 and implemented by Presidential Proclamation 5133 of November 30, 1983, applies to merchandise entered, or withdrawn from warehouse for consumption, on or after January 1, 1984; it is scheduled to remain in effect until September 30, 1995. Indicated by the symbol "E" or "E*" in the special rates of duty subcolumn of column 1, the CBERA provides duty-free entry to eligible articles the product of, and imported directly from, designated Basin countries, as set forth in HTS general note 3(c)(v).

Preferential rates of duty in the special duty rates subcolumn of column 1 followed by the symbol "IL" are applicable to products of Israel under the **United States-Israel Free-Trade Area Implementation Act** of 1985, as provided in HTS general note 3(c)(vi). Where no rate of duty is provided for products of Israel in the special rates subcolumn for a particular provision, the rate of duty in the general subcolumn of column 1 applies.

Preferential rates of duty in the special duty rates subcolumn of column 1 followed by the symbol "CA" are applicable to eligible goods originating in the territory of Canada under the **Canada-United States Free-Trade Agreement**, as provided in HTS general note 3(c)(vii).

The **General Agreement on Tariffs and Trade** (GATT) (61 Stat. (pt. 5) A58; 8 UST (pt. 2) 1786) is the multilateral agreement setting forth the basic principles governing much of the international trade among its more than 90 signatories. The GATT's main obligations relate to most-favored-nation treatment, the maintenance of scheduled concession rates of duty, and national (nondiscriminatory) treatment for imported goods; the GATT also provides the legal framework for customs valuation standards, "escape clause" (emergency) actions, antidumping and countervailing duties, and other measures and provides methods of dispute resolution. The results of

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GATT-sponsored multilateral tariff negotiations are set forth by way of separate schedules of concessions for each participating contracting party, with the U.S. schedule designated as Schedule XX.

Officially known as "The Arrangement Regarding International Trade in Textiles," the **Multifiber Arrangement** (MFA) provides a framework for the negotiation of bilateral agreements between importing and producing countries, or for unilateral action by importing countries in the absence of an agreement. These bilateral agreements establish quantitative limits on man-made fibers and silk blends, in order to prevent market disruption in the importing countries—restrictions that would otherwise be a departure from GATT provisions. The United States has bilateral agreements with more than 30 supplying countries, including the four largest suppliers: China, Hong Kong, the Republic of Korea, and Taiwan.

President Johnson and Prime Minister Pearson signed an agreement on January 16, 1965, which obligated both the United States and Canada to accord duty-free treatment to imports from the other party of specified motor vehicles and parts for use as original equipment in the manufacture of such motor vehicles. The Government of Canada implemented the agreement in Canada through two Orders in Council Establishing Duty-Free Treatment (P.C. 1965–99 and P.C. 1965–100, The Motor Vehicles Tariff Orders of 1965). The Government of the United States implemented the agreement with the signing of the **Automotive Products Trade Act of 1965** (APTA) on October 21, 1965, applying duty-free treatment retroactive to January 18, 1965. The obligation of the United States to accord duty-free treatment to imports from Canada applies to 1) motor vehicles, with the exception of certain "special-purpose" vehicles, such as electric buses, three-wheeled vehicles, and fire engines; and 2) parts for use as original equipment in the manufacture of the specified motor vehicles (replacement parts, trailers, tires, and tubes are specifically excluded). The products from Canada specified in the agreement must meet a requirement that they contain no more than a certain percentage of content originating outside the United States or Canada.

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APPENDIX D
EC REGULATION ON OUTWARD PROCESSING RELIEF ARRANGEMENTS

I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 2473/86

of 24 July 1986

on outward processing relief arrangements and the standard exchange system

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Having regard to the opinion of the Economic and Social Committee (3),

Whereas, under the international division of labour, many Community undertakings have recourse to outward processing arrangements, that is the export of goods with a view to their subsequent re-import after processing, working or repair; whereas recourse to these arrangements is justified for economic or technical reasons;

Whereas, in the event of Community goods being exported for repair purposes, including restoring them to their original condition and putting them in order, many Community undertakings have recourse to the standard exchange system, in other words the importation of goods to replace Community goods, in the condition in which such Community goods would be if they had been repaired as intended; whereas recourse to this system is justified for economic or technical reasons;

Whereas the aforementioned system is currently covered by the standard exchange arrangements; whereas those arrangements may be regarded as a variant of the outward processing relief arrangement; whereas it is therefore advisable to incorporate the provisions concerning standard exchange arrangements in this Regulation;

Whereas it is necessary to set up a system to provide partial or total relief from import duties applicable to compensating products on goods replacing such products in order to avoid the taxation of goods exported from the Community for processing;

Whereas this relief, if it concerned certain taxes other than customs duties and agricultural levies, might not be compatible with the common agricultural policy or with specific arrangements applicable to certain goods resulting from the processing of agricultural products, or with the objectives sought by the adoption of taxes of a particular type; whereas it is therefore important to provide that the total or partial relief applicable under outward processing relief arrangements may not affect these taxes; whereas the Commission should be instructed to draw up a list of the said taxes, which may be very different in nature;

Whereas the use of outward processing relief arrangements must be refused by customs authorities where the essential interests of Community processors are likely to be seriously affected;

Whereas agricultural products or goods resulting from the processing of agricultural products must be excluded from the scope of the standard exchange system since, by their very nature, they can hardly be repaired; whereas, furthermore, the standard exchange system is not compatible with the common agricultural policy or with the specific arrangements applicable to certain goods resulting from the processing of agricultural products;

Whereas outward processing relief arrangements are governed at Community level by Council Directive 76/119/EEC of 18 December 1975 on the harmonization of provisions laid down by law, regulation or administrative action in respect of outward processing (4), as last amended by Directive 81/952/EEC (5);

Whereas the standard exchange arrangements are governed at Community level by Council Directive 78/1018/EEC of 27 November 1978 on the harmonization of provisions laid down by law, regulation or administrative action in respect of standard exchange of goods exported for repair (6);

(1) OJ No C 153, 11. 6. 1983, p. 6, and OJ No C 203, 29. 7. 1983, p. 16.
(2) OJ No C 46, 20. 2. 1983, p. 113, and OJ No C 307, 14. 11. 1983, p. 102.
(3) OJ No C 57, 29. 2. 1984, p. 3.
(4) OJ No L 24, 30. 1. 1976, p. 58.
(5) OJ No L 347, 3. 12. 1981, p. 32.
(6) OJ No L 349, 13. 12. 1978, p. 33.

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Whereas the importance of the outward processing relief arrangements and the standard exchange arrangements in the customs union requires their more uniform application in the Community; whereas provision should therefore be made for, on the one hand, an instrument which is directly applicable in the Member States and, on the other hand, a Community procedure enabling the detailed arrangements for implementation to be adopted, the whole offering greater legal certainty for the individual;

Whereas it is advisable to organize close and effective collaboration between the Member States and the Commission in this area within the framework of the Committee for Customs Procedures with Economic Impact, set up by Article 30 of Council Regulation (EEC) No 1999/85 of 16 July 1985 on inward processing relief arrangements [1];

Whereas outward processing relief arrangements constitute an essential instrument of the Community's commercial policy,

HAS ADOPTED THIS REGULATION:

TITLE I

General principles

Article 1

1. This Regulation lays down the rules governing outward processing relief arrangements and the standard exchange system.

2. Outward processing relief arrangements shall, under the conditions laid down by this Regulation and without prejudice to the specific provisions applicable to the standard exchange system laid down in Title IV nor to Article 22 of Regulation (EEC) No 1999/85, allow Community goods to be temporarily exported from the customs territory of the Community in order to undergo processing operations, and the compensating products resulting from these operations to be released for free circulation in the customs territory of the Community with total or partial relief from import duties.

3. For the purposes of this Regulation:

(a) 'temporarily exported goods' means goods placed under outward processing relief arrangements;

(b) 'Community goods' means goods:

— entirely obtained in the customs territory of the Community, without the addition of goods from third countries or territories which are not part of the customs territory of the Community,

— from countries or territories not forming part of the customs territory of the Community which have been released for free circulation in a Member State,

— obtained in the customs territory of the Community either from the goods referred to exclusively in the second indent or from the goods referred to in the first and second indents;

(c) 'person' means:

— a natural person,

— a legal person, or

— where this possibility is provided for in the rules in force, an association of persons recognized as having legal capacity but lacking the legal status of a legal person;

(d) 'holder of the authorization' means a person to whom an outward processing authorization has been issued;

(e) 'processing operations' means:

— the working of goods, including fitting or assembling them or adapting them to other goods,

— the processing of goods,

— the repair of goods, including restoring them to their original condition and putting them in order;

(f) 'compensating products' means all products resulting from processing operations;

(g) 'import duties' means not only customs duties and charges having equivalent effect but also agricultural levies and other import charges provided for under the common agricultural policy or under specific arrangements applicable to certain goods resulting from the processing of agricutural products;

(h) 'customs authority' means any authority competent to apply customs rules, even if that authority is not part of the customs administration;

(i) 'rate of yield' means the quantity or percentage of compensating products obtained from the processing of a fixed quantity of temporarily exported goods;

(j) 'standard exchange system' means the system provided for in Title IV.

Article 2

1. Outward processing relief arrangements shall not be open to Community goods:

— whose export gives rise to a refund or remission of import duties,

— which, prior to export, were released for free circulation wholly free of import duties by virtue of their use for particular purposes, for as long as the conditions for granting relief continue to apply,

[1] OJ No L 188, 20. 7. 1985, p. 1.

— whose export gives rise to export refunds or other amounts introduced under the common agricultural policy or in respect of which a financial advantage other than these refunds or other amounts is granted under the common agricultural policy because of the export of these goods.

2. However, exemptions from the second indent of paragraph 1 may be determined in accordance with the procedure laid down in Article 31 (2) and (3) of Regulation (EEC) No 1999/85.

Article 3

1. By way of derogation from Article 4 (2), Article 10 (1) and Article 11, use of the outward processing relief arrangements may be granted to goods of Community origin, within the meaning of Regulation (EEC) No 802/68 [1], when the processing operation consists of the incorporation of such goods into goods obtained outside the Community and imported as compensating products, to the extent that use of the arrangements helps to promote the sale of the export goods without causing damage to the essential interests of Community producers of products identical or similar to the imported compensating products.

2. Cases in which paragraph 1 may be applied, and appropriate conditions, shall be determined in accordance with the procedure laid down in Article 31 (2) and (3) of Regulation (EEC) No 1999/85.

TITLE II

Issue of the authorization

Article 4

1. The use of outward processing relief arrangements shall be conditional on the issue, by the customs authority of the Member State in which the goods for temporary export are located, of an outward processing authorization, hereinafter referred to as 'authorization'.

2. The authorization shall be issued at the request of the person who arranges for the processing operations to be carried out. This person shall supply, with his application, the information required for issue of the authorization.

3. The authorization may cover one or more processing operations as the case may be.

4. By way of derogation from paragraph 1, cases in which use of the arrangements may be granted without issue of an authorization prior to the export of goods, and appropriate conditions, shall be determined in accordance with the procedure laid down in Article 31 (2) and (3) of Regulation (EEC) No 1999/85.

Article 5

1. The authorization shall be granted only:

(a) to persons established in the Community;

(b) to persons who offer every guarantee which the customs authority considers necessary;

(c) where it is possible to establish that the compensating products have been manufactured from the temporarily exported goods.

2. Cases in which derogations from paragraph 1 (c) may apply, and the conditions subject to which those derogations apply, shall be determined in accordance with the procedure laid down in Article 31 (2) and (3) of Regulation (EEC) No 1999/85.

Article 6

Authorization shall not be granted where the use of outward processing relief arrangements is liable seriously to damage the essential interests of Community processors (economic conditions).

Article 7

1. The conditions under which the outward processing relief arrangements are used shall be set out in the authorization.

2. The holder of the authorization is required to notify the customs authority of all factors arising after the issue of the authorization which are likely to influence its continuation or contents.

3. Where the circumstances under which the authorization was issued are found to have changed, the customs authority shall amend the authorization accordingly.

Article 8

Cases where the authorization is to be revoked and cases where it is decided that it is null and void, as well as the consequences deriving therefrom, shall be determined in accordance with the procedure laid down in Article 31 (2) and (3) of Regulation (EEC) No 1999/85.

TITLE III

Functioning of the outward processing relief arrangements

Article 9

The conditions for the placing of goods under the outward processing relief arrangements shall be determined in accordance with the procedure laid down in Article 31 (2) and (3) of Regulation (EEC) No 1999/85.

Article 10

1. Subject to Article 12, the use of the outward processing relief arrangements shall be granted only for compensating products declared for release for free circulation by the holder of the authorization or on his behalf.

2. The customs authority shall fix the time limit within which the compensating products must be re-imported into the customs territory of the Community. It may extend this limit on submission of a duly substantiated request by the holder of the authorization.

[1] OJ No L 148, 26. 6. 1968, p. 1.

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3. The customs authority shall fix either the rate of yield of the operation, or where necessary, the method of determining such rate.

Article 11

Where ownership of the temporarily exported goods or compensating products is transferred, the customs authority shall allow the outward proessing relief arrangements to continue on condition that the compensating products are declared for free circulation by the holder of the authorization or on his behalf.

Article 12

The compensating products may be declared for free circulation under the outward processing relief arrangements by another person established in the Community provided he has obtained the consent of the holder of the authorization and provided the conditions of the authorization are fulfilled.

Article 13

1. The total or partial relief from import duties provided for in Article 1 (2) shall be effected by deducting from the amount of import duties applicable to the compensating products released for free circulation the amount of import duties that would be applicable to the temporarily exported goods if they were imported into the customs territory of the Community from the country in which they underwent the processing operation or last such operation.

2. The amount to be deducted pursuant to paragraph 1 shall be calculated on the basis of the quantity and nature of those goods on the date of acceptance of the declaration of their being placed under outward processing relief arrangements and on the basis of the other details of taxation applicable to them on the date of acceptance of the declaration of release for free circulation of the compensating products.

The value of the temporarily exported goods shall be that taken into consideratin for those goods in accordance with Article 8 (1) (b) (i) of Council Regulation (EEC) No 1224/80 [1], as last amended by Regulation (EEC) No 1055/85 [2] when determining the customs value of the compensating products or, if the value cannot be determined in this way, the difference between the customs value of the compensating products and the processing costs determined by reasonable means.

However,

— certain charges determined in accordance with the procedure laid down in Article 31 (2) and (3) of Regulation (EEC) No 1999/85 shall not be taken into account in the calculation of the amount to be deducted;

— where, before being placed under outward processing relief arrangements, the temporarily exported goods were released for free circulation at a reduced rate by virtue of their use for particular purposes, for as long as the conditions for granting the reduced rate continue to apply, the amount to be deducted shall be the amount of import duties actually levied when the goods were released for free circulation.

3. Where temporarily exported goods could qualify on release for free circulation for a reduced or zero rate of duty by virtue of a particular end use, that rate shall be taken into account provided that the goods underwent operations consistent with such an end use in the country where the processing operation or last such operation took place.

4. Where compensating products qualify for preferential tariff treatment because Community provisions provide for such arrangements with regard to the country in which the goods were obtained and where those arrangements exist for goods of the same tariff classification as the temporarily exported goods, the rate of import duty to be taken into account in establishing the amount to be deducted pursuant to paragraph 1 shall be that which would be applicable if the temporarily exported goods fulfilled the conditions under which this preferential treatment may be granted.

5. This Article shall be without prejudice to the application of the provisions adopted or likely to be adopted in the context of trade between the Community and third countries providing for relief from import duties in respect of certain compensating products.

Article 14

1. Where the purpose of the processing operation is the repair of the temporarily exported goods, they shall be released for free circulation totally free of import duties where it is established, to the satisfaction of the customs authority,. that the goods were repaired free of charge, either for contractual or legal reasons arising from a guarantee or because of the existence of a manufacturing fault.

2. Paragraph 1 shall not apply where account was taken of the fault at the time the goods were first released for free circulation.

Article 15

Where the purpose of the processing operation is the repair of the temporarily exported goods and where this repair is carried out in return for payment, the partial relief from import duties provided for in Article 1 (2) shall be effected by establishing the amount of the duties applicable on the basis of the details of taxation in respect of compensating products on the date of acceptance of the declaration of release for free circulation of the said products, taking into account as customs value an amount equal to the repair costs, provided that those costs represent the only consideration provided by the holder of the authorization and are not influenced by any links between that holder and the operator.

[1] OJ No L 134, 31. 1. 1980, p. 1.
[2] OJ No L 112, 25. 4. 1985, p. 50.

TITLE IV

Standard exchange

Article 16

1. Under the conditions laid down in this Title applicable in addition to the preceding provisions, the standard exchange system shall permit the replacement of compensating products by imported goods, hereinafter referred to as 'replacements'.

2. The customs authority shall permit recourse to the standard exchange system where the processing operation involves the repair of Community goods other than those subject to the common agricultural policy or to the specific arrangements applicable to certain goods resulting from the processing of agricultural products.

3. The customs authority shall allow replacements, under the conditions it lays down, to be imported before the temporary export goods are exported (prior importation).

The prior importation of a replacement shall require the provision of a security covering the amount of the import duties. The security shall be discharged on payment of the import duties due.

Article 17

1. Replacements must fall within the same subheading of the Common Customs Tariff, be of the same commercial quality and have the same technical characteristics as the export goods if the latter had undergone the repair in question.

2. Where the temporarily exported goods have been used before export, the replacements must also have been used and may not be new products.

The customs authorities may, however, grant derogations from this rule if the replacement has been supplied free of charge either because of a guarantee imposed by contract or by law or because of a manufacturing defect.

Article 18

Standard exchange shall be authorized only where it is possible to check that the conditions laid down in Article 17 are fulfilled.

Article 19

Without prejudice to Article 22, the provisions applicable to compensating products shall also apply to replacements.

Article 20

1. In the case of prior importation, temporarily exported goods must be exported within two months of the date of acceptance by the customs authority of the declaration of release for free circulation of the replacements.

2. However, where exceptional circumstances so justify, the customs authority may, at the request of the person concerned, extend within reasonable limits the period referred to in paragraph 1.

Article 21

In the case of prior importation and where Article 13 is applied, the amount to be deducted shall be determined on the basis of the details of taxation applicable to the temporarily exported goods on the date of acceptance of the declaration of their being placed under the arrangements.

Article 22

Article 3 and Article 5 (1) (c) and (2) shall not apply in the context of standard exchanges.

TITLE V

Final provisions

Article 23

The procedures provided for in this Regulation may also be used for the implementation of non-tariff measures of common commercial policy.

Article 24

The Member States and the Commission shall arrange for the exchange of statistics regarding temporarily exported goods and compensating products.

Article 25

The Committee for Customs Procedures with Economic Impact shall exchange information on the factors which have led customs authorities to refuse use of the outward processing relief arrangements on the grounds that the economic conditions were not fulfilled.

Article 26

The Committee for Customs Procedures with Economic Impact may examine any matter concerning the implementation of this Regulation raised by its Chairman either on his own initiative or at the request of the representative of a Member State.

Article 27

The provisions required for the implementation of this Regulation shall be adopted in accordance with the procedure laid down in Article 31 (2) and (3) of Regulation (EEC) No 1999/85.

Article 28

This Regulation shall be without prejudice to the adoption of specific provisions relating to the common agricultural policy, which remain subject to the rules on the introduction of the aforesaid policy.

Article 29

1. This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities.*

It shall apply from 1 January 1988.

2. Directive 76/119/EEC and the Directives adopted for its implementation and Directive 78/1018/EEC shall be repealed with effect from 1 January 1988. References to those Directives are to be construed as references to this Regulation.

3. Authorizations granted under provisions adopted pursuant to Directive 76/119/EEC before 1 January 1988 shall be revoked no later than 31 December 1988 if they cannot be maintained under the provisions of this Regulation.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 24 July 1986.

For the Council

The President

A. CLARK

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APPENDIX E
EUROPEAN COMMUNITY CONCORDANCE

Concordance: NIMEXE[1] and TSUS Item 807.00 Industry and Commodity Groups, 1987

Agricultural and Forest Products

Agricultural, animal, and vegetable products: (All of Sections I–IV, Chapters 1–24, 41)

Mushroom and truffles
20.02–11, 20.02–19, 20.02–20

All other articles
01.01, 01.02, 01.03, 01.04, 01.05, 01.06, 02.01, 02.02, 02.03, 02.04, 02.05, 02.06, 03.01, 03.02, 03.03, 04.01, 04.02, 04.03, 04.04, 04.05, 04.06, 04.07, 05.01, 05.02, 05.03, 05.04, 05.05, 05.07, 05.08, 05.09, 05.12, 05.13, 05.14, 05.15, 06.01, 06.02, 06.03, 06.04, 07.01, 07.02, 07.03, 07.04, 07.05, 07.06, 08.01, 08.02, 08.03, 08.04, 08.05, 08.06, 08.07, 08.08, 08.09, 08.10, 08.11, 08.12, 08.13, 09.01, 09.02, 09.03, 09.04, 09.05, 09.06, 09.07, 09.08, 09.09, 09.10, 10.01, 10.02, 10.03, 10.04, 10.05, 10.06, 10.07, 11.01, 11.02, 11.04, 11.05, 11.07, 11.08, 11.09, 12.01, 12.02, 12.03, 12.04, 12.06, 12.07, 12.08, 12.09, 12.10, 13.02, 13.03, 14.01, 14.02, 14.03, 14.05, 15.01, 15.02, 15.03, 15.04, 15.05, 15.06, 15.07, 15.08, 15.10, 15.11, 15.12, 15.13, 15.15, 15.16, 15.17, 16.01, 16.02, 16.03, 16.04, 16.05, 17.01, 17.02, 17.03, 17.04, 18.01, 18.02, 18.03, 18.04, 18.05, 18.06, 19.02, 19.03, 19.04, 19.05, 19.07, 19.08, 20.01, 20.02–31, 20.02–33, 20.02–35, 20.02–37, 20.02–40, 20.02–50, 20.02–60, 20.02–91, 20.02–95, 20.02–97, 20.02–99, 20.03, 20.04, 20.05, 20.06, 20.07, 21.02, 21.03, 21.04, 21.05, 21.06, 21.07, 22.01, 22.02, 22.03, 22.04, 22.05, 22.06, 22.07, 22.08, 22.09, 22.10, 23.01, 23.02, 23.03, 23.04, 23.05, 23.06, 23.07, 24.01, 24.02, 41.01, 41.02, 41.03, 41.04, 41.05, 41.06, 41.08, 41.09, 41.10, 43.01, 43.02, 67.01

Forest products:

Industrial papers, packaging and miscellaneous papers
48.01, 48.03, 48.04, 48.05, 48.07, 48.08, 48.10, 48.11, 48.12, 48.13, 48.14, 48.15, 48.16, 48.18, 48.19, 48.20, 48.21

All other articles
44.01, 44.02, 44.03, 44.04, 44.05, 44.07, 44.09, 44.11, 44.12, 44.13, 44.14, 44.15, 44.16, 44.17, 44.18, 44.19, 44.20, 44.21, 44.22, 44.23, 44.24, 44.25, 44.26, 44.27, 44.28, 45.01, 45.02, 45.03, 45.04, 46.02, 46.03, 47.01, 47.02, 49.01, 49.02, 49.03, 49.04, 49.05, 49.06, 49.07, 49.08, 49.09, 49.10, 49.11

Shirts and Blouses

Women's, girls', and infants' shirts and blouses
61.02–76, 61.02–78, 61.02–82, 61.02–83, 61.02–85

Men's and boys' shirts
61.03–11, 61.03–15, 61.03–16, 61.03–18

Trousers, Slacks, and Shorts

Women's, girls', and infants' trousers, slacks, and shorts
61.02–66, 61.02–68, 61.02–72, 61.02–74

Men's and boys' trousers, slacks, and shorts
61.01–13, 61.01–15, 61.01–22, 61.01–23, 61.01–62, 61.01–64, 61.01–66, 61.01–68, 61.01–72, 61.01–74, 61.01–76, 61.01–78

Body-Supporting Garments

Body-supporting garments
61.09

[1] NIMEXE refers to the nomenclature of goods for the external trade statistics of the European Community and statistics of trade between Member States.

Footwear

Footwear (All of chapt. 64)
64.01, 64.02, 64.03, 64.04, 64.05, 64.06

Other Textiles and Apparel

Women's, girls', and infants' coats and jackets
43.03, 43.04, 61.02–05, 61.02–25, 61.02–26, 61.02–28, 61.02–31, 61.02–32, 61.02–33, 61.02–34, 61.02–35, 61.02–37, 61.02–39, 61.02–40, 61.02–41, 61.02–42, 61.02–43, 61.02–44, 61.02–45

Men's and boys' coats and jackets
61.01–03, 61.01–07, 61.01–29, 61.01–31, 61.01–32, 61.01–34, 61.01–36, 61.01–37, 61.01–38, 61.01–41, 61.01–42, 61.01–44, 61.01–46, 61.01–47, 61.01–48, 61.01–51, 61.01–54, 61.01–57, 61.01–58

Gloves
42.03, 60.02, 61.10

All other articles
50.01, 50.02, 50.03, 50.04, 50.05, 50.07, 50.09, 51.01, 51.02, 51.03, 51.04, 52.01, 52.02, 53.01, 53.02, 53.03, 53.04, 53.05, 53.06, 53.07, 53.08, 53.09, 53.10, 53.11, 53.12, 54.01, 54.02, 54.03, 54.04, 54.05, 55.01, 55.02, 55.03, 55.04, 55.05, 55.06, 55.07, 55.08, 55.09, 56.01, 56.02, 56.03, 56.04, 56.05, 56.06, 56.07, 57.01, 57.02, 57.03, 57.04, 57.06, 57.07, 57.10, 57.11, 58.01, 58.02, 58.03, 58.04, 58.05, 58.06, 58.07, 58.08, 58.09, 58.10, 59.01, 59.02, 59.03, 59.04, 59.05, 59.06, 59.07, 59.08, 59.10, 59.11, 59.12, 59.13, 59.14, 59.15, 59.16, 59.17, 60.01, 60.03, 60.04, 60.05, 60.06, 61.01–09, 61.01–17, 61.01–19, 61.01–24, 61.01–25, 61.01–26, 61.01–82, 61.01–88, 61.01–93, 61.01–94, 61.01–97, 61.01–99, 61.02–01, 61.02–03, 61.02–04, 61.02–07, 61.02–12, 61.02–14, 61.02–16, 61.02–18, 61.02–22, 61.02–23, 61.02–24, 61.02–36, 61.02–47, 61.02–48, 61.02–52, 61.02–53, 61.02–54, 61.02.55, 61.02–57, 61.02–58, 61.02–62, 61.02–64, 61.02–86, 61.02–89, 61.02–93, 61.02–95, 61.02–97, 61.02–99, 61.03–51, 61.03–55, 61.03–59, 61.03–81, 61.03–85, 61.03–89, 61.04, 61.05, 61.06, 61.07, 61.11, 62.01, 62.02, 62.03, 62.04, 62.05, 63.01, 63.02, 65.01, 65.02, 65.03, 65.04, 65.05, 65.06, 65.07

Chemicals, Coal, Petroleum, Natural Gas, and Related Products

Fabricated rubber and plastic products
39.04, 39.07, 40.07, 40.08, 40.09, 40.10, 40.11, 40.12, 40.13, 40.14, 40.16

All other articles
27.01, 27.02, 27.03, 27.04, 27.05, 27.06, 27.07, 27.08, 27.09, 27.10, 27.11, 27.12, 27.13, 27.14, 27.15, 27.16, 27.17, 28.01, 28.02, 28.03, 28.04, 28.05, 28.06, 28.08, 28.09, 28.10, 28.12, 28.13, 28.14, 28.15, 28.16, 28.17, 28.18, 28.19, 28.20, 28.21, 28.22, 28.23, 28.24, 28.25, 28.27, 28.28, 28.29, 28.30, 28.31, 28.32, 28.35, 28.36, 28.37, 28.38, 28.39, 28.40, 28.42, 28.43, 28.44, 28.45, 28.46, 28.47, 28.48, 28.49, 28.50, 28.51, 28.52, 28.54, 28.55, 28.56, 28.57, 28.58, 29.01, 29.02, 29.03, 29.04, 29.05, 29.06, 29.07, 29.08, 29.09, 29.10, 29.11, 29.12, 29.13, 29.14, 29.15, 29.16, 29.19, 29.21, 29.22, 29.23, 29.24, 29.25, 29.26, 29.27, 29.28, 29.29, 29.30, 29.31, 29.33, 29.34, 29.35, 29.36, 29.37, 29.38, 29.39, 29.41, 29.42, 29.43, 29.44, 29.45, 30.01, 30.02, 30.03, 30.04, 30.05, 31.01, 31.02, 31.03, 31.04, 31.05, 32.01, 32.03, 32.04, 32.05, 32.06, 32.07, 32.08, 32.09, 32.10, 32.11, 32.12, 32.13, 33.01, 33.04, 33.06, 34.01, 34.02, 34.03, 34.04, 34.05, 34.06, 34.07, 35.01, 35.02, 35.03, 35.04, 35.05, 35.06, 35.07, 36.01, 36.02, 36.04, 36.05, 36.06, 36.08, 37.08, 38.01, 38.03, 38.05, 38.06, 38.07, 38.08, 38.09, 38.11, 38.12, 38.13, 38.14, 38.15, 38.16, 38.17, 38.18, 38.19, 39.01, 39.02, 39.03, 39.05, 39.06, 40.01, 40.02, 40.03, 40.04, 40.05, 40.06, 40.15, 98.09

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Minerals and Metals

Metallic containers
73.22, 73.23, 73.24, 76.09, 76.10, 76.11, 83.03, 83.04

Locks and padlocks
83.01

Hand tools
82.01, 82.02, 82.03, 82.04, 82.05, 82.07

Structures of base metal
73.21, 76.08

Nonelectric heating and coding apparatus other than cast iron stoves
73.36, 73.37, 74.17

Miscellaneous metal products and articles
73.01, 73.02, 73.03, 73.04, 73.05, 73.06, 73.07, 73.08, 73.09, 73.10, 73.11, 73.12, 73.13, 73.14, 73.15, 73.16, 73.17, 73.18, 73.19, 73.20, 73.25, 73.26, 73.27, 73.29, 73.30, 73.31, 73.32, 73.33, 73.35, 73.38, 73.40, 73.64, 73.65, 73.73, 73.74, 73.75, 74.01, 74.02, 74.03, 74.04, 74.05, 74.06, 74.07, 74.08, 74.10, 74.11, 74.15, 74.16, 74.18, 74.19, 75.01, 75.02, 75.03, 75.04, 75.05, 75.06, 76.01, 76.02, 76.03, 76.04, 76.05, 76.06, 76.07, 76.12, 76.15, 76.16, 77.01, 77.02, 77.04, 78.01, 78.02, 78.03, 78.04, 78.05, 78.06, 79.01, 79.02, 79.03, 79.04, 79.06, 80.01, 80.02, 80.03, 80.04, 80.05, 80.06, 81.01, 81.02, 81.03, 81.04, 82.06, 82.09, 82.11, 82.12, 82.13, 82.14, 82.15, 83.02, 83.05, 83.06, 83.07, 83.08, 83.11, 83.13, 83.14, 83.15

All other articles
25.01, 25.02, 25.03, 25.04, 25.05, 25.06, 25.07, 25.08, 25.10, 25.11, 25.12, 25.13, 25.14, 25.15, 25.16, 25.17, 25.18, 25.19, 25.20, 25.21, 25.22, 25.23, 25.24, 25.26, 25.27, 25.28, 25.30, 25.31, 25.32, 26.01, 26.02, 26.03, 26.04, 68.01, 68.02, 68.03, 68.04, 68.06, 68.07, 68.08, 68.09, 68.10, 68.11, 68.12, 68.13, 68.14, 68.15, 68.16, 69.01, 69.02, 69.03, 69.04, 69.05, 69.06, 69.07, 69.08, 69.09, 69.10, 69.11, 69.12, 69.13, 69.14, 70.01, 70.03, 70.04, 70.05, 70.06, 70.07, 70.08, 70.09, 70.10, 70.11, 70.12, 70.13, 70.14, 70.15, 70.16, 70.17, 70.18, 70.19, 70.20, 70.21, 71.02, 71.03, 71.04, 71.05, 71.06, 71.07, 71.08, 71.09, 71.10, 71.11, 72.01

Internal Combustion Engines and Parts Thereof

Internal combustion engines, piston-type, and parts thereof
84.06

Internal combustion engines, non-piston-type, and parts thereof
84.08

Office Machines and Parts Thereof

Office machines and parts thereof
84.51, 84.52, 84.53, 84.54, 84.55

Motors, Generators, and Transformers; and Miscellaneous Equipment Related to Motors, Generators, and Transformers

Transformers
85.01-06, 85.01-63, 85.01-64, 85.01-65, 85.01-66, 85.01-68,

85.01-69, 85.01-71, 85.01-75, 85.01-93

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Motors and generators and miscellaneous equipment related to motors, generators, and transformers
84.07, 84.11-80, 85.01-01, 85.01-03, 85.01-04, 85.01-05, 85.01-07, 85.01-08, 85.01-09, 85.01-10, 85.01-11, 85.01-12, 85.01.13, 85.01-14, 85.01-15, 85.01.17, 85.01-18, 85.01-21, 85.01-23, 85.01-24, 85.01-25, 85.01-26, 85.01-28, 85.01-33, 85.01.34, 85.01-36, 85.01-38, 85.01.39, 85.01-41, 85.01-42, 85.01-44, 85.01-46, 85.01-47, 85.01-49, 85.01-52, 85.01-54, 85.01-55, 85.01-56, 85.01-57, 85.01-58, 85.01-59, 85.01-61, 85.01-62, 85.01-79, 85.01-84, 85.01-88, 85.01-89, 85.01-90, 85.01-95, 85.08

Television Apparatus and Parts, Other Than Cameras and Picture Tubes

Television receivers
85.15-45, 85.15-46, 85.15-47, 85.15-48, 85.15-51, 85.15-52,

85.15-53, 85.15-55, 85.15-57, 85.15-58, 85.15-59

Television apparatus and parts, other than cameras, receivers, and picture tubes
85.15-83, 85.15-85, 85.15-86

Radio and Telephonic Equipment and Parts Thereof

Telephone and telegraph apparatus, and radio navigational, radar, and radio remote control apparatus
85.13, 85.15-02, 85.15-06, 85.15-63, 85.15-65, 85.15-67, 85.15-69, 85.15-70, 85.15-72, 85.15-73, 85.15-75

Microphones, loudspeakers, and related equipment
85.14

Radio receivers and transceivers and parts thereof
85.15-09, 85.15-11, 85.15-12, 85.15-13, 85.15-14, 85.15-15, 85.15-19, 85.15-20, 85.15-22, 85.15-23, 85.15-25, 85.15-31, 85.15-33, 85.15-35, 85.15-44, 85.15-65

Miscellaneous radiotelegraphic and radiotelephonic apparatus
85.15-04, 85.15-77, 85.15-79, 85.15-80, 85.15-82, 85.15-83, 85.15-88, 85.15-91, 85.15-99

Tape Recorders, Record Players, and Related Equipment

Record players, phonographs, record changers, and turntables, and parts thereof
92.13, 92.12-31, 92.12-33, 92.12-34, 92.12-35, 92.12-37, 92.12-39

Tape recorders, tape players, and dictation machines
92.11

Semiconductors

Semiconductors
85.21-47, 85.21-51, 85.21-53, 85.21-54, 85.21-57, 85.21-59, 85.21-60, 85.21-61, 85.21-63, 85.21-69, 85.21-71, 85.21-73, 85.21-75, 85.21-79, 85.21-81, 85.21-91, 85.21-99

Other Electrical Articles

Other miscellaneous electrical products and parts
85.02, 85.16, 85.17, 85.22, 85.28

Electrical capacitors
85.18

Articles for making and breaking electrical circuits
85.19

Voltage regulators
85.19(pt)

Electrical resistors
85.24

Electronic tubes (except x-ray)
85.21-01, 85.21-03, 85.21-05, 85.21-07, 85.21-10, 85.21-11, 85.21-12, 85.21-14, 85.21-15, 85.21-17, 85.21-19, 85.21-21, 85.21-23, 85.21-25, 85.21-28

Electrical conductors
85.23

Miscellaneous electrical articles
85.03, 85.04, 85.21-31, 85.21-35, 85.21-39, 85.21-45, 85.25, 85.26, 85.27

Motor Vehicles, Including Automobile Trucks and Truck Tractors, Motor Buses, Passenger Automobiles, Special-Purpose Motor Vehicles, and Snowmobiles

Motor vehicles, including automobile trucks and truck tractors, motor buses, passenger automobiles, special-purpose motor vehicles, and snowmobiles
87.01, 87.02, 87.03, 87.08

Motor-Vehicle Parts, Industrial Vehicles, Non-Self-Propelled Vehicles, Motorcycles, Rail Locomotives, and Rolling Stock

Rail locomotives and rolling stock
86.02, 86.03, 86.04, 86.05, 86.06, 86.07, 86.09, 86.10

Motor-vehicle parts, industrial vehicles, non-self-propelled vehicles and motorcycles
84.09, 85.09, 86.08, 87.04, 87.05, 87.06, 87.07, 87.09, 87.11, 87.14

Other Machinery and Equipment

Steam engines, turbines, and boilers; and gas generators and parts thereof
84.01, 84.02, 84.03, 84.05

Pumps for liquids and parts thereof
84.10

Fans and blowers and parts thereof; air pumps, vacuum pumps and parts thereof
84.11-03, 84.11-09, 84.11-21, 84.11-29, 84.11-91, 84.11-95, 84.11-98

Compressors and parts thereof
84.11-01, 84.11-35, 84.11-36, 84.11-37, 84.11-43, 84.11-45, 84.11-51, 84.11-59, 84.11-61, 84.11-63, 84.11-67, 84.11-69, 84.11-71, 84.11-73, 84.11-75, 84.11-78

Air-conditioning machines and parts thereof
84.12

Furnace burners and nonelectric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment and parts thereof
84.13, 84.14, 84.15

Centrifuges and filtering and purifying machinery and parts thereof
84.18

Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and related machines and parts thereof
84.19

Mechanical shovels, coalcutters, excavating, leveling, boring, and related equipment
84.23

Lifting, handling, loading, unloading machinery and parts thereof
84.22

Pulp and paper machinery, and bookbinding and printing machinery
84.31, 84.32, 84.33, 84.34, 84.35

Sewing machines and parts thereof
84.41

Machines for working metal, stone, and other materials
84.43, 84.44, 84.45, 84.46, 84.47, 84.48, 84.56, 84.57, 84.60

Automatic vending machines and parts thereof
84.58

Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases, or solids
84.61

Gear boxes and other speed changers, fixed, multiple, or variable
84.63

Other miscellaneous machinery and mechanical equipment and parts thereof
82.08, 84.16, 84.17, 84.20, 84.21, 84.24, 84.25, 84.26, 84.27, 84.28, 84.29, 84.30, 84.36, 84.37, 84.38, 84.39, 84.40, 84.42, 84.49, 84.59

Portable electric hand tools
85.05

Electric household appliances
85.06, 85.07, 85.12

Electric furnaces and ovens, welding, brazing, induction, and dielectric heating equipment
85.11, 84.50

Electric lamps
85.10, 85.20

Nonmilitary airplanes (all types); parts of aircraft and spacecraft
88.01, 88.02, 88.03

Pleasure boats; floating structures
89.01, 89.02, 89.03, 89.04, 89.05

All other articles
84.62, 84.64, 84.65, 88.04, 88.05

Scientific Instruments and Apparatus

Surgical and medical instruments and apparatus
90.17, 90.18, 90.19, 90.20

Scientific instruments
90.14, 90.21, 90.22, 90.23

Furniture, Mattresses, and Pillows

Furniture, mattresses, and pillows, cushions, and similar furnishings
94.01, 94.02, 94.03,94.04

Other Miscellaneous Manufactures

Handbags
42.02-16, 42.02-41, 42.02-49

Luggage
42.02-12, 42.02-14, 42.02-17, 42.02-21, 42.02-23, 42.02-25, 42.02-31, 42.02-35, 42.02-51, 42.02-59, 42.02-60

Flat goods
42.02-18, 42.02-91, 42.02-99

Optical instruments, components, and lenses
90.01, 90.02, 90.03, 90.04, 90.05, 90.06, 90.11, 90.12, 90.13

Balancing machines, and parts, and other drawing, measuring, and mathematical instruments
90.15, 90.16, 90.24, 90.25, 90.26, 90.27, 90.28, 90.29

Watches, clocks, and clockwork-operated devices (including timeclocks)
91.01, 91.02, 91.03, 91.04, 91.05, 91.06, 91.07, 91.08, 91.09, 91.10, 91.11

Photographic equipment and supplies
37.01, 37.02, 37.03, 37.04, 37.05, 37.07, 85.15-60, 85.15-61, 85.15-62, 90.07, 90.08, 90.09, 90.10

Magnetic recording media not having any material recorded thereon
92.12-11, 92.12-15, 92.12-18

Musical instruments, parts and accessories
92.01, 92.02, 92.03, 92.04, 92.05, 92.06, 92.07, 92.08, 92.10

Small arms (bore diameter 30mm and under)
93.01, 93.02, 93.03, 93.04, 93.05, 93.06

Ammunition and munitions
93.07

Game machines, except coin or disc operated
97.04

Fishing tackle
97.07

Dolls and stuffed toy figures of animate objects
97.02

Toys (except games), models, tricks, and party favors
97.03

Jewelry
70.01, 71.12, 71.15, 71.16

All other articles (all of chapt. 66)
42.01, 42.04, 42.05, 42.06, 66.01, 66.02, 66.03, 67.02, 67.03, 67.04, 71.13, 71.14, 73.34 83.09, 87.10, 87.12, 87.13, 95.05, 95.08, 96.01, 96.05, 96.06, 97.01, 97.05, 97.06, 97.08, 98.01, 98.02, 98.03, 98.04, 98.05, 98.06, 98.07, 98.08, 98.10, 98.11, 98.12, 98.14, 98.15, 98.16, 99.01, 99.02, 99.03, 99.04, 99.05, 99.06

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