

**PRODUCTION SHARING: U.S. IMPORTS UNDER
HARMONIZED TARIFF SCHEDULE PROVISIONS
9802.00.60 AND 9802.00.80, 1989-1992**



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PREFACE

On May 22, 1989, on its own motion and pursuant to section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)), the U.S. International Trade Commission determined that it would continue investigation No. 332-237 (originally instituted on August 19, 1986) to present and analyze statistical data on imports under Harmonized Tariff Schedule (HTS) provision 9802.00.60 (metal of U.S. origin processed in a foreign location and returned for further U.S. processing) and provision 9802.00.80 (assembled goods containing U.S.-made components). The current report presents historical import data (1970-92) under these tariff provisions and evaluates the most current 4-year period (1989-92) on a sector-by-sector and commodity-specific basis.

In addition to the assessment on the use of provisions 9802.00.60 and 9802.00.80, this report has a chapter on the implications of the North American Free-Trade Agreement on Mexico's maquiladora industry and the use of the production sharing provisions.

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EXECUTIVE SUMMARY

This report, prepared annually, examines recent developments in trade under production sharing provisions 9802.00.60 and 9802.00.80 of the Harmonized Tariff Schedule of the United States (HTS) and analyzes trends in such imports by commodity groups and leading sources during 1989-92. Provision 9802.00.60 sets forth liberalized tariff treatment for certain metal of U.S. origin processed in a foreign location and rammed to the United States for further processing; provision 9802.00.80 provides reduced tariff treatment for eligible imported goods that were assembled abroad and contain U.S.-made components.¹ The use of HTS provision 9802.00.80 is an integral activity for companies engaged in production sharing as a means to benefit from low cost assembly in Mexico and the Caribbean to help the firms compete with labor-intensive articles made by foreign producers, especially in Asia.

In addition to the assessment of recent trends in imports under the production sharing provision, this report examines the implications of the North American Free-Trade Agreement for the maquiladora industry in Mexico, now the principal supplier of imports containing U.S.-made components. This report also discusses the historical development of the maquiladora industry, the use of the U.S. tariff provisions that have complemented assembly operations in Mexico, and production sharing activities in Mexico compared to those in Asia and the Caribbean.

The principal findings and conclusions of the Commission's study are summarized below.

- *Production sharing remains an important part of the global competitiveness strategy for many U.S. firms despite the recent sharp decrease in the use of the provisions by companies with production sharing operations in Canada.*
- *Prior to the imposition of the Customs Merchandise Processing Fee (user fee) in December 1986, there was no incentive to declare eligibility for imports under the production sharing provisions when importing duty-free articles such as motor vehicles and parts from Canada qualifying under the Automotive Products Trade Act (APTA), aircraft parts under the Agreement on Trade in Civil Aircraft, and semiconductors. However, since the duty-free portion of imports under the production sharing provisions are exempt from the user fee, U.S. importers of otherwise duty-free articles found an added financial incentive to import these articles under provisions 9802.00.60 and 9802.00.80. As a result, beginning in 1987 a significant increase occurred in imports of duty-free articles under these provisions—mostly from Canada. Thus, imports under the production sharing provisions jumped from \$3.0 billion in 1986 to \$24.9 billion in 1990.*
- *The \$400-per-entry cap placed on the user fee in October 1990, and the nearly completed phase out of the user fee on imports under the U.S.-Canada Free Trade Arrangement (FTA), have greatly reduced the incentive to enter duty-free articles under the production sharing provision. This effect continues to be reflected by a reduced level of imports entering under these provisions after 1990. Such imports from Canada dropped to \$8.3 billion in 1991 and to \$3.6 billion in 1992.*

¹ Throughout this report, the term "U.S.-made components" will be used interchangeably with "U.S.-origin content," "nondutiable" value of imports under these provisions, "U.S. content," "U.S.-origin metal," "duty-free value," and "duty-free share."

- *U.S. imports under these two HTS provisions fell by 24 percent during 1989-92, to \$56.4 billion, while total U.S. imports rose by 12 percent to \$525 billion, as shown in table A. However, imports under these provisions from all countries other than Canada actually increased by 11 percent, nearly matching growth in total imports during the period. Imports under these provisions accounted for 11 percent of total U.S. imports in 1992; production sharing with Canada is estimated to account for another 5 percent of the total. Duty savings from use of these provisions rose from \$647 million in 1989 to \$869 million in 1992. The principal supplying countries were Japan and Mexico, which collectively accounted for 64 percent of total imports under these provisions in 1992.*
- *Imports under provision 9802.00.80 alone (imports containing U.S.-made components) represented 98 percent of the combined imports under 9802.00.60 and 9802.00.80 in 1992. Imports under this provision declined 24 percent between 1989 and 1992. However, imports from all countries except Canada grew by 11 percent (from \$47.3 billion to \$52.5 billion). Motor vehicles accounted for 49 percent of the total value of HTS provision 9802.00.80 imports in 1992. Goods shipped from Mexico alone accounted for nearly three fifths (\$8.5 billion) of the duty-free content of U.S. imports under provision 9802.00.80 in 1992.*

Table A
U.S. imports under HTS provisions 9802.00.60 and 9802.00.80 and total imports, 1989 and 1992

Provision	1989	1992	Change, 1992 from 1989	Share of total imports under 9802.00.60 and 9802.00.80, 1992
	<i>— Million dollars —</i>		<i>Percent</i>	
Imports under provision 9802.00.60:				
Dutiable ¹	444	418	-6	1
Nondutiable ¹	697	603	-13	1
Subtotal	1,141	1,021	-11	2
Imports under provision 9802.00.80:				
Dutiable ²	54,111	40,632	-25	72
Nondutiable ²	18,921	14,733	-22	26
Subtotal	73,032	55,365	-24	98
Imports under 9802.00.60 and 9802.00.80:				
Dutiable	54,555	41,050	-25	73
Nondutiable	19,618	15,336	-22	27
Total	74,173	56,386	-24	100
Grand total U.S. imports	468,012	525,091	12	

¹ The dutiable portion of imports under provision 9802.00.60 is the value added to the imported product by processing (or the cost of processing) in the foreign country. The nondutiable portion is the value of the U.S.-origin metal.

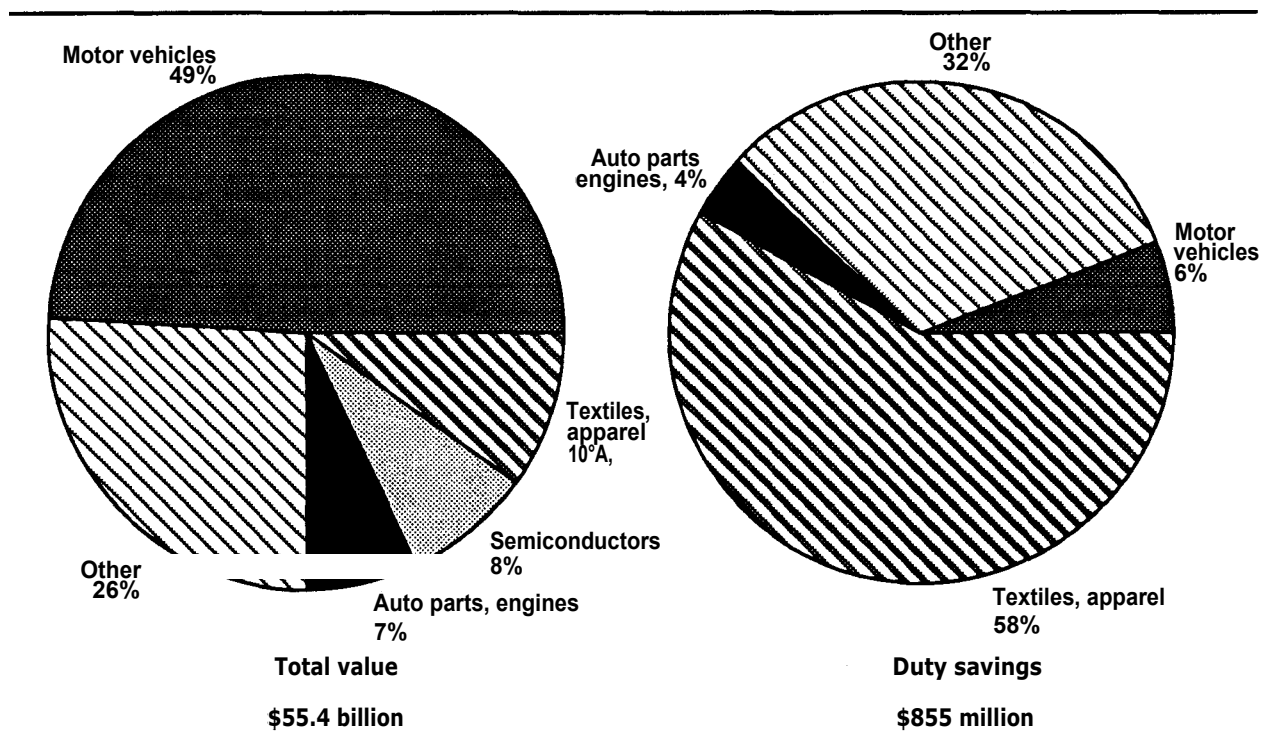
² The dutiable portion of imports under provision 9802.00.80 is the total value of the imported product less the cost or value of the U.S.-made components. The nondutiable portion is the value of U.S.-made components contained in the imported product.

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

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

- Industries that benefit from relatively higher tariffs and/or use more U.S.-origin content have more incentive than others to use provision 9802.00.80. Thus, although motor vehicles constituted the largest share of total 9802.00.80 imports, apparel accounted for the largest share of the duty savings (figure A). In addition, apparel imports under provision 9802.00.80 grew substantially during 1989-92 as a result of actions by the United States to liberalize quotas on such imports from Caribbean and Mexican suppliers, and subsequent investment in the Latin American region by U.S. firms in order to reduce costs and remain competitive in the U.S. market.
- Provision 9802.00.60 imports (U.S. metal articles processed abroad and returned for further processing) decreased by 11 percent during the period, to \$1.0 billion in 1992. However, for all countries other than Canada, there was a 2 percent increase in the use of the provision during the period (from \$333 million to \$340 million). Aircraft parts and wrought aluminum (principally sheet used in beverage containers, and foil used for consumer packaging) were the leading products imported under this provision. Goods shipped from Canada, Mexico, and Japan accounted for \$580 million, or 97 percent, of the duty-free content of U.S. imports under provision 9802.00.60 in 1992.
- U.S. imports under provision 9802.00.80 accounted for 48 percent of Mexico's overall exports to the United States in 1992 and 54 percent of the Dominican Republic's exports, compared with only 19 percent of Germany's, 18 percent of Japan's and 10 percent of Korea's.

Figure A
U.S. imports under HTS provision 9802.00.80: Shares of total value and duty savings, by selected Industries, 1992



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

- *Mexico's attractiveness relative to that of other countries as a location for foreign assembly was reinforced by increasing relative wage costs in competing countries such as Taiwan, Korea, Hong Kong, and Singapore during 1989-92. In 1992, average hourly compensation in Mexico was roughly half that for these newly industrialized countries (NICs) in Asia. In addition, Asian competitors are more likely to substitute locally-made Asian parts for U.S.-made parts than are companies in Mexico. Although U.S.-made components accounted for over half of the value of U.S. imports from Mexico under provision 9802.00.80 in 1992, U.S. parts typically accounted for only one-quarter of the value of such imports from the Asian NICs.*
- *The North American Free-Trade Agreement (NAFTA) will likely affect U.S. imports from Mexico under the production-sharing provisions in much the same manner as the FTA and other preferential tariff treatment programs affected U.S. imports from Canada under the 9802 provisions.*
- *Under NAFTA, about 60 percent of U.S. imports from Mexico will be eligible for duty-free entry in 1994 (Currently, about half of the value of total U.S. imports from Mexico enters free of duty). The customs user fee will be phased out over a five year period under NAFTA, similar to the FTA; therefore, in the initial years of the phase out, some products will continue to be imported under production sharing provisions where the significant value of U.S. components contained in such imports would be exempt from the fee. In 1999, when the customs user fee on imports from Mexico is completely phased out under NAFTA, and the vast majority of United States imports from Mexico are eligible for duty-free entry, use of the production sharing provisions will likely reflect a reduced level of imports similar to the experience with imports from Canada.*
- *Mexico's Maquiladora Program, which has largely limited maquiladora production to export markets, will be eliminated under the NAFTA on January 1, 2001. The benefits that currently attract companies to the border for assembly, however, will continue to exist: low cost, trainable labor and proximity to the U.S. market. The phased-in access to the Mexican market for maquiladora industry production occurring under NAFTA will likely encourage companies with existing facilities to expand production in their border assembly plants, further increasing the level of exports to Mexico of U.S. components used in assembly operations. If existing infrastructure constraints (such as housing and transportation for maquiladora workers) are improved through cooperative investments by U.S. companies, industrial park operators, and local governments, the border may attract additional companies as a location for North American production and distribution. Without such cooperative investment, further growth in the maquiladora industry is unlikely.*

CHAPTER 1

Introduction

Background and Scope of Production Sharing Provisions 9802.00.60 and 9802.00.80 of the Harmonized Tariff Schedule (HTS) of the United States

Background

Specified U.S.-made goods exported for further processing and returned from other countries have long been afforded differential duty treatment. Their dutiable status was first clearly set forth in the former Tariff Schedules of the United States (TSUS), items 806.30 and 807.00, in effect from 1%³ until the close of 1988. This tariff treatment subsequently was continued, with some changes in terminology and application, in provisions 9802.00.60 and 9802.00.80, subchapter II, chapter 98 of the Harmonized Tariff Schedule of the United States (HTS), effective as of January 1, 1989.

Scope of Provisions

Under provision 9802.00.60, articles of metals (except precious metal) that are manufactured or processed in the United States,² exported for further processing abroad and then returned to the United States for still further processing, are eligible upon entry to have duties assessed only on the value of foreign processing. Under provision 9802.00.80, imported goods that are assembled abroad using

U.S.-manufactured components are subject to duty upon entry at the full entered value of the completed article minus the cost or value of the identifiable U.S.-origin components the article contains. For imports to qualify under 9802.00.80, no further processing in the United States of the entered goods is required, and only "operations incidental to the assembly process" (but not manufacturing) may occur abroad.³

Trends in Imports Under Production Sharing Provisions 9802.00.60 and 9802.00.80 of the HTS

Firms use production sharing under provisions 9802.00.60 and 9802.00.80 for several reasons: (1) to improve the price competitiveness of products by shifting 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 rationalize⁴ production between their U.S. and foreign establishments; (4) to use U.S.-made components to reduce the price (or increase the profitability) of their goods in the U.S. market; (5) to penetrate foreign markets; and (6) to benefit from an exemption of the customs user fee established in December 1986.⁵

The incentive that most strongly influenced recent trends in imports under the production-sharing tariff provisions was the customs user fee. The establishment of the customs user fee, in December

³ See ch. 98 of the HTS for the legal text of the provisions and applicable notes. Also see United States International Trade Commission, *Production Sharing: US Imports Under Harmonized Tariff Schedule Subheadings 9802.00.60 and 9802.00.80, 1987-90*, USITC publication 2469, Dec. 1991.

⁴ Companies "rationalize" production by consolidating the manufacture of a particular product or component to a limited number of locations. Plants that may have diversified products become specialized in the production of fewer goods. This can lead to greater 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.

⁵ The user fee does not apply to the *nondutiable portion* of U.S. imports under provisions 9802.00.60 and 9802.00.80 of the HTS. See appendix A for a discussion of the fee.

¹ For definition of "metal," see U.S. note 3(d) to subch. II, ch. 98 of the HTS.

² Under each provision, foreign materials or components that are imported into the U.S. customs territory and substantially transformed into new articles of commerce generally qualify as "American goods" (that is, the original exports need not be wholly obtained or produced in the United States for the article to be considered as manufactured or processed in the United States).

1986, motivated many firms that were importing articles with an unconditionally or preferentially free rate of duty to claim eligibility under these provisions to receive exemption from the fee on the U.S. content of their imports.⁶ However, the establishment of a \$400 per entry cap on the user fee in October 1990 has greatly reduced the incentive to import existing duty-free articles under the production-sharing provisions.⁷

Imports under HTS provisions 9802.00.60 and 9802.00.80 surged in 1987, largely because importers of duty-free goods entered their shipments under the provisions to avoid payment of the customs user fee. The principal sources of these imports were motor vehicles and civil aircraft from Canada and semiconductors from Malaysia. However, there was a sharp decline in imports under these provisions in 1991 because of the reduced level of duty-free imports from Canada.⁸ The U.S.-content of transportation equipment from Canada under 9802.00.80 decreased significantly in 1991 from 1990, and continued to decline in 1992.

In contrast to the sharp increase then decrease in provision 9802.00.60 and 9802.00.80 imports from Canada, there was a steady rise in the use of the maquiladora industry in Mexico to assemble parts for the U.S. motor vehicle industry. In terms of the value of the U.S.-made components incorporated in the assembly process and imported duty-free under 9802.00.80, increased imports of motor vehicle parts from Mexico during 1989-92 nearly matched the reduction in imports of transportation equipment from most other sources.

The following tabulation shows the trend of U.S. imports under HTS provisions 9802.00.60 and 9802.00.80 during 1986-92 and the share of total U.S. imports (in billion dollars and in percent, respectively):

	1986	1987	1988	1989	1990	1991	1992
Value	36.5	68.5	73.7	74.2	76.5	57.5	56.4
Share	10	17	17	16	16	12	11

⁶ On products for which the most-favored-nation (MFN) rate of duty is free or to which special duty rates of free apply, when entered under FITS 9802.00.60 and/or 9802.00.80, the rate of duty applied to the "dutiable" (or foreign value-added) portion is free.

For many importers of duty-free articles incorporating U.S.-made metal or components, the cost of processing the extensive paperwork required to document eligibility for entry under the production sharing provisions more than offsets the \$400 that could be gained by exemption from the user fee.

⁸ The Customs user fee as applied toward goods originating in the territory of Canada is undergoing staged elimination under the United States-Canada Free-Trade Agreement. The fee is scheduled to be reduced to zero by January 1, 1994 (see app. A).

As discussed above, the significant rise in the share total U.S. imports accounted for by the imports under examination between 1986 and 1987, and its fall in 1991, principally reflect increased imports from Mexico and reactions by importers to changes in the customs user fee regulations. Figures 1-1 and 1-2 illustrate the trend of the value of imports under production sharing provisions relative to total U.S. imports.

Imports under provision 9802.00.80 are much greater than those under provision 9802.00.60, accounting for over 98 percent of the combined total value in 1992 and for 96 percent of the duty-free content of imports under both provisions (table B-1). The U.S.-origin content of the combined imports under 9802.00.60 and 9802.00.80 was 27 percent of the total value of imports under these provisions in 1992 (table A).

Imports of U.S.-origin content under 9802.00.60 and 9802.00.80 from both developed and less developed countries (LDCs) are shown in figure 1-3. The following tabulation illustrates the imports of U.S.-origin content from these categories of nations during 1989-92 and their shares of total imports of U.S.-origin content (in billion dollars and in percent, respectively):

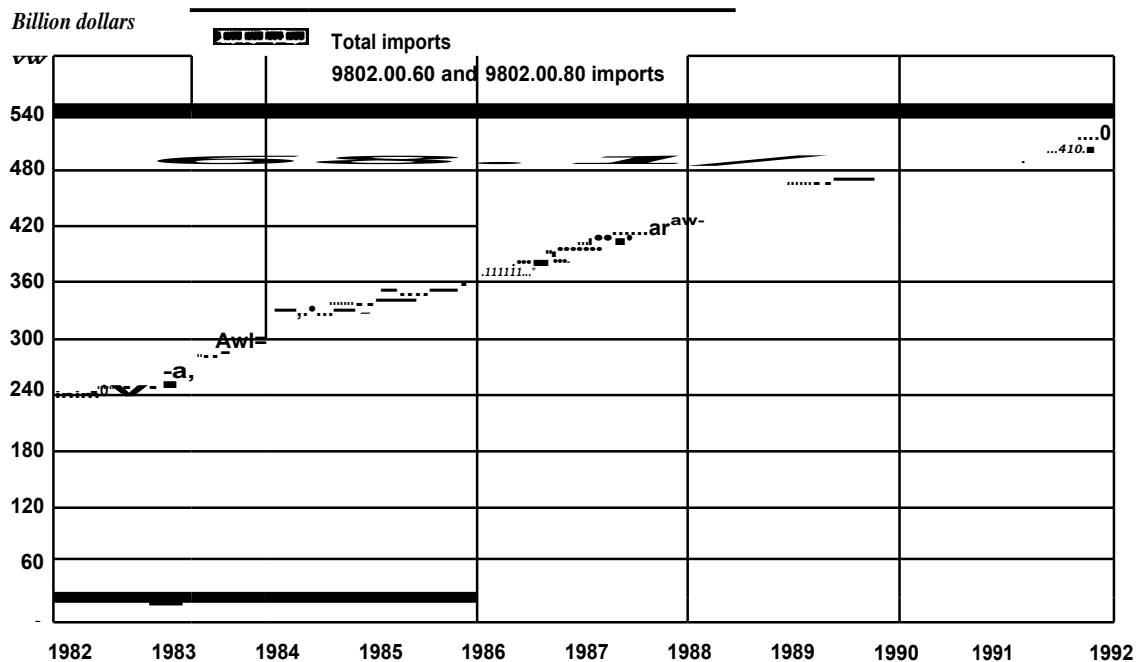
	1989	1990	1991	1992
Developed countries	9.9	11.4	3.5	2.2
LDCs	9.7	10.3	11.0	13.2
Total	19.6	21.6	14.5	15.3
<i>Percent of total</i>				
Developed countries	51	53	24	14
LDCs	49	47	76	86
Total	100	100	100	100

While such imports from LDCs continued to grow in 1991 and 1992, imports from developed countries (especially from Canada) dropped dramatically after 1990 because of the new user fee cap (tables B-2 and B-15). The U.S. content of imports of transportation equipment from Canada, principally motor vehicles and parts, declined by three-fourths during 1989-91, from \$7.4 billion to \$1.8 billion. Such imports experienced a similar proportional decrease in 1992, falling by 72 percent to \$0.5 billion (table 2-3). Most of the increase in imports from LDCs is attributable to growing imports under 9802.00.80 provisions for electronic goods, motor vehicles, and auto parts from Mexico and apparel from the Caribbean.

The \$4.3-billion decrease in imports of motor vehicles from Canada⁹ under 9802.00.80 provisions in 1992 from 1991 was mitigated by gains in imports of

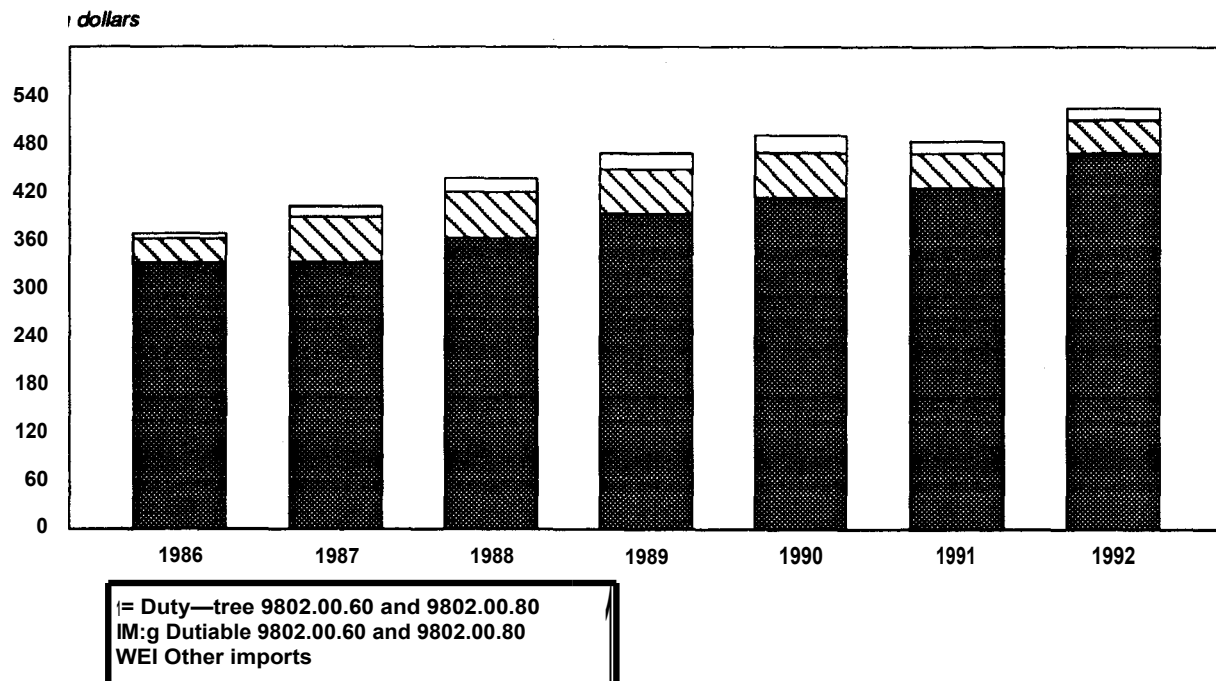
⁹ Virtually all imports of motor vehicles from Canada are eligible to enter free of ordinary customs duty under the Automotive Products Trade Agreement. Some are entered under 9802.00.80 as well to avoid payment of the user fee on the U.S. content.

Figure 1-1
Trends of total U.S. Imports and imports under 9802.00.60 and 9802.00.80, 1982-92



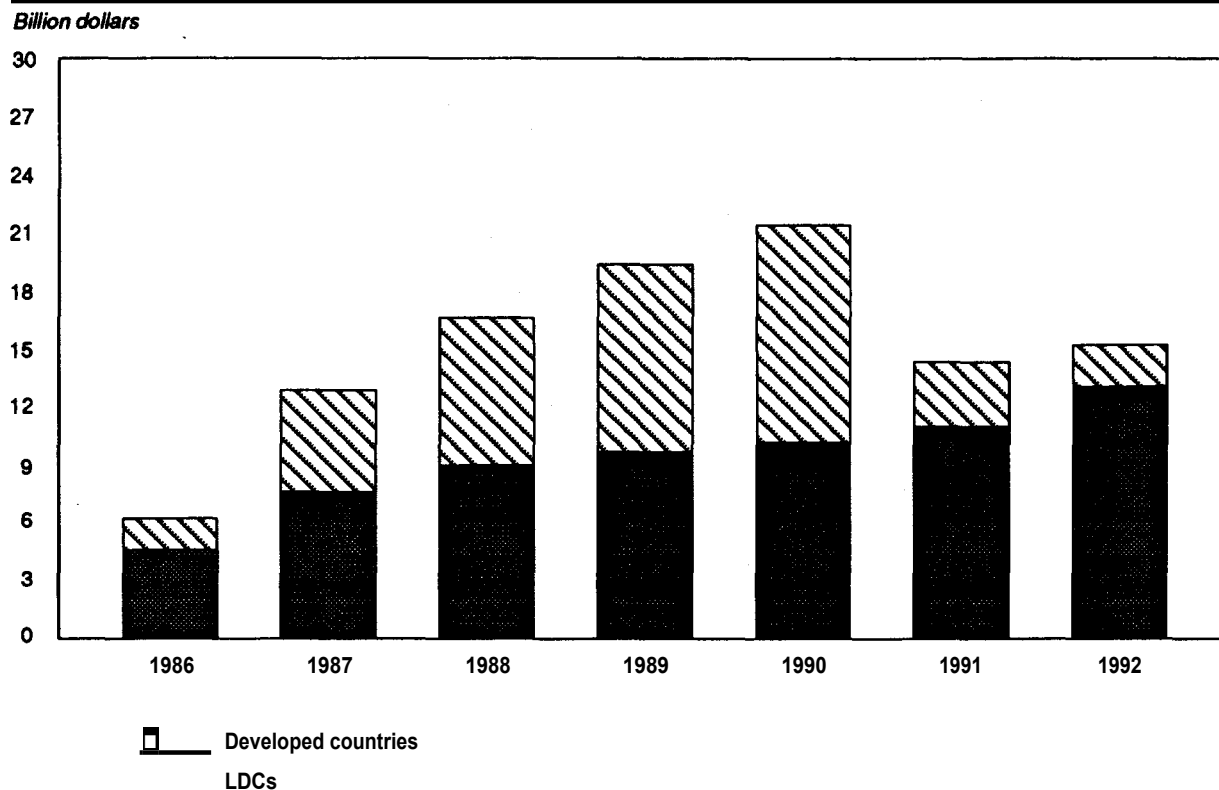
Source: Based on official statistics of the U.S. Department of Commerce.

Figure 1-2
Provisions 9802.00.60 and 9802.00.80: Dutiable and duty-free imports compared with other U.S. Imports for consumption, 1986-92



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

Figure 1-3
U.S. Imports under provisions 9802.00.60 and 9802.00.80: Duty-free portion accounted for by
developed and less developed countries, 1986-92



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

several products, resulting in an overall growth of \$0.8 billion, or 6 percent, in 1992. Imports of apparel rose by \$1.1 billion in 1992; motor vehicle parts, by \$0.5 billion; semiconductors and electrical conductors, each by \$0.4 billion; and television receivers, by \$0.2 billion.

Trends in Imports Under Production Sharing Provision 9802.00.60

Countering the trend in total imports, which rose by 9 percent in 1992 over 1991, imports under 9802.00.60 fell to \$1 billion in 1992, an 11-percent decrease from the totals in both 1989 and 1991 (table 1-1 and figure 1-4). Most of this overall decline during 1989-92 reflected reduced use of this provision for importing printed circuit boards and other articles for making and breaking electrical circuits, more than offsetting greater imports of parts for aircraft and motor vehicles. Articles for making and breaking

electrical circuits became eligible for duty-free entry under the U.S.-Canada Free-Trade Agreement (FTA), and Canada accounted for 97 percent of imports of such articles under 9802.00.60 in 1989.

U.S. importers realized duty savings of \$13.8 million in 1992 from the use of provision 9802.00.60 (table 1-2). Duty savings increased 34 percent in 1992 compared with 1991 as the composition of the basket of goods imported under the provision changed and led to a rise in the nominal rate of duty from 1.7 to 2.0 percent but the effective rate of duty remained 0.8 percent. U.S. origin metal accounted for 59 percent of the total value of imports under 9802.00.60 in 1992. Imports of processed iron and steel mill products accounted for over half of the duty savings accrued from importing under provision 9802.00.60, although these products represented just 11 percent of total 9802.00.60 imports in 1992. Conversely, aircraft parts and aluminum accounted for 63 percent of U.S. imports under 9802.00.60, but only a small part of the duty savings because the aircraft parts entered free of duty under the Agreement on Trade in Civil Aircraft and over 80 percent of the aluminum entered duty-free under the FTA.

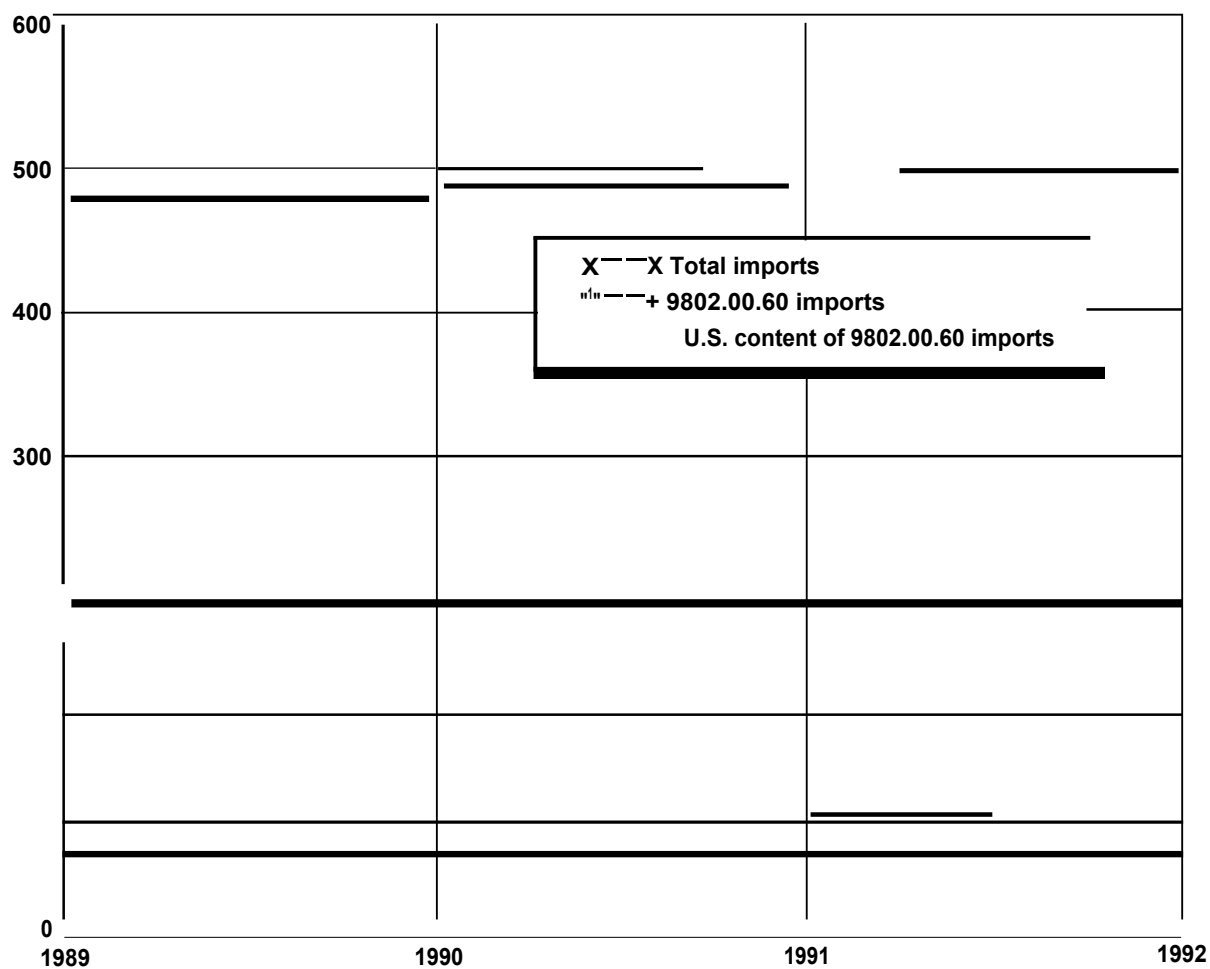
Table 1-1
U.S. Imports for consumption, total and under HTS provision 9802.00.60, 1989-92

Year	Total Imports	9802.00.60 Imports	Duty-free value of 9802.00.60 Imports
<i>Value (million dollars)</i>			
1989	468,012	1,141	697
1990	491,332	1,380	818
1991	483,778	1,148	630
1992	525,091	1,021	603
<i>Change (percent)</i>			
1992 from 1989	12	-11	-13
Average annual 1992 from 1989	4	-4	-5

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

Figure 1-4
U.S. imports for consumption, total and provision 9802.00.60, 1989-92

Value (billion dollars)



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

Table 1-2
Nominal and effective rates of duty under HTS provision 9802.00.60 and duty savings, 1989-92

Year	9802.00.60 imports to total Imports	Duty-free 9802.00.60 to total 9802.00.60 Imports	Rate of duty		Total duty savings
			Nominal	Effective	
		Percent			Million dollars
1989	0.2	61	3.0	1.2	20.8
1990	0.3	59	2.3	1.0	19.5
1991	0.2	55	1.7	0.8	10.3
1992	0.2	59	2.0	0.8	13.8

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

Before imposition of the customs user fee in December 1986, there was no incentive to declare eligibility for imports under provision 9802.00.60 when importing duty-free articles such as aircraft parts and motor vehicle parts from Canada qualifying under the Automotive Products Trade Act (APTA). However, because the duty-free portion of imports under 9802.00.60 are exempt from the user fee, U.S. importers of otherwise duty-free articles found it to their financial advantage to import these articles under the production sharing tariff provisions. Hence, beginning in 1987, there was a large increase in imports of duty-free articles, mostly from Canada, under 9802.00.60. The \$400 per entry cap placed on the user fee in October 1990 and the phase out of the user fee on imports under the FTA greatly reduced the incentive to import under the production sharing provision. As a result, imports from Canada, which had jumped from \$83 million in 1986 to \$902 million in 1990, dropped to \$681 million in 1992.

Canada remained the principal supplier of articles imported under provision 9802.00.60 based on duty-free content in 1992 (accounting for 61 percent of the total), followed by Mexico (29 percent), and Japan (7 percent) (table 1-3 and figure 1-5). Articles imported under 9802.00.60 from Mexico increased 21 percent to \$172 million, reflecting the use of the maquiladora industry in Mexico that continued to grow in 1991 and 1992, although at slower pace than in the late 1980s. On the other hand, imports from Japan declined 9 percent to \$40 million as the rise in the yen relative to the U.S. dollar eroded the competitiveness of imports from Japan.

The primary imports supplied under 9802.00.60 from Canada in 1992 were wrought aluminum and aircraft parts (table B-5). Wrought aluminum also accounted for the bulk of the 9802.00.60 imports from Japan (table B-7). Mexico supplied the majority of motor vehicle parts and of iron and steel sheets and strips imported into the United States under provision 9802.00.60 in 1992 (table B-6).

Because of their duty-free status and the changes in the user fee discussed above, imports of printed circuit boards and other articles for making and breaking electrical circuits under 9802.00.60 fell 97 percent (\$94 million) in terms of the value of the U.S.-origin content

during 1989-92, to \$3 million (table B-3). Most printed circuit boards imported under the metal processing provision came from a Canadian subsidiary of a major U.S. semiconductor and computer manufacturer. The facility was built in Canada in the 1970s to supply parts to manufacturing and assembly subsidiaries of the U.S. firm, as well as other companies in Canada.

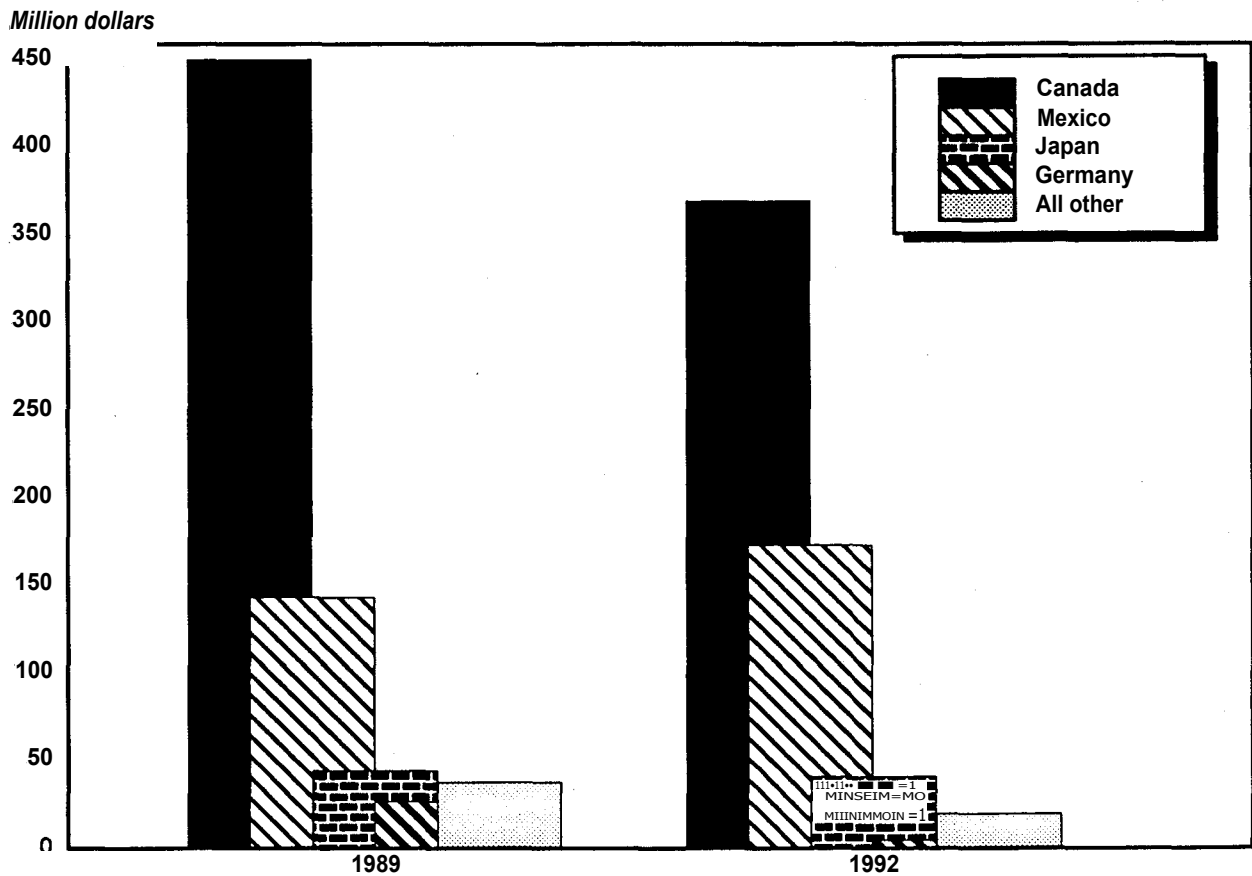
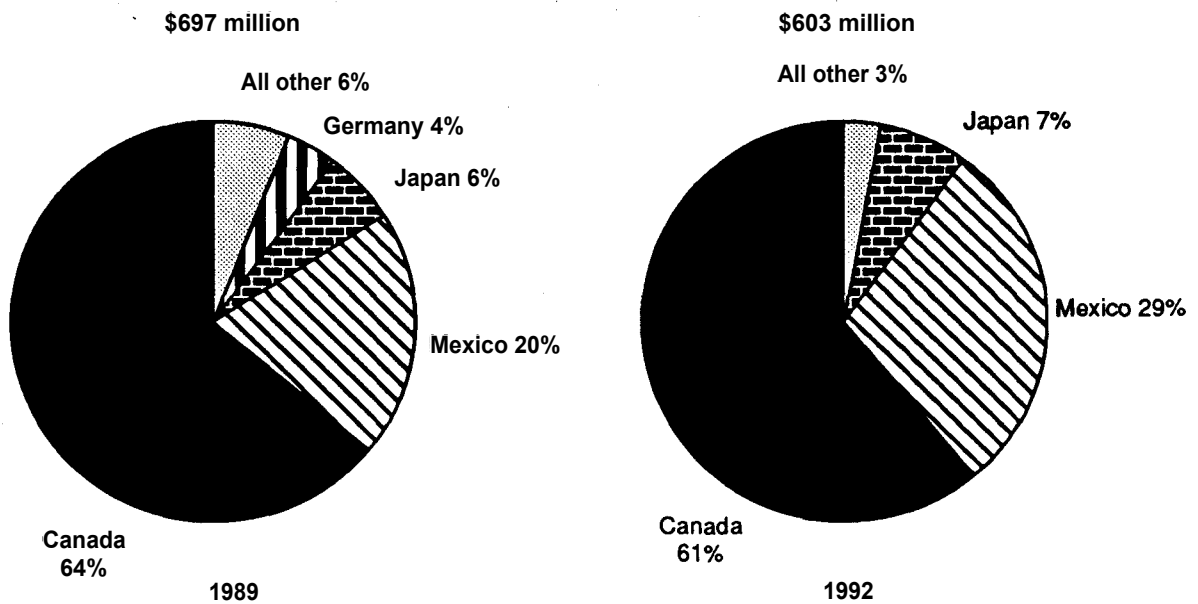
Wrought aluminum sheet (which fell by \$27 million during 1989-92) accounted for over one-third, or \$213 million, of the duty-free content of 9802.00.60 imports in 1992. Canada provided 87 percent of the wrought aluminum metal in 1992, and Japan, 10 percent. Because of capacity constraints, a U.S. company exports sheets for aluminum cans to its subsidiary in Canada, where it is processed into thinner canning sheets and then shipped back to the parent company's distribution centers in the United States. In contrast, Japanese producers purchase scrap aluminum cans from the United States, process these cans into aluminum canning sheet in Japan, and then export the sheet to U.S. canmakers or breweries. It is more cost effective to make aluminum sheets from recycled aluminum cans than from raw material.

Despite a \$35-million increase in U.S. imports of aircraft parts under provision 9802.00.60 (in terms of the value of the U.S.-origin metal) during 1989-92 after U.S. aircraft manufacturers expanded subcontracting of parts work to companies in Canada, imports under the provision plummeted from \$181 million in 1991 to \$135 million in 1992. This drop does not indicate a decline in production sharing, but rather reflects changes in the user fee that decreased incentives to import these duty-free products under 9802.00.60.

The greatest portion of the \$25 million (U.S. content) increase in imports of internal combustion engines and other motor vehicle parts came from the expanded use of Mexican plants to perform labor-intensive operations for U.S. automobile manufacturers (table 1-4). The rise in imports of motor vehicle parts from Mexico also reflects efforts by the U.S. Big Three (GM, Ford, and Chrysler) to cut costs through increased integration of North American production, including the expansion of metal

	Share of total duty-free value	Change in value of duty- free content, 1992 from 1989		
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
4	0	0	0	0
5	0	0	0	0
6	0	0	0	0
7	0	0	0	0
8	0	0	0	0
9	0	0	0	0
10	0	0	0	0
11	0	0	0	0
12	0	0	0	0
13	0	0	0	0
14	0	0	0	0
15	0	0	0	0
16	0	0	0	0
17	0	0	0	0
18	0	0	0	0
19	0	0	0	0
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22	0	0	0	0
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26	0	0	0	0
27	0	0	0	0
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91	0	0	0	0
92	0	0	0	0
93	0	0	0	0
94	0	0	0	0
95	0	0	0	0
96	0	0	0	0
97	0	0	0	0
98	0	0	0	0
99	0	0	0	0
100	0	0	0	0

Figure 1-5
U.S. imports under provision 9802.00.60, by value of the U.S.-origin metal processed in the Imports, by leading countries of the processing, 1989 and 1992



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

Industry group	Duty-free value	Change, 1992 from 1989	Percent
1	> 100 dollars		
2	0	154	(2)
3	0	168	(2)
4	14,164	21,404	151
5	120,421	151,739	126
6	58,646	39,046	67
7	14,164	21,404	151
8	120,421	151,739	126
9	58,646	39,046	67
10	14,164	21,404	151
11	120,421	151,739	126
12	58,646	39,046	67
13	14,164	21,404	151
14	120,421	151,739	126
15	58,646	39,046	67
16	14,164	21,404	151
17	120,421	151,739	126
18	58,646	39,046	67
19	14,164	21,404	151
20	120,421	151,739	126
21	58,646	39,046	67
22	14,164	21,404	151
23	120,421	151,739	126
24	58,646	39,046	67
25	14,164	21,404	151
26	120,421	151,739	126
27	58,646	39,046	67
28	14,164	21,404	151
29	120,421	151,739	126
30	58,646	39,046	67
31	14,164	21,404	151
32	120,421	151,739	126
33	58,646	39,046	67
34	14,164	21,404	151
35	120,421	151,739	126
36	58,646	39,046	67
37	14,164	21,404	151
38	120,421	151,739	126
39	58,646	39,046	67
40	14,164	21,404	151
41	120,421	151,739	126
42	58,646	39,046	67
43	14,164	21,404	151
44	120,421	151,739	126
45	58,646	39,046	67
46	14,164	21,404	151
47	120,421	151,739	126
48	58,646	39,046	67
49	14,164	21,404	151
50	120,421	151,739	126
51	58,646	39,046	67
52	14,164	21,404	151
53	120,421	151,739	126
54	58,646	39,046	67
55	14,164	21,404	151
56	120,421	151,739	126
57	58,646	39,046	67
58	14,164	21,404	151
59	120,421	151,739	126
60	58,646	39,046	67
61	14,164	21,404	151
62	120,421	151,739	126
63	58,646	39,046	67
64	14,164	21,404	151
65	120,421	151,739	126
66	58,646	39,046	67
67	14,164	21,404	151
68	120,421	151,739	126
69	58,646	39,046	67
70	14,164	21,404	151
71	120,421	151,739	126
72	58,646	39,046	67
73	14,164	21,404	151
74	120,421	151,739	126
75	58,646	39,046	67
76	14,164	21,404	151
77	120,421	151,739	126
78	58,646	39,046	67
79	14,164	21,404	151
80	120,421	151,739	126
81	58,646	39,046	67
82	14,164	21,404	151
83	120,421	151,739	126
84	58,646	39,046	67
85	14,164	21,404	151
86	120,421	151,739	126
87	58,646	39,046	67
88	14,164	21,404	151
89	120,421	151,739	126
90	58,646	39,046	67
91	14,164	21,404	151
92	120,421	151,739	126
93	58,646	39,046	67
94	14,164	21,404	151
95	120,421	151,739	126
96	58,646	39,046	67
97	14,164	21,404	151
98	120,421	151,739	126
99	58,646	39,046	67
100	14,164	21,404	151

¹ Not applicable.

² Less than 0.5 percent.

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

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

processing in Mexico and Canada. Canada accounted for 46 percent of the imports of internal combustion engines under the 9802.00.60 provision in 1992, while Mexico accounted for 53 percent of imports of internal combustion engines and 99 percent of imports of bodies and chassis and other motor vehicle parts.

The ratio of the U.S. content to total value of imports under HTS 9802.00.80 averaged nearly 27 percent annually during 1989-92. The U.S.-origin content of HTS 9802.00.80 imports amounted to \$14.7 billion in 1992 (table 1-5) and the duty savings from using provision 9802.00.80 totaled \$855 million (table 1-6).

Trends in Imports Under Production Sharing Provision 9802.00.80

Following the adoption of the \$400 per entry cap on the user fee in October 1990, U.S. imports under HTS provision 9802.00.80 dropped by 25 percent to \$56.3 billion in 1991 and fell another 2 percent to \$55.4 billion in 1992. Meanwhile, total U.S. imports grew by 7 percent during 1990-92, to \$525 billion (table 1-5), and the share of total imports entering under 9802.00.80 dropped from 15 to 11 percent (table 1-6). Most of the decrease in imports under provision 9802.00.80 in response to the change in user fee regulations involved imports of motor vehicles and parts from Canada; most of these goods are eligible for duty-free entry under the APTA. However, as described earlier, imports under provision 9802.00.80 from countries other than Canada grew by 11 percent during the 1989-92 period, nearly matching the rate of expansion in total imports. Even more impressive, the value of U.S.-made components contained in 9802.00.80 imports from countries other than Canada rose by one-third, \$13.9 billion (table 1-5). Except for co-production in Canada, 61 percent of all U.S.-made components exported for foreign assembly and re-export for the U.S. market in 1992 were assembled in Mexico.

Imports of motor vehicles and parts (including internal combustion engines) from Canada under provision 9802.00.80 dropped \$4.3 billion in 1992 from 1991 (figure 1-6). Provision 9802.00.80 imports of civil aircraft and parts dropped by \$64 million. Declines in 9802.00.80 imports of these products were somewhat offset by increased imports of apparel from the Caribbean, and motor vehicles and parts, television receivers, and electrical conductors from Mexico.

Principal products

The leading products imported under 9802.00.80 in 1992 in terms of total customs value, that is, U.S. content and foreign value added, were motor vehicles, which accounted for 49 percent of total 9802.00.80 imports (table 1-7). Motor vehicles imported under the production-sharing provision contain a smaller portion of U.S.-made parts (8 percent) than most other products (45 percent) under FITS 9802.00.80. However, U.S.-made parts constituted 31 percent of the value of motor vehicles from Canada and 44 percent of the vehicles from Mexico, compared with 2 percent of vehicles from Japan and 1 percent of imports from Germany.

More important for analysis than the total value of imports under the production-sharing provision is the value of the U.S. content of imports under FITS 9802.00.80, for it is the duty exemption for qualifying components that provides the incentive for importing under this tariff provision. In this context, the top import categories in 1992 were apparel (16 percent), motor vehicles (15 percent), semiconductors (15 percent), "other" electrical articles¹ (14 percent), and engines and other motor vehicle parts (10 percent) (table 1-7, figure 1-7).

Although imports under provision 9802.00.80 in several product categories decreased in 1992, the use of production sharing increased in other categories. The products that exhibited the largest growth in terms of U.S.-origin content were apparel, certain motor vehicle parts, electrical conductors, television receivers, and scientific and medical instruments, as shown in the following tabulation (in million dollars):

¹ The majority of these products are ignition wiring sets for motor vehicles.

Product	1991	1992	Change, 1992 over 1991
Apparel	2,236	2,871	635
Certain motor vehicle parts	979	1,312	333
Electrical conductors	857	1,052	195
Television receivers	414	522	108
Scientific and medical instruments	432	496	64
Office machines	515	577	62
All other	9,926	9,792	-134
Total	12,371	12,844	473

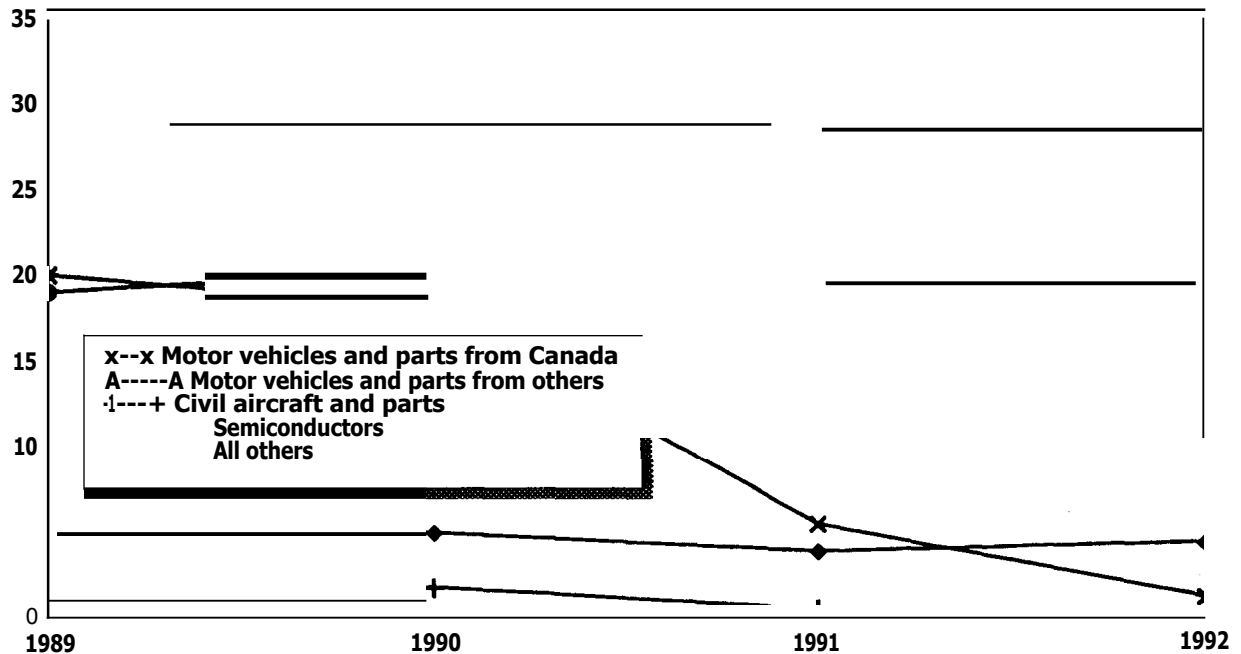
Table 1-6
Nominal and effective rates of duty under HTS provision 9802.00.80 and duty savings, 1989-92

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
1989	16	26	2.1	1.6	605
1990	15	28	2.3	1.7	664
1991	12	25	3.4	2.6	697
1992	11	27	4.1	3.0	855

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

Figure 1-6
U.S. Imports under provision 9802.00.80: Motor vehicles and parts, civil aircraft, and semi-conductors, 1989-92.

Billion dollars



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

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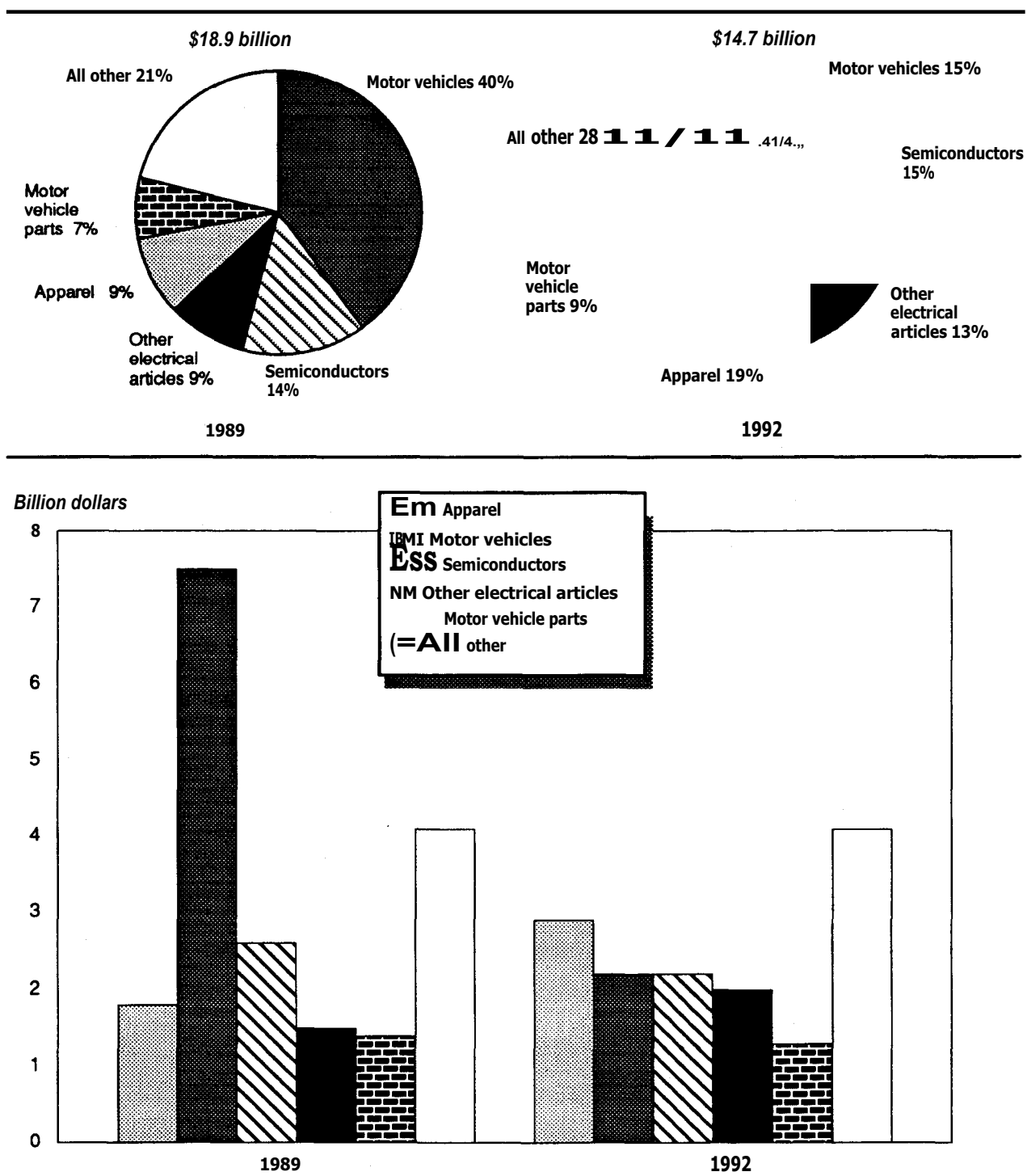
See footnote at end of table.

Industry group	Duty-free value		Change, 1992 from 1989	Ratio of duty-free value to total value	Total value		Change, 1992 from 1989	Average annual change, 1992 from 1989 of total 1992
	1989	1992			1989	1992		
	1,000 dollars				1,000 dollars			Percent
Scientific instruments and apparatus	345,862	438,210	93,348	0.13	684,889	1,035,092	51	15
Furniture, mattresses and pillows	180,077	209,989	29,912	0.09	553,632	141,366	-74	-37
Other miscellaneous manufactures	314,951	392,421	77,470	0.14	683,742	794,073	16	5
Total	18,921,252	14,732,537	-22	0.08	73,031,783	55,365,029	-2	00

U.S. Imports of Scientific Instruments and Apparatus, Furniture, Mattresses and Pillows, and Other Miscellaneous Manufactures, 1989-1992

Figure 1-7

Value of U.S.-made components assembled in imports under provision 9802.00.80, by selected Industries, 1989 and 1992



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

Almost all of the increase in the U.S.-content of motor vehicle parts, electrical conductors, television receivers, scientific and medical instruments, and office machines came from Mexico. The growth in apparel came from Mexico, the Dominican Republic, and other Caribbean countries.

Principal sources

In terms of the value of the U.S. content, Mexico became the dominant supplier of U.S. imports under provision 9802.00.80 in 1992, as a result of substantially reduced imports from Canada under the provision. Canada and the Dominican Republic were a distant second (table 1-8, figure 1-8). Mexico's share of nondutiable 9802.00.80 imports expanded by a substantial 43 percent during 1989-92.

Mexico continues to be an attractive location for 9802.00.80 production sharing activity because of low labor costs and of proximity to the United States. Mexico's attractiveness relative to that of other countries as an assembly location was reinforced by increasing relative wage costs in such competing countries as Taiwan, Korea, Hong Kong, and Singapore during 1989-92. In 1992, average hourly compensation for production workers in Mexico was 40 percent below that in Hong Kong, 52 percent below that in Korea, 53 percent below that in Singapore, and 55 percent below that in Taiwan (table 1-9). Based on duty-free content, the top imports under provision 9802.00.80 from Mexico in 1992 were motor vehicles (18 percent of the total), motor-vehicle parts (13 percent), electrical conductors (12 percent), and apparel (11 percent) (table B-19).

Motor vehicles accounted for 24 percent of provision 9802.00.80 imports from Canada in 1992 in terms of U.S.-made content, down substantially from the 67 percent share in 1991. Motor vehicle parts accounted for 18 percent, and civil aircraft and parts, 16 percent (table B-21). Almost all U.S. imports of these products were entered free of duty from Canada under either the APTA or the Agreement on Trade in Civil Aircraft.

The U.S.-origin content of 9802.00.80 imports from the Dominican Republic nearly doubled during 1989-92 (table 1-8). As with production-sharing imports from most Caribbean countries, apparel (principally trousers) sewn in the Dominican Republic dominated the U.S. imports entered under 9802.00.80 (table B-24).

Duty savings

The apparel industry has by far the greatest incentive of any other industry sector to use the tariff advantages of provision 9802.00.80 because high U.S. tariffs on imported apparel, and the high portion of the total Customs value of apparel sewn in the Caribbean accounted for by U.S.-origin content, lead to the largest

duty savings received by any industry—\$495 million in 1992.

Of the 22 industry categories examined, apparel producers using this HTS provision tended to have the highest ratios of U.S. content to total value (table 1-7). For example, 9802.00.80 imports of trousers and body-supporting garments had the highest ratios of U.S. content to total value (65 percent and 66 percent, respectively) in 1992, whereas motor vehicles had the lowest ratio (8 percent). Despite supplying 10 percent of total imports under provision 9802.00.80 in 1992, the apparel industry received 58 percent of the duty savings. Motor vehicles, on the other hand, accounted for 49 percent of total 9802.00.80 imports, but only for 6 percent (\$51 million) of the duty savings.

Imports from LDCs

Imports from LDCs under provision 9802.00.80 amounted to \$26.7 billion in 1992 and accounted for 48 percent of total 9802.00.80 imports (table B-15). U.S.-made components totaled \$13.0 billion, which was not dutiable. By comparison, duty-free imports from similarly situated countries under the Generalized System of Preferences totaled \$16.8 billion in 1992 and duty-free imports under the Caribbean Basin Economic Recovery Act (CBERA) amounted to \$1.5 billion.

In terms of the total value (U.S.-made components and foreign value added), Mexico was the primary source of 9802.00.80 imports from LDCs in 1992, providing 61 percent of the imports from all LDCs, followed by Korea with 6 percent and Malaysia with 5 percent. The major products imported from Mexico under 9802.00.80 were motor vehicles and parts, television receivers, electrical conductors, and other electrical components and subassemblies. Semiconductors accounted for nearly all of the 9802.00.80 imports from Malaysia. Semiconductors were the leading 9802.00.80 import category from Korea, followed by motor vehicles. U.S.-made components accounted for 44 percent of the value of motor vehicle imports under 9802.00.80 from Mexico, but only for 5 percent of such imports from Korea.

Significance of 9802.00.80 trade to countries of assembly

Although the leading suppliers of imports under provision 9802.00.80 in 1992, were Japan, Mexico, and Germany, the Dominican Republic and Mexico had by far the largest ratios of 9802.00.80 imports to total U.S. imports from the respective countries among leading suppliers (table 1-10)".

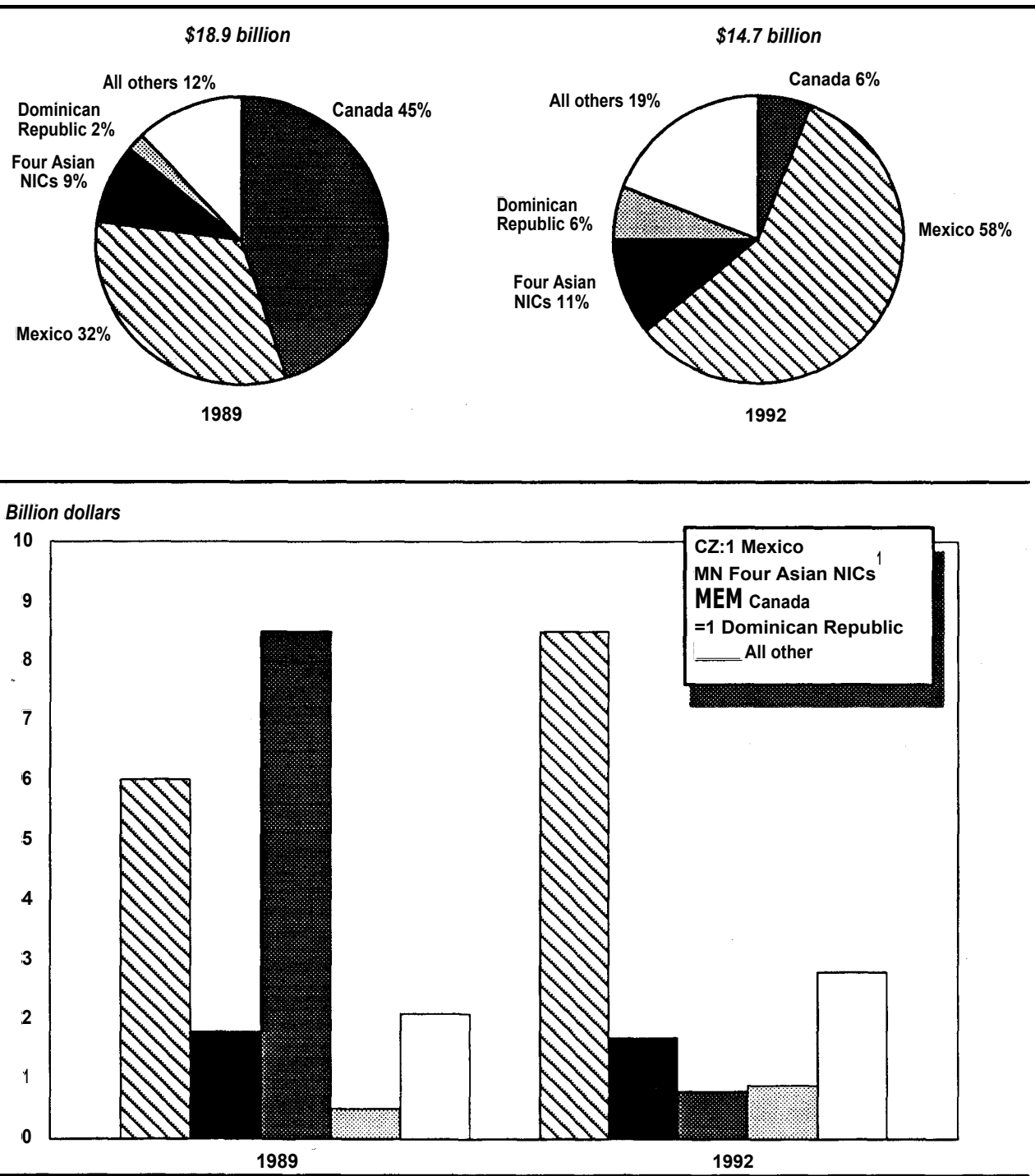
11 Despite the limited United Nations and Organization of American States embargoes on trade with Haiti, a small number of production sharing operations continue to function there. Total U.S. imports from Haiti dropped from \$284 million in 1991 to \$107 million in 1992. Imports under 9802.00.80 fell from \$168 million to \$72 million, and accounted for two-thirds of total U.S. imports from Haiti in 1992. Apparel accounted for 90 percent of U.S. production sharing trade with Haiti in 1992.

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Figure 1-8
HTS provision 9802.00.80: U.S.-made components contained in imports from leading sources, by share of total and by value, 1989 and 1992.



¹ Malaysia, Korea, Singapore, and Taiwan.

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

Table 1-9
Average hourly compensation costs¹ for manufacturing employees, by selected regions and countries, 1989-92

					Change In 1992 from 1989 ²
Reg Ion/country	1989	1990	1991	1992	
	In U.S. dollars				Percent
North America					
Canada	14.83	15.95	17.18	17.02	15
United States	14.32	14.91	15.60	16.17	13
Mexico	1.48	1.64	1.95	2.35	59
EC					
Germany	17.75	21.88	22.62	25.94	46
Belgium	15.51	19.22	19.83	22.01	42
Netherlands	15.04	18.29	18.42	20.72	38
Denmark	14.49	17.96	18.26	20.02	38
Italy	14.41	17.46	18.29	19.41	35
Luxembourg	13.56	16.37			
France	12.54	15.23	15. g	16. Q	g
United Kingdom	10.56	12.71	13.76	14.69	39
Spain	8.94	11.33	12.20	13.39	50
Ireland	9.66	11.76	12.07	13.32	38
Greece	5.49	6.71	6.82	(³)	(⁴)
Portugal	2.90	3.69	4.15	5.01	
Asia					
Japan	12.49	12.74	14.55	16.16	29
Taiwan	3.53	3.95	4.39	5.19	47
Singapore	3.15	3.78	4.39	5.00	59
Korea	3.34	3.88	4.39	4.93	48
Hong Kong	2.79	3.20	3.58	3.89	39

¹ Hourly compensation is defined as (1) all payments made directly to the worker before payroll deductions of any kind and (2) employer social insurance expenditures.

² These changes are in terms of U.S. dollars. Because of changes in the relative values of currency exchange rates, these figures do not indicate changes in the purchasing power of incomes in terms of local currencies.

³ Not available.

⁴ Not applicable.

Source: Compiled from statistics of the U.S. Department of Labor, *International Comparisons of Hourly Compensation Costs for Production Workers in Manufacturing*, 1992, Apr. 1993.

Total imports under provision 9802.00.80		Share of total U.S. imports accounted for by 9802.00.80	Share of 9802.00.80 imports accounted for by U.S. content
Million dollars			
Japan	22	0.0	0.0
Mexico	15	0.0	0.0
Germany	10	0.0	0.0
Canada	8	0.0	0.0
Korea	7	0.0	0.0
Malaysia	6	0.0	0.0
Dominican Republic	5	0.0	0.0
Singapore	4	0.0	0.0
France	3	0.0	0.0
Taiwan	2	0.0	0.0
All others	1	0.0	0.0
Total	71	0.0	0.0

The role of the production-sharing tariff provisions in exports of manufactured goods from Mexico becomes even more significant if Mexico's \$10.7 billion 1992 export trade in the agricultural, petrochemical, and steel sectors is subtracted from the analysis. Without these sectors, to which foreign assembly provisions seldom apply, imports under the 9802.00.80 provision accounted for 70 percent of total U.S. imports of \$23.2 billion from Mexico in 1992. This high proportion of total manufactured imports accounted for by imports under 9802.00.80 reflects the

use by U.S. firms of maquiladora operations in Mexico. U.S. manufacturers of products requiring labor-intensive production processes take advantage of low-cost assembly in Mexico to improve their ability to compete with Asian producers and with each other. In 1992, 9802.00.80 trade dominated Mexican exports to the United States in each of the following commodities: motor vehicles (98 percent), television apparatus and parts (92 percent), electrical articles (86 percent), scientific and medical instruments (82 percent), and motor-vehicle parts (76 percent).

CHAPTER 2

Analysis by Industry of Imports Under Production Sharing Provision 9802.00.80

Transportation Equipment¹

As discussed in chapter 1 and appendix A, motor vehicles and parts have dominated use of the production sharing tariff provisions in recent years. Detroit's Big Three auto makers (General Motors, Ford, and Chrysler) and their top parts suppliers are the largest users of the production sharing concept, whether it be the assembly of vehicles in Canada (using both Canadian and U.S.-made parts) to be marketed in both Canada and the United States, or the use of low cost labor in Mexico's maquiladora industry to assemble motor vehicle parts from U.S.-made components, with almost all of the parts returning to the United States for the assembly of finished vehicles. Furthermore, a significant portion of the vehicles imported from Japan and Europe contain U.S.-made components (about 1 or 2 percent of the vehicle's value), thus also qualifying for entry under provision 9802.00.80 and adding to the importance of the transportation equipment sector's importance in the use of the provision.

The dominant position of motor vehicles and parts in production sharing trade became most pronounced after 1986 when the customs user fee went into effect. Companies involved in production sharing use provision 9802.00.80 only if that use saves the company money. Even prior to implementation of the U.S.-Canada Free-Trade Agreement (FTA) (1989), nearly all motor vehicles and parts from Canada entered the United States free of duty under the Automotive Products Trade Act of 1965. There was no duty to be saved by U.S. importers of motor vehicles and parts from Canada by using the production sharing provision, so they did not—even though most imports under APTA contain U.S.-made parts. By exempting the duty-free portion (U.S. content) of imports under the production sharing provisions from customs user fee, the U.S. Congress gave the motor vehicle industry a reason to declare eligibility under provision 9802.00.80 when imported already duty-free motor vehicles and parts from Canada. This incentive lasted until late 1990 when, as discussed in chapter 1, a \$400 per entry cap was placed on the user fee. In addition, the user fee on imports from Canada was being phased out under the U.S.-Canada FTA.

¹ Transportation equipment consists largely of motor vehicles and parts, nonmilitary aircraft, internal combustion engines, rail locomotives and rolling stock, and pleasure boats and floating structures.

Because of the importance of motor vehicles and parts in total U.S.-Canada trade, and because of the importance of Canada in total U.S. international trade, the impact of changes in user fee regulations on total trade under 9802.00.80 was significant. Changes in the user fee especially affected 9802 trade in the transportation sector. While U.S. imports of transportation equipment rose a modest 6 percent to \$98.1 billion during 1989-92 (table 2-1, figure 2-1), U.S. imports of these products entered under provision 9802.00.80 fell by 39 percent during this period, chopping to \$32 billion in 1992. A \$5.4 billion (71 percent) reduction in U.S. imports of motor vehicles entering under provision 9802.00.80 contributed largely to this decrease. The value of U.S.-made components in 9802.00.80 imports rose by 8 percent during 1989-90, but fell by nearly two-thirds to \$3.8 billion by 1992.

The impact of changes in the user fee regulations on transportation equipment trade under 9802.00.80 is most revealing when looking at the trend in the value of the U.S.-made components (duty-free content) of imports under the provision during 1985 (the year before the user fee went into effect) and 1992, as shown in the figure below (in millions of dollars):

Source	1985	1990	1992
Canada	62	7,665	500
Mexico	643	1,874	2,826
All other	388	873	504

The data contrast the roller-coaster trend in imports from Canada (reflective of the changes in the user fee) to the steady increase in imports under 9802.00.80 from Mexico. The up and down trend in imports from other countries is the result of increased imports of motor vehicles from Japan during 1985-1990, and a decrease in imports of vehicles from Europe during 1990-92.

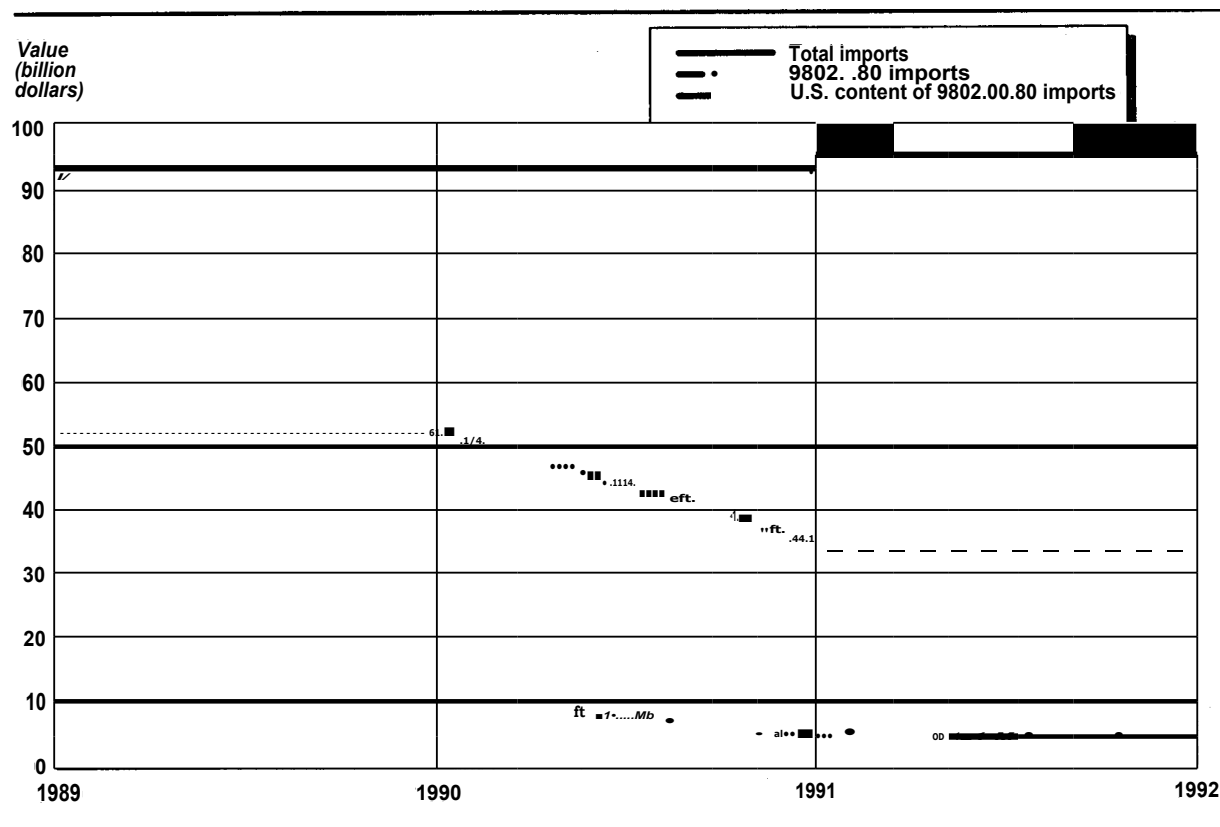
While changes in user fee regulations in 1990 caused imports of transportation equipment from Canada under provision 9802.00.80 (duty-free and dutiable content) to plummet from \$23 billion in 1989 to \$2 billion in 1992, total U.S. imports of transportation equipment from Canada actually increased from \$31 billion to \$33 billion, indicating that the use of 9802.00.80 has not significantly altered the patterns of merchandise trade between the United

Table 2-1
Transportation equipment: U.S. imports for consumption, total and under HTS provision
9802.00.80, 1989-92

Year	Total Imports	9802.00.80 Imports	Duty-free value of 9802.00.80 Imports
Value (million dollars)			
1989	92,575	52,416	9,695
1990	94,586	52,765	10,512
1991	92,526	35,348	4,525
1992	98,136	31,853	3,830
Change (percent)			
1992 from 1989	6	-39	-60
Average annual 1992 from 1989	2	-15	-27

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

Figure 2-1
Transportation equipment: U.S. imports for consumption, total and provision 9802.00.80, 1989-92



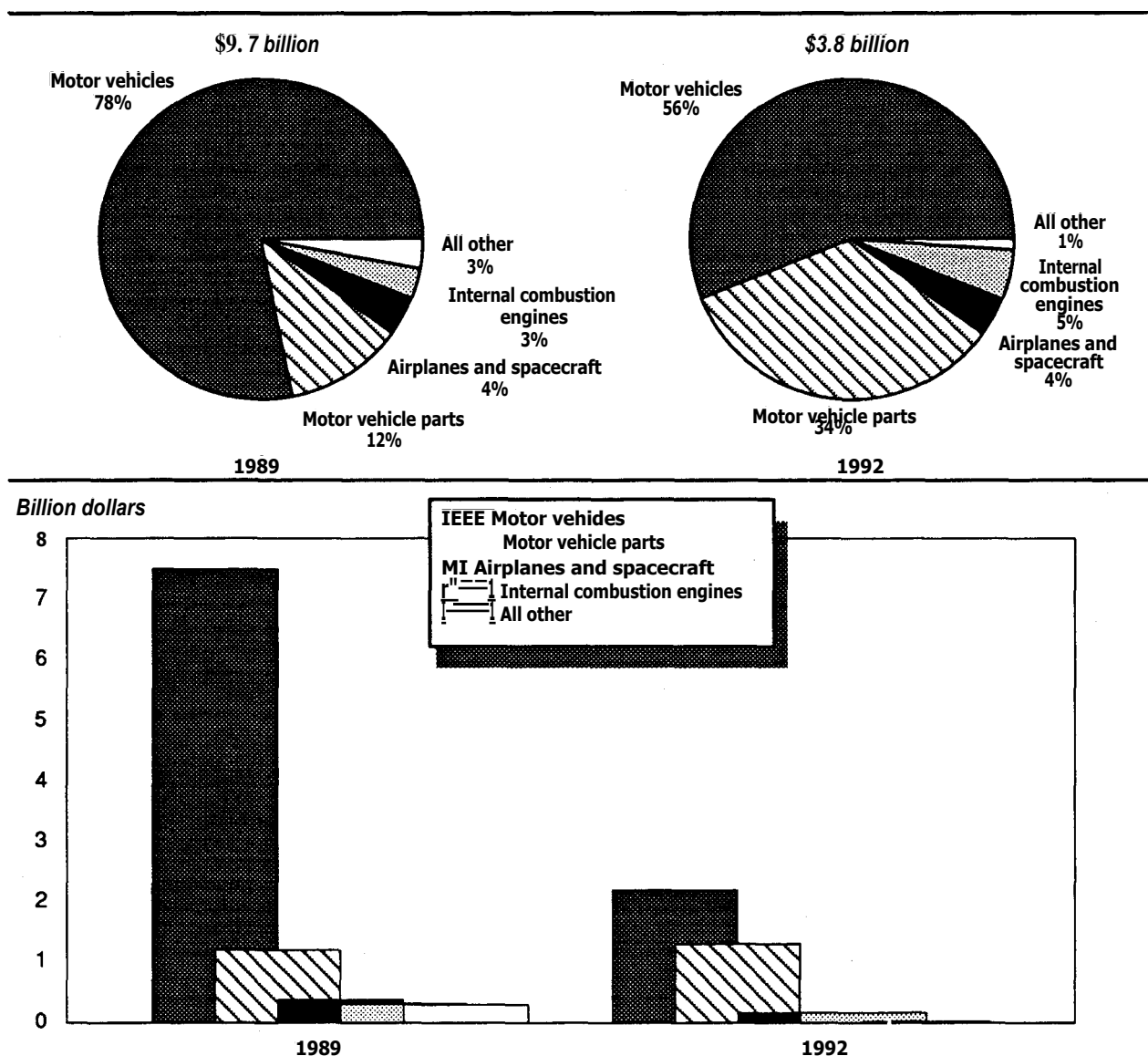
Source: Based on official statistics of the U.S. Department of Commerce.

States and Canada or the use of U.S.-made components in Canadian manufacturing and assembly operations.

In 1992, motor vehicles and motor-vehicle parts accounted for 90 percent of the U.S. content of total imports of transportation equipment under 9802.00.80 (figure 2-2). Motor vehicles remained the single largest category of imported products, although its share of the total duty-free value of transportation equipment declined from 78 to 56 percent during 1989-92. Conversely, the duty-free share accounted for by motor vehicle parts rose from 15 to 35 percent

(\$1.3 billion). The ratio of provision 9802.00.80 imports to total imports of transportation equipment decreased to 32 percent in 1992, and the share of heading 9802.00.80 imports accounted for by U.S.-made components fell to 12 percent (table 2-2). The declines in each reflect the reduced use of provision 9802.00.80 when importing motor vehicles and parts from Canada. Duty savings on imports of transportation equipment resulting from the use of provision 9802.00.80 amounted to \$91 million in 1992 (table 2-2).

Figure 2-2
Transportation equipment: Value of U.S.-made components assembled in imports under provision 9802.00.80, by selected industries, 1989 and 1992



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

Table 2-2
Transportation equipment: Nominal and effective rates of duty under HTS provision 9802.00.80 and duty savings, 1989-92

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
1989	57	18	0.9	0.7	92
1990	56	20	1.1	0.9	125
1991	38	13	1.8	1.6	84
1992	32	12	2.4	2.1	91

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

Japan remained the leading overall supplier of transportation equipment to the United States during 1989-92, and along with Canada together accounted for an average of nearly 70 percent of such imports. On one hand, about one-half of all such imports from Japan entered under provision 9802.00.80 during 1989-92; on the other, the share of U.S. imports of transportation equipment from Canada entering under provision 9802.00.80 dropped from 75 percent in 1989 to 5 percent in 1992.

These events, combined with continued growth in the use of assembly facilities in Mexico by U.S. producers of motor vehicles and auto parts, made Mexico the leading supplier of transportation equipment in 1992 in terms of the value of U.S.-made components contained in imports under 9802.00.80 (table 2-3, figure 2-3). Such imports nearly doubled during the period (up 91 percent to \$2.8 billion), and Mexico accounted for 74 percent of total imports of transportation equipment under 9802.00.80 (U.S. content) in 1992. Imports under the production sharing provisions accounted for 86 percent of total U.S. imports of transportation equipment from Mexico in 1992, indicating the importance of the maquiladora industry to total export-oriented production of motor vehicles and parts in Mexico. U.S.-made components accounted for 50 percent of the value of production-sharing imports of transportation equipment from Mexico, 30 percent from Canada, but only 2 percent from Japan.

In terms of the value of U.S.-made components assembled in imports under provision 9802.00.80 in 1992, Mexico's share of imports of motor vehicles under production-sharing provisions rose to 73 percent and, thus, surpassed Canada as the leading supplier. Mexico was also the top supplier of internal combustion engines (67 percent) and other motor vehicle parts (87 percent). Canada's share of motor vehicles fell to 9 percent, but it remained the leading

source of nonmilitary aircraft and spacecraft (76 percent).

Electronic Technology Equipment²

Total U.S. imports of electronic products rose by 26 percent during 1989-92 (table 2-4, figure 2-4). However, the value of U.S. imports of these products under provision 9802.00.80 and that of the U.S.-made components contained in these imports dropped by 2 and 1 percent, to \$10.8 billion and \$4.5 billion, respectively. Despite a slight increase in the use of the production sharing provision in 1992 compared with 1991 (total 9802.00.80), imports under the provision were 12 percent below the peak year of 1990. This decline in the use of the provision is directly attributable to the October 1990 changes in user fee regulations, the phasing out of the user fee on imports from Canada, and the staged elimination of duties under the U.S.-Canada FTA. Each of these three factors contributed to a drop in the level of 9802.00.80 imports of electronic technology equipment from Canada. According to statistics compiled by the U.S. Department of Commerce, total imports of such equipment from Canada under provision 9802.00.80 dropped from \$2 billion in 1990 to \$278 million 1992. At the same time, total imports of electronic technology equipment from Canada increased from \$5.6 billion to \$6.5 billion. This indicates that, while the use of 9802.00.80 fell dramatically, there was no actual decline in production sharing activities.

² Electronic products covered by this category include such articles as office equipment, televisions, radios, stereo equipment, telephone and other communication apparatus, semiconductors, and other electrical articles, such as capacitors, resistors, voltage regulators, lamps, vacuum tubes, and printed circuit boards.

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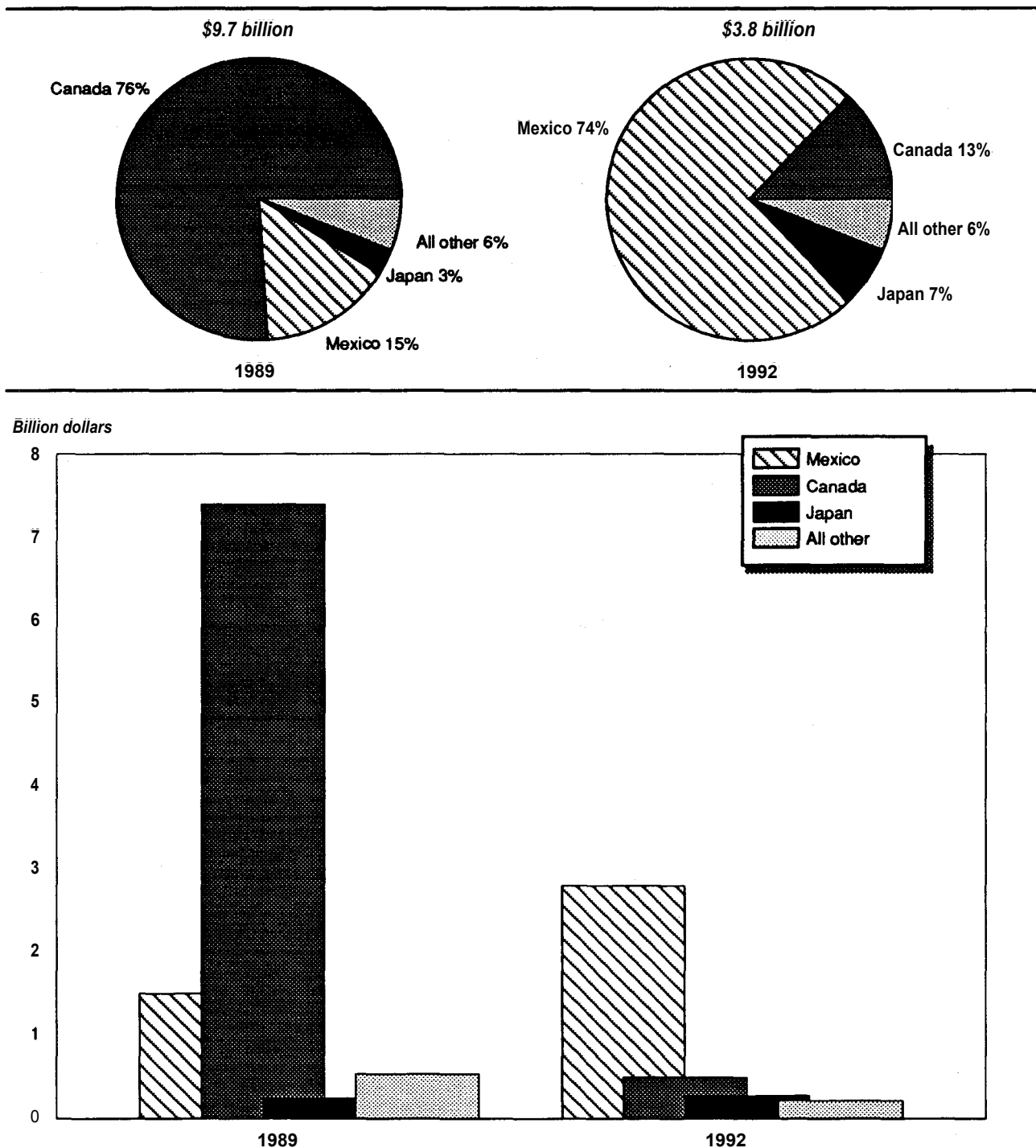
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Figure 2-3

Transportation equipment: Value of U.S.-made components assembled in imports under provision 9802.00.80, by leading countries of assembly, 1989 and 1992



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

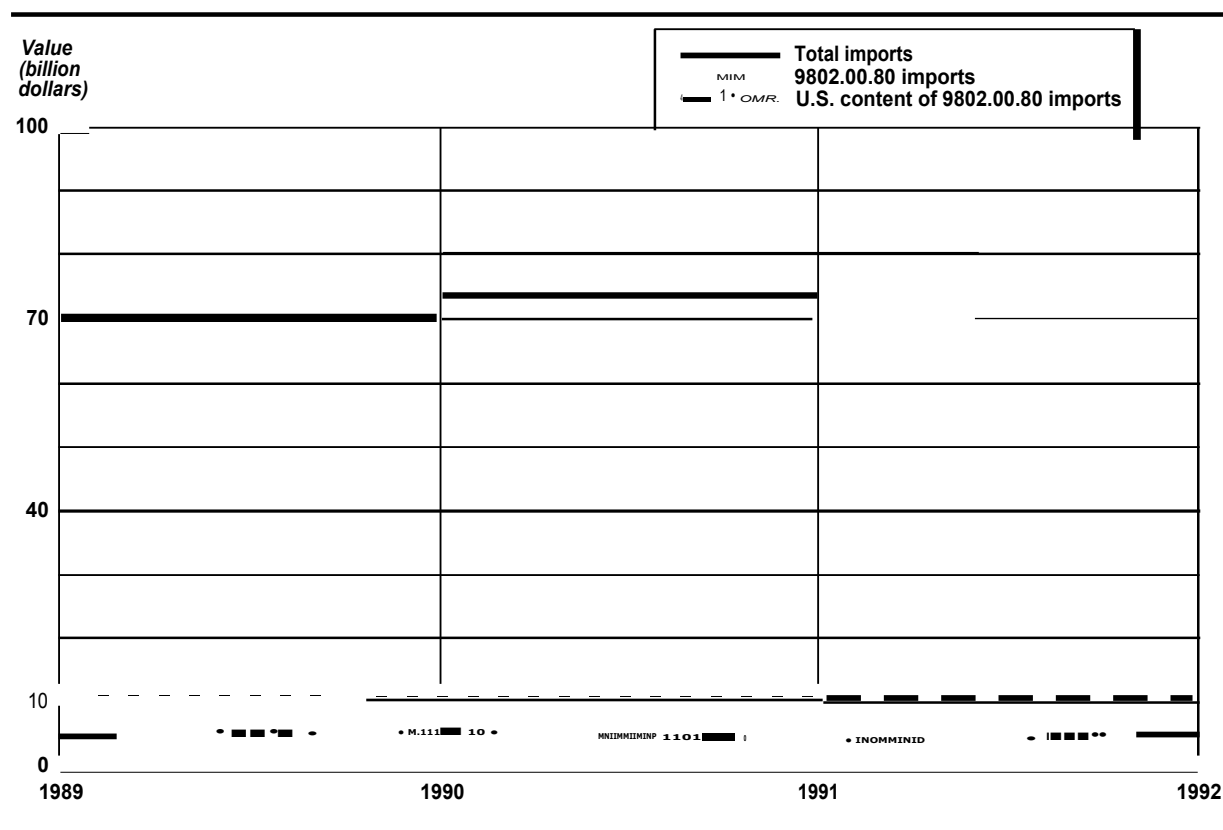
Table 2-4
Electronic technology equipment: U.S. Imports for consumption, total and under HTS provision
9802.00.80, 1989-92

Year	Total Imports	9802.00.80 Imports	Duty-free value of 9802.00.80 Imports
<i>Value (million dollars)</i>			
1989	69,677	11,018	4,590
1990	70,988	12,220	5,604
1991	76,267	10,088	4,066
1992	87,565	10,792	4,540
<i>Change (percent)</i>			
1992 from 1989	26	-2	¹
Average annual 1992 from 1989	8	-1	(1)

¹ Less than -0.5 percent.

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

Figure 2-4
Electronic technology equipment: U.S. Imports for consumption, total and provision 9802.00.80, 1989-92



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

Japan was by far the leading supplier of electronic technology equipment to the U.S. market, accounting for 35 percent of total U.S. imports in 1992. Singapore and Taiwan were a distant second, with each supplying 9 percent of the total. However, less than 2 percent of electronic technology imports from Japan entered under provision 9802.00.80 in 1992. Instead, U.S. firms tend to use the tariff provision to reduce their production costs in order to be more competitive with imported goods, principally those from Japan and the newly industrialized countries of Asia.

Mexico was the preferred location for such assembly, accounting for 41 percent of U.S. imports of electronic technology equipment under provision 9802.00.80, or \$4.4 billion in 1992. This represented an 11-percentage point rise from 1989. Malaysia accounted for 13 percent and Singapore for 10 percent. In 1992, imports of electronic technology equipment from Mexico under this provision accounted for 77 percent of total U.S. imports of such equipment from Mexico, compared with 20 percent from Malaysia and 30 percent from Singapore, demonstrating the relative importance of the production-sharing program in U.S.-Mexico trade of such products.

The value of the U.S.-made components assembled in imports from Mexico under provision 9802.00.80 rose 17 percent during 1989-92, and accounted for 42 percent of all U.S.-made components assembled abroad and reimported in 1992 (table 2-5, figure 2-5). Meanwhile, imports from Canada fell by 91 percent, reflecting the change in the user fee, which removed much of the incentive to declare eligibility for entry under provision 9802.00.80 for semiconductors, the bulk of which are free of duty. Semiconductors are the principal electronic technology products imported from Malaysia, Korea, Singapore, the Philippines, and Taiwan.

The duty savings from importing under provision 9802.00.80 averaged \$113 million annually during 1989-92 (table 2-6). Articles for making and breaking electrical circuits, with a trade-weighted average nominal duty rate of 5.1 percent ad valorem, accounted for about one-third of the duty savings in 1992, a share nearly unchanged from 1991. The value of the U.S.-made components contained in imports of semiconductors accounted for about one-half of all imports of electronic technology equipment under provision 9802.00.80. However, because the average nominal duty on semiconductors in 1992 was only 0.1 percent ad valorem, the duty savings from importing semiconductors under provision 9802.00.80 amounted to only \$2.6 million in 1992, or 3 percent of the industry group total.

With diminished financial incentive to import semiconductors under provision 9802.00.80, imports of other products in this industry group increased in relative importance during 1989-92. The value of the U.S.-made components contained in the imports of articles for making and breaking electrical circuits rose by 18 percent during 1989-92, from \$528 million to \$625 million (table B-16). Similarly, such imports of

television receivers rose by two-thirds, from \$311 million to \$520 million (figure 2-6). Malaysia and Korea were the leading suppliers of semiconductors under provision 9802.00.80 in 1992, supplying 27 and 17 percent of the total U.S. content value, respectively. Mexico accounted for 89 percent of the value of U.S. content in imports of articles for making and breaking electrical circuits and 99 percent of that for television receivers. By the same measure, Mexico and Japan were the leading suppliers of imports of office machines in terms of the value of the U.S.-made components contained in the imports, accounting for 37 and 26 percent, respectively, in 1992.

Machinery

U.S. imports of machinery fluctuated upward from \$39.5 billion in 1989 to \$40.7 billion in 1992, or by 3 percent (table 2-7). The principal categories of machinery imported from production-sharing operations are electrical conductors; motors and generators; electrical household appliances; transformers; construction and mining equipment; taps, cocks, and valves; and equipment for lifting, handling, loading, and unloading. Total machinery imports under HTS provision 9802.00.80 grew to \$4.7 billion in 1992, up 13 percent from 1989. The specific commodities described above accounted for nearly 80 percent of those imports in 1992. Imports under the production sharing provision accounted for 12 percent of total U.S. imports of machinery in 1992 (table 2-8).

The U.S. component value in provision 9802.00.80 imports totaled \$2.3 billion in 1992 (figure 2-7). Electrical conductors (mostly ignition wiring sets) accounted for nearly one-half of the value of U.S.-made components contained in imports under 9802.00.80 during the period; motors and generators accounted for about one-sixth (figure 2-8). The bulk of the electrical conductors are assembled in Mexico by or for the North American motor vehicle industry.

In general, U.S. producers of machinery use provision 9802.00.80 to import, from subcontractors and their subsidiaries in Mexico, products that require labor-intensive assembly processes. U.S. producers can improve price competitiveness by assembling such products in countries with relatively low labor costs.

U.S.-made components accounted for nearly half of the value of machinery imports under 9802.00.80 (table 2-8). Duty savings from use of 9802.00.80 totaled \$92 million in 1992, representing a 24 percent increase over the 1991 total. Importers of electrical conductors saved \$52 million in duties in 1992 by importing, in large part, wire harnesses under provision 9802.00.80. This amounted to 57 percent of total duty savings in the machinery category in 1992.

Japan was the leading supplier of U.S. machinery imports throughout 1989-92, accounting for nearly one-quarter of total imports in 1992. Germany supplied 15 percent; Mexico and Canada each provided about 10 percent. However, a very small portion of

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Figure 2-5
Electronic technology equipment: Value of U.S.-made components assembled in Imports under provision 9802.00.80, by leading countries of assembly, 1989 and 1992

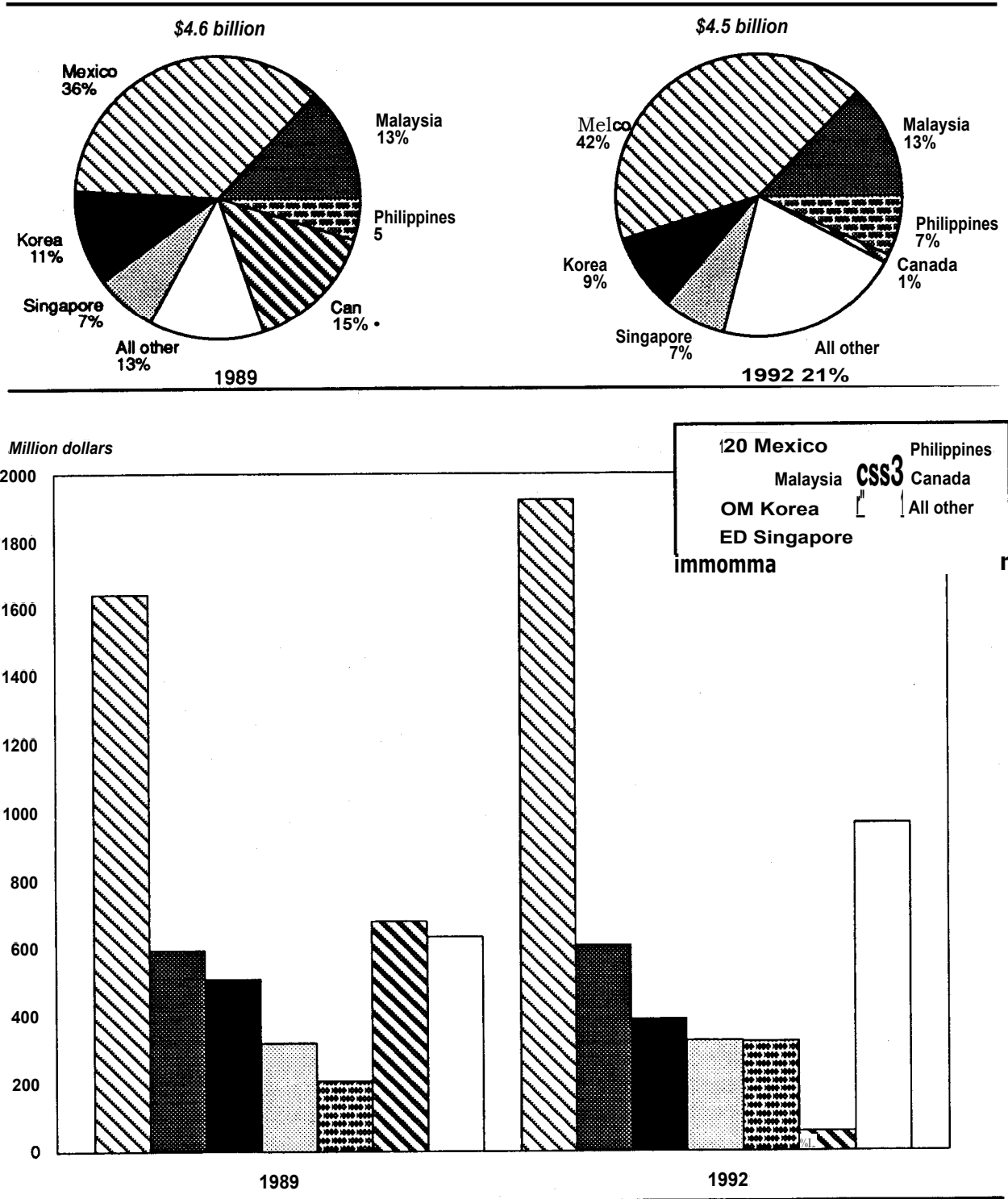
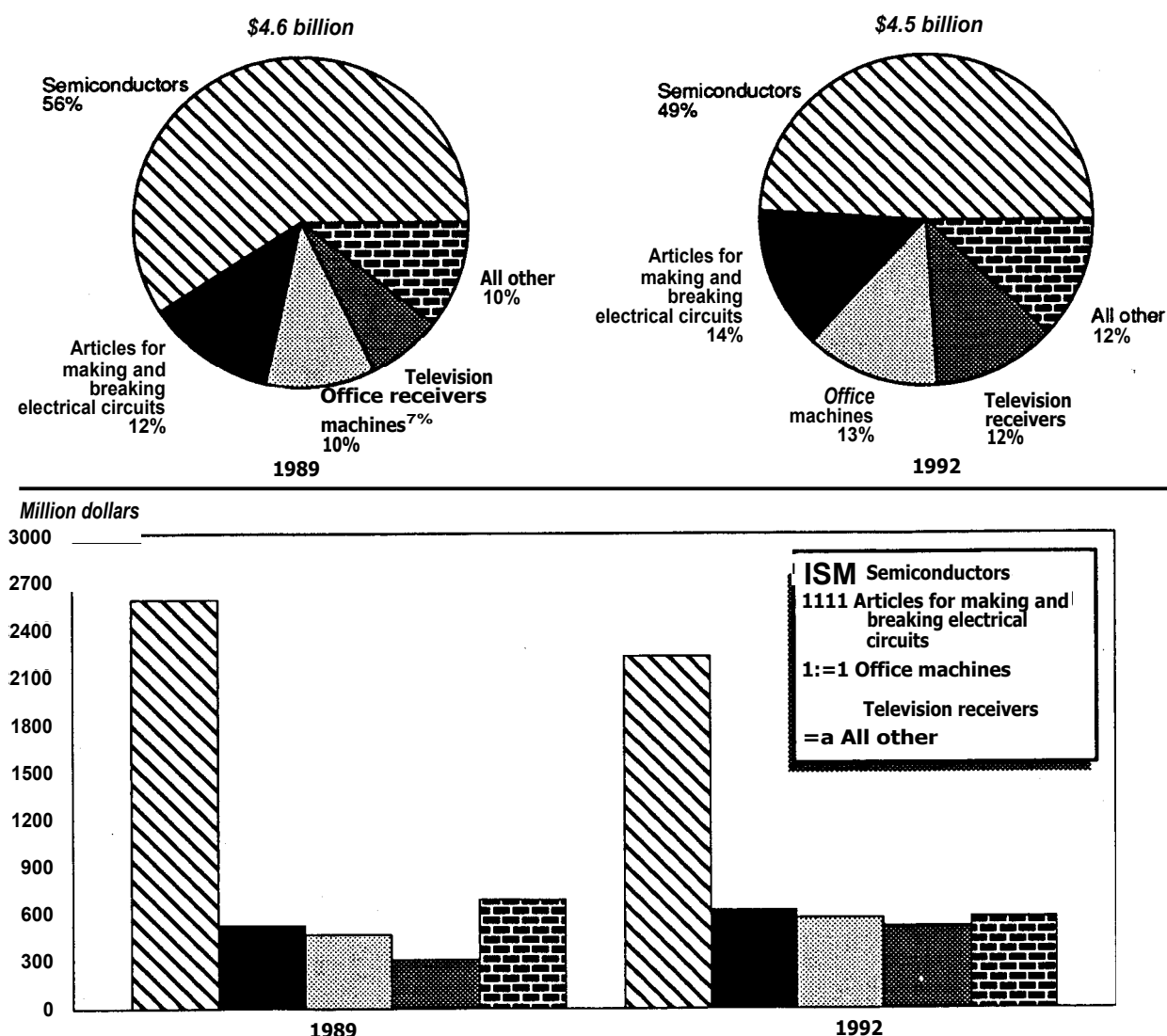


Table 2-6
Electronic technology equipment: Nominal and effective rates of duty under NTS provision
9802.00.80 and duty savings, 1989-92

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
1989	16	42	2.3	1.3	107.4
1990	17	46	2.2	1.2	126.8
1991	13	40	2.5	1.5	103.3
1992	12	42	2.5	1.5	114.9

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

Figure 2-6
Electronic technology equipment: Value of U.S.-made components assembled in Imports under
provision 9802.00.80, by selected industries, 1989 and 1992



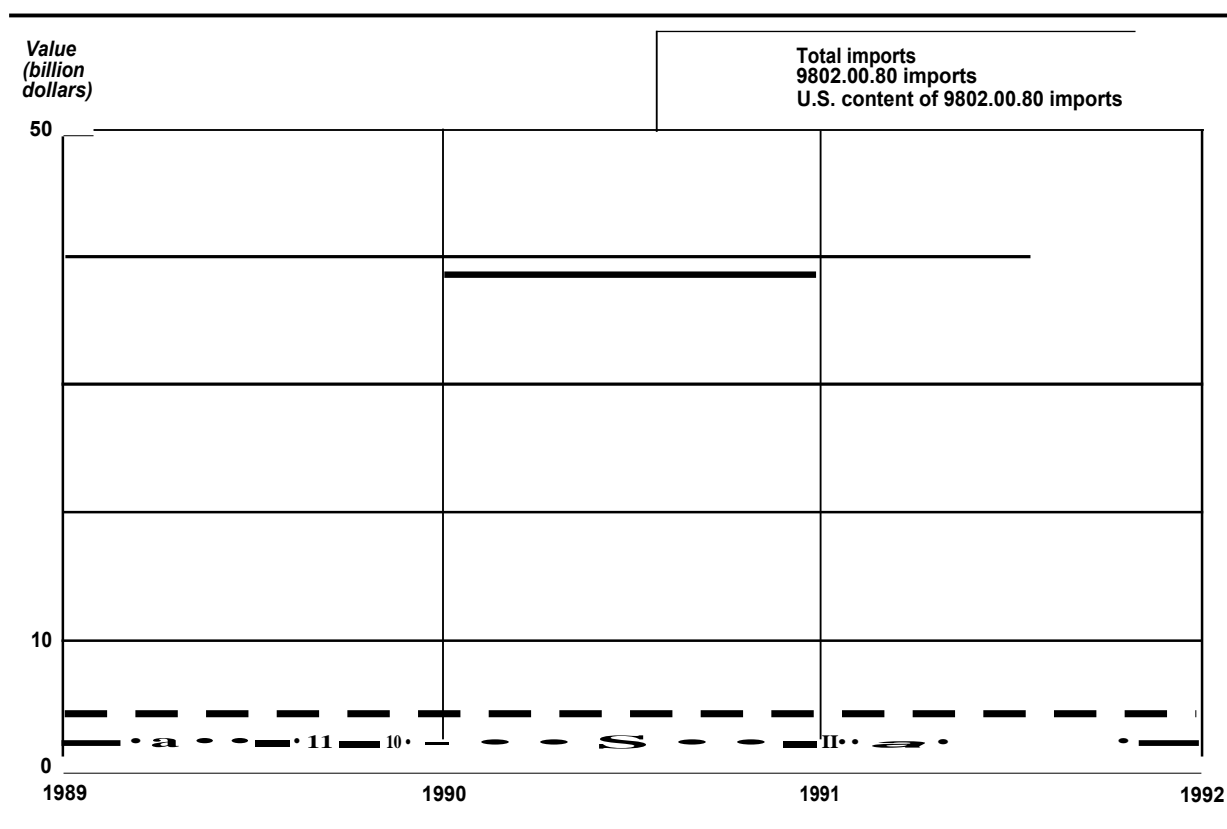
Source: Based on official statistics of the U.S. Department of Commerce.

Table 2-7
Machinery: U.S. Imports for consumption, total and under HTS provision 9802.00.80, 1989-92

Year	Total Imports	9802.00.80 Imports	Duty-free value of 9802.00.80 Imports
<i>Value (million dollars)</i>			
1989	39,505	4,165	1,906
1990	39,288	4,001	1,826
1991	37,802	4,103	1,900
1992	40,737	4,727	2,271
<i>Change (percent)</i>			
1992 from 1989	3	13	19
Average annual 1992 from 1989	1	4	6

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

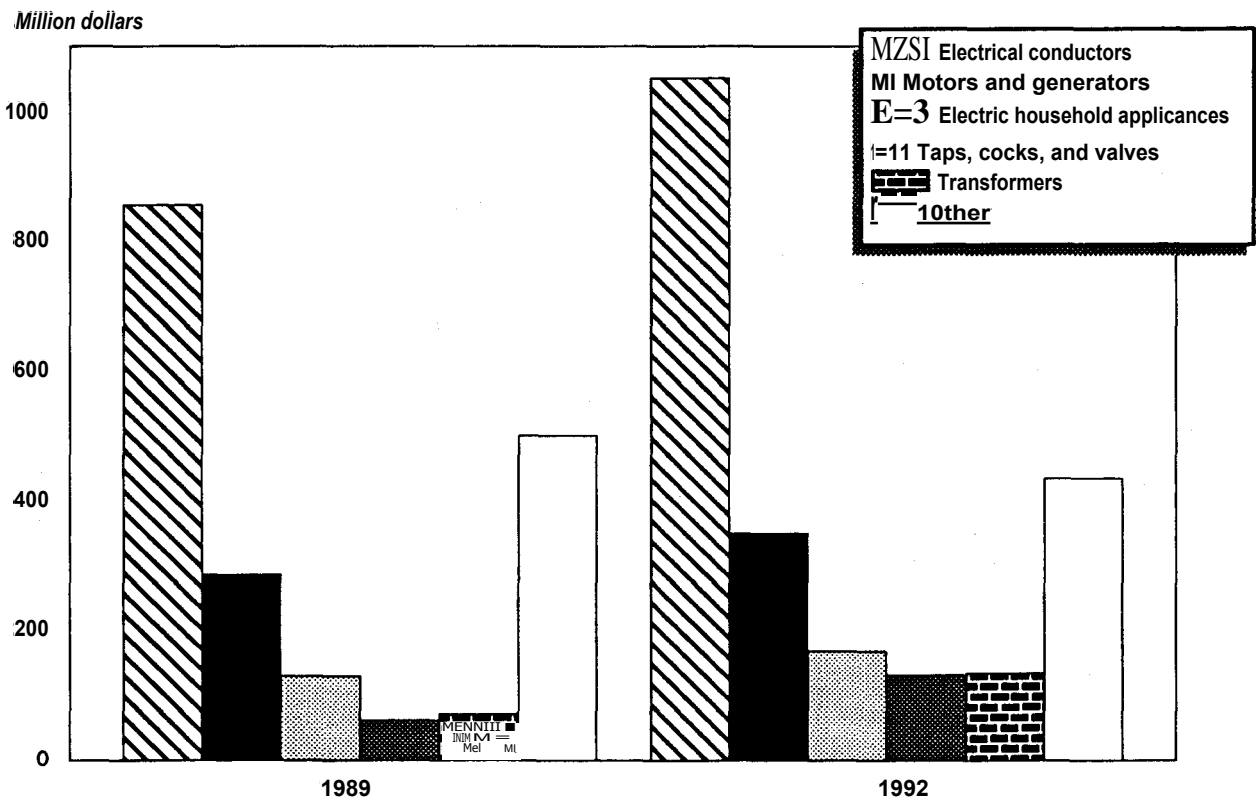
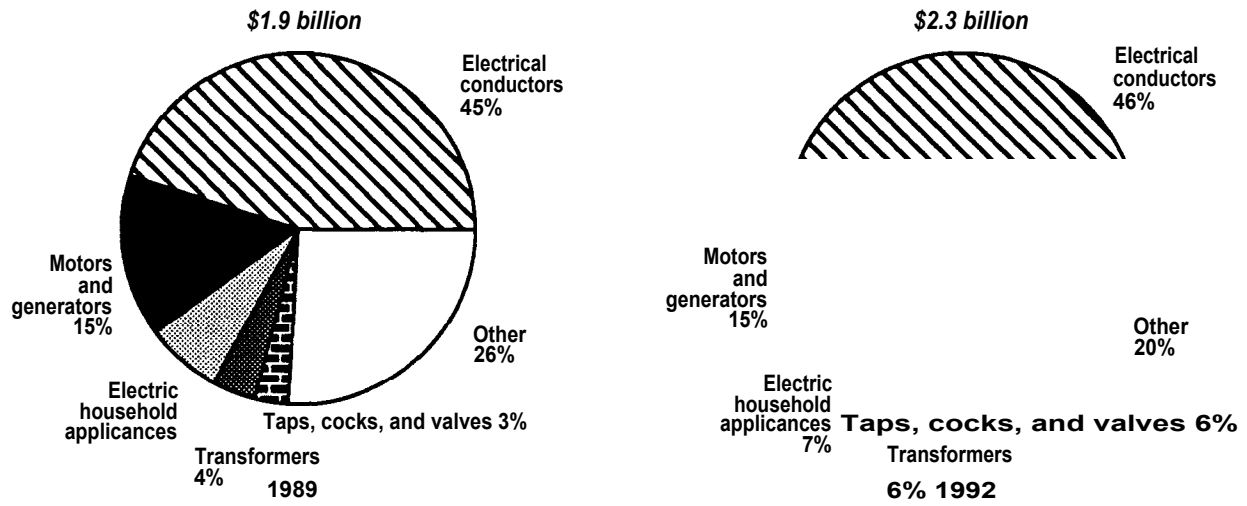
Figure 2-7
Machinery: U.S. imports for consumption, total and provision 9802.00.80, 1989-92



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

Figure 2-8

Machinery: Value of U.S.-made components assembled in Imports under provision 9802.00.80, by selected industries, 1989 and 1992



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

Table 2-8
Machinery: Nominal and effective rates of duty under HTS provision 9802.00.80 and duty savings, 1989-92

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
1989	11	46	3.8	2.0	72.7
1990	10	46	3.8	2.0	70.0
1991	11	46	3.9	2.0	74.2
1992	12	48	4.1	2.1	92.1

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

machinery imported from Japan and Germany contained U.S.-made parts (less than one percent of each country's exports to the United States entered under provision 9802.00.80), while most imports of machinery from Mexico were assembled from U.S.-made parts (71 percent entered under 9802.00.80). U.S. firms also exported articles, such as batteries and catalytic converters, to Japan and Germany, where Japanese and German motor vehicle producers incorporated these parts into their respective motor vehicles. This is the reason that Japan, and Germany to a lesser extent, account for major shares of the value of total 9802 imports of machinery. Nevertheless they represent low levels of the value of U.S.-made components for this sector. While total imports of machinery from Japan, Germany, and Canada declined slightly during 1989-92, imports from Mexico grew by 40 percent (from \$3.3 billion to \$4.7 billion).

U.S.-made components accounted for 59 percent of the value of U.S. imports of machinery from Mexico under provision 9802.00.80 in 1992, compared with 26 percent for imports from Canada and 16 percent for imports from Japan. Imports from Mexico accounted for 87 percent of total imports of machinery under 9802.00.80 in 1992 (in terms of the value of the U.S.-made components they contain), and Canadian assembly accounted for 7 percent (table 2-9, figure 2-9). In terms of the value of the U.S.-made components contained in the assembled imports, Mexico supplied 95 percent of U.S. imports of electrical conductors, 96 percent of the motors and generators, 92 percent of the electric household appliances, and 95 percent of the transformers.

Textiles, Apparel, and Footwear

Level of trade and duty savings

U.S. imports of textiles, apparel, and footwear under HTS provision 9802.00.80 have recently grown

much faster than total sector imports. Between 1989 and 1992, imports of these goods under this provision grew by 95 percent, to almost \$5.4 billion, whereas total sector imports rose by only 25 percent, to \$49.5 billion (table 2-10, figure 2-10). As a result, 9802.00.80 trade expanded from 7 percent of total sector imports in 1989 to 11 percent in 1992 (table 2-11). In addition, the textile sector increased its share of the total U.S.-origin content of all provision 9802.00.80 imports to 19 percent in 1992.

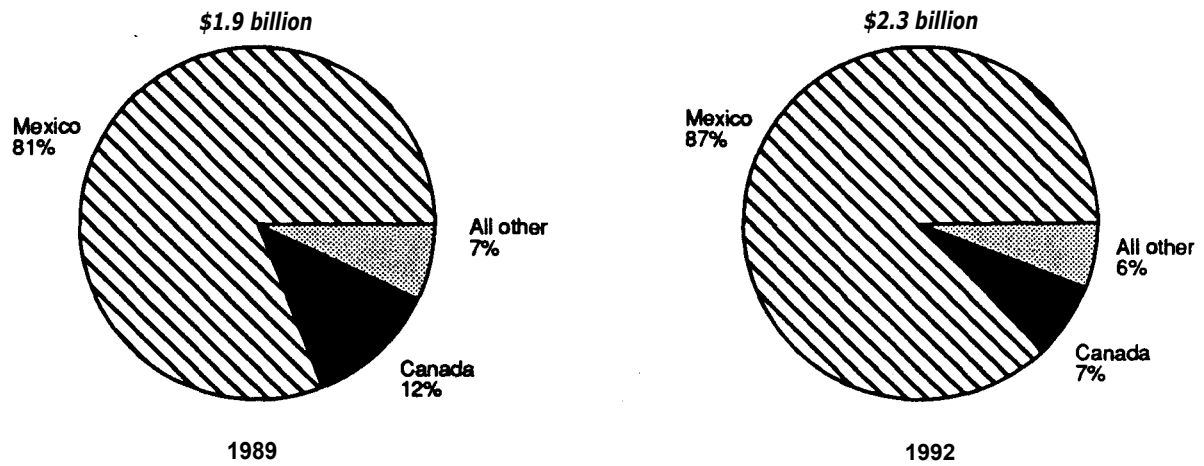
Duty savings under provision 9802.00.80 are much greater for textiles, apparel, and footwear than for any other sector. In 1992, textiles, apparel, and footwear accounted for 58 percent, or \$495 million, of total duty savings from the use of the provision. Unlike most other goods entered under the 9802 provision, the duty-free, U.S.-origin content of textile imports exceeds the dutiable, foreign valued-added portion because the major components of these textiles, apparel, and footwear are fabricated in the United States. Component materials are the single largest cost factor in the production of apparel, and their assembly offshore with low-cost labor further reduces the relative importance of the dutiable, foreign value-added portion. The duty-free content for textiles, apparel, and footwear averaged 53 percent during 1989-92, compared with only 25 percent for all other sectors combined.

The significant duty savings for textiles, apparel, and footwear under provision 9802.00.80 also reflect the relatively high nominal tariffs on sector products. In 1992, the average trade-weighted tariff for textiles, apparel, and footwear of 17.2 percent ad valorem was almost 5 times greater than the 3.5-percent average rate for all other goods. Given the sizable duty-free portion, however, the effective rate for textiles, apparel, and footwear was only 8 percent ad valorem (table 2-11).

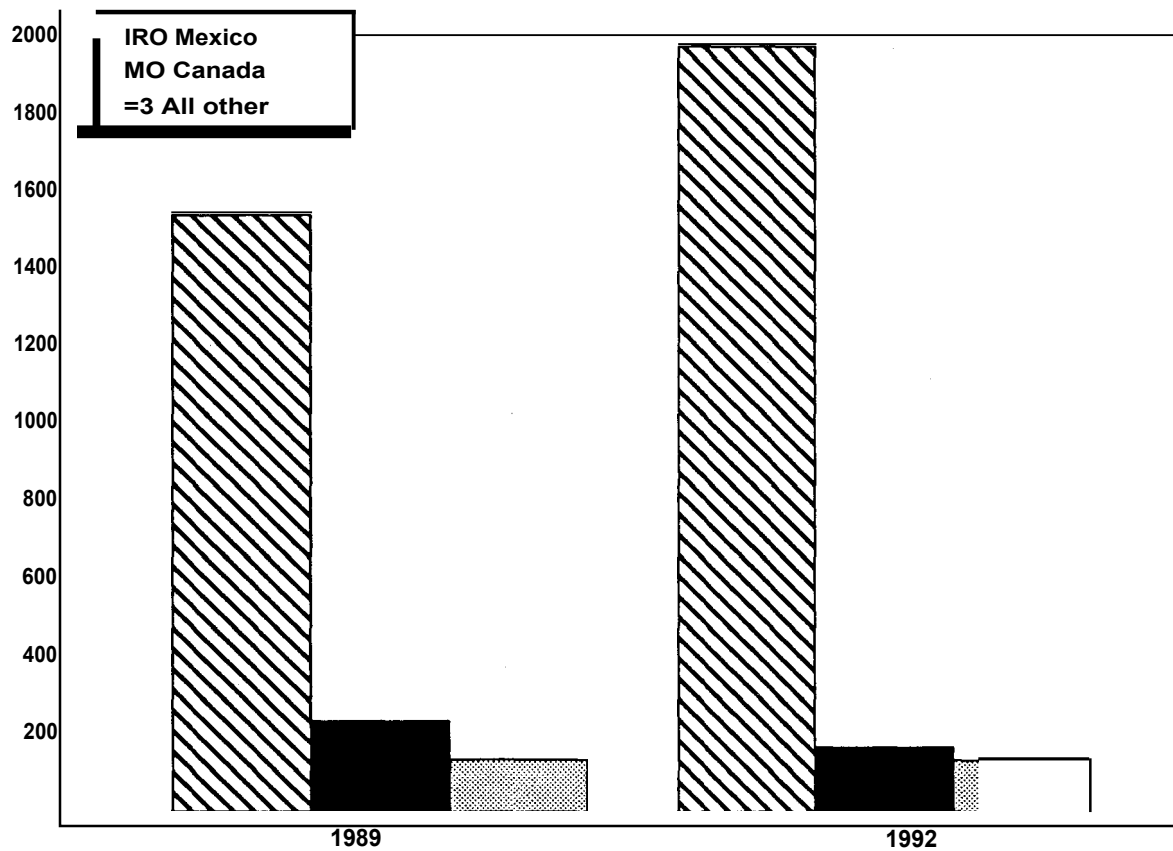
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Figure 2-9

Machinery: Value of U.S.-made components assembled in imports under provision 9802.00.80, by leading countries of assembly, 1989 and 1992



Million dollars



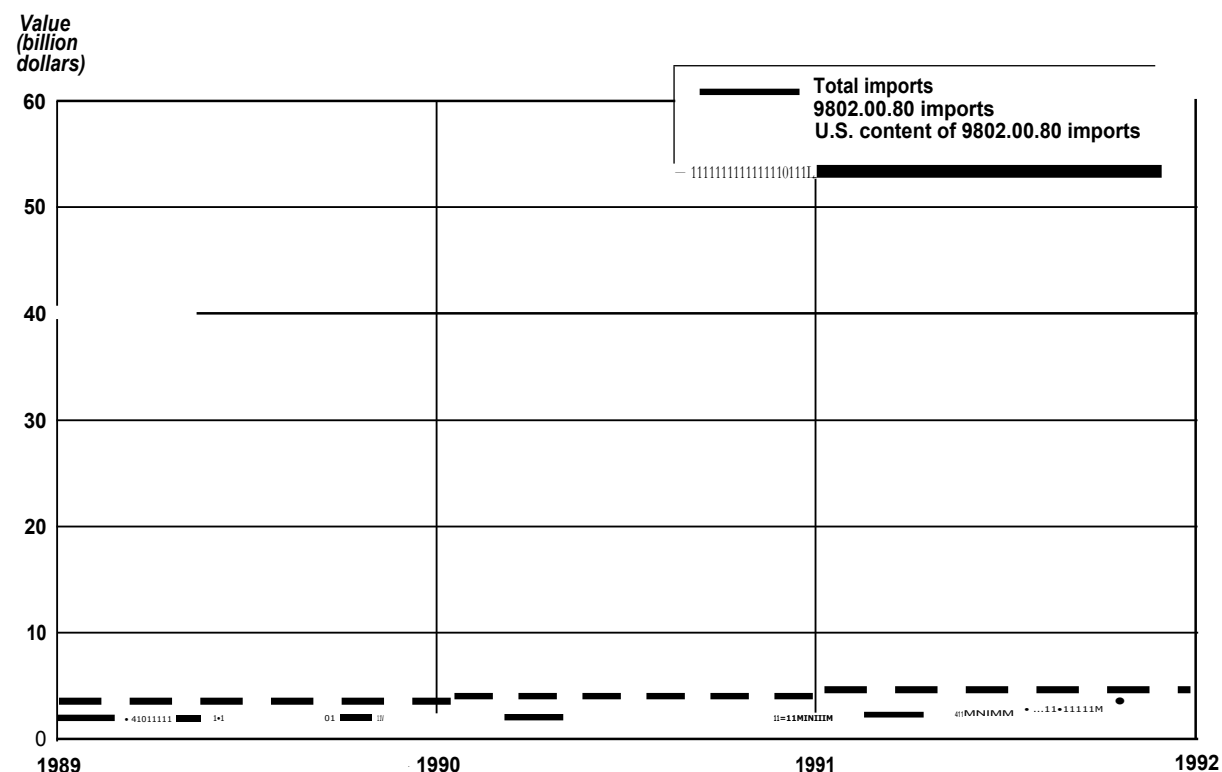
Source: Based on official statistics of the U.S. Department of Commerce.

Table 2-10
Textiles, apparel, and footwear: U.S. imports for consumption, total and under HTS provision
9802.00.80, 1989-92

Year	Total Imports	9802.00.80 Imports	Duty-free value of 9802.00.80 Imports
<i>Value (million dollars)</i>			
1989	..... 39,635	2,757	1,511
1990	..... 42,034	3,526	1,761
1991	..... 43,292	4,235	2,236
1992	..... 49,505	5,363	2,871
<i>Change (percent)</i>			
1992 from 1989	.....25.....	95	90
Average annual 1992 from 1989	.....8.....	25	24

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

Figure 2-10
Textiles, apparel, and footwear: U.S. Imports for consumption, total and provision 9802.00.80, 1989-92



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

Table 2-11

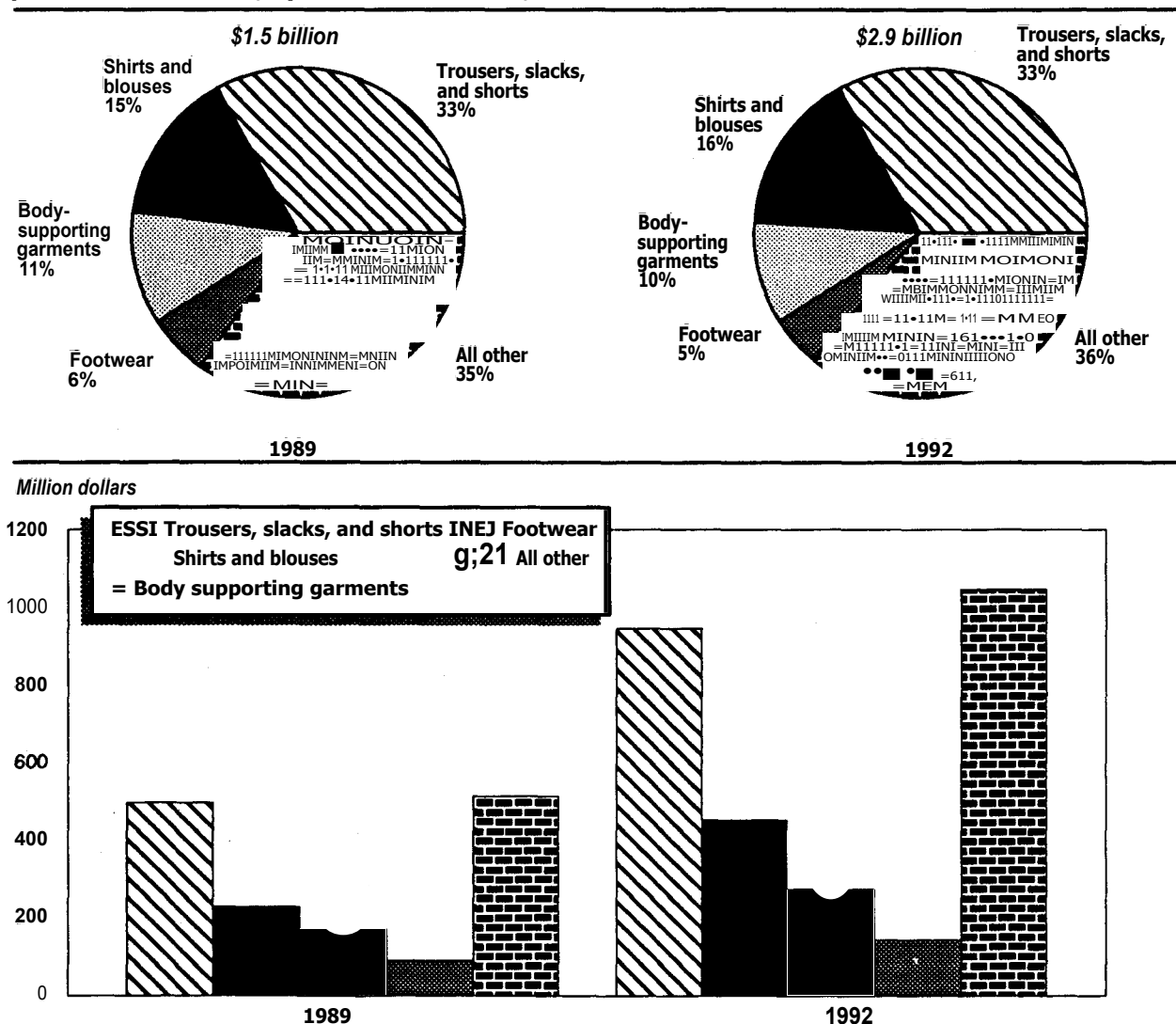
Textiles, apparel, and footwear: Nominal and effective rates of duty under provision 9802.00.80 and duty savings, 1989-92

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
1989	7	55	18.3	8.3	278.6
1990	8	50	16.5	8.3	292.7
1991	10	53	16.9	8.0	380.2
1992	11	54	17.2	8.0	494.8

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

Figure 2-11

Textiles, apparel, and footwear: Value of U.S.-made components assembled in imports under provision 9802.00.80, by selected industries, 1989 and 1992



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

Apparel is by far the most important textile product involved in trade under provision 9802.00.80. In 1992, apparel accounted for 90 percent, or \$4.1 billion, of sector imports under the provision (in terms of the value of the qualifying U.S.-origin content). The duty-free portion on average represented 63 percent of the total value of apparel imports under this production sharing provision. Trousers, shirts, and body-supporting garments (mostly brassieres) are the most important apparel items involved in 9802.00.80 trade (figure 2-11). Duty savings in 1992 for trousers (\$190 million), shirts (\$106 million), and body-supporting garments (\$54 million) together rose by 34 percent, or \$89 million, over the 1991 level.

Leading sources

Mexico and the Caribbean nations account for all but a small part of 9802.00.80 trade in textiles, apparel, and footwear. Such trade also accounts for most sector imports from these nations. In 1992, trade under provision 9802.00.80 represented three-fourths of sector imports from Mexico and the Dominican Republic, the largest sources of trade under the provision (table 2-12, figure 2-12). Very little 9802 trade occurs with other sources, including China, Korea, Hong Kong, and Taiwan, which together supplied 46 percent of sector imports in 1992.

Overall, the Dominican Republic was the sixth largest supplier of apparel to the United States by value in 1992, followed by Mexico. Costa Rica, the second largest supplier in the Caribbean, was a distant sixteenth. The Caribbean nations tend to specialize in a limited range of apparel items, and the region now has significant shares of the U.S. import market in several products in terms of volume. In cotton apparel, 50 percent of U.S. imports of underwear, 37 percent of men's and boys' trousers, and roughly 20 percent of brassieres, knit shirts, and women's and girls' trousers, came from the Caribbean nations in 1992. In manmade-fiber apparel, almost 50 percent of U.S. imports of brassieres and men's and boys' sport coats and about 35 percent of sleepwear and underwear came from the region. Overall, the Caribbean nations supplied 16 percent of the total volume of apparel imports subject to quota restraints in 1992.

The liberalization of quotas by the Reagan administration for apparel from the Caribbean and Mexico has been instrumental in attracting investors to the region. The "special access program" implemented in 1986 permits eligible Caribbean nations virtually unlimited access to the U.S. market for apparel assembled there from fabric that has been both formed and cut in the United States.³ The United States has current agreements with Jamaica, the Dominican Republic, Costa Rica, Guatemala, and Panama that provide for guaranteed access levels (GALs) under the

³ See app. A for more information about the Special Access Program or Special Regime.

special access program.⁴ A similar "special regime" was introduced for Mexico in 1988. These preferential quota programs have encouraged a number of U.S. firms to invest in production-sharing operations in the region as part of their sourcing strategy to reduce costs and remain competitive in the U.S. market.

This U.S. investment represented both new capital outlays and a shift in production from the Far East, where tight quotas limit the growth of shipments bound for the United States. In addition, the proximity to Mexico and to the Caribbean nations provides U.S. firms greater control over production and shorter delivery leadtimes than is the case for their goods from Asia.

Quotas, along with rising costs, have also spurred producers in the Far East to invest in the Caribbean for production of apparel for export to the U.S. market. Korea has been among the most active Asian investors in the Caribbean. As of June 1992, Korean investments in textile production facilities in the Caribbean totaled almost \$70 million, mainly for apparel production in Guatemala (\$23 million),⁵ Dominica (\$15 million), and Honduras (\$14 million).³

However, the Asian operations in the Caribbean differ from the U.S. production-sharing operations. Because of requirements under the 9802.00.80 provision, U.S. firms ship ready-cut pieces of apparel to the Caribbean to perform the most labor-intensive stages of production, namely sewing the pieces together. The Asian firms ship their own fabrics to the region and perform the so-called cut, make, and trim (CMT) operations there. Hence, the CMT operations of the Asian firms typically generate more value-added for the region, involve a higher level of investment, and require more labor inputs and skills. Garments made in CMT operations, whether Asian or domestic, are ineligible for reduced duties under provision 9802.00.80 or for preferential quotas under the special access program.

Although duty considerations influence the decision to enter into production-sharing operations offshore, the cost of labor and freight and the relationship between the weight of a garment and its labor content are important factors too. The competitive strength of Mexico and of the Caribbean nations is generated by the combination of similar sewing equipment to that used in the United States and of low wage rates in the region. In 1991, average hourly compensation costs represented just 19 percent of U.S. costs (\$8.70) in Mexico (\$1.67), about 10 percent in Costa Rica (\$0.88) and Jamaica (\$0.83), and less than 10 percent in the Dominican Republic (\$0.64), Guatemala (\$0.45), and Honduras (\$0.48).⁶

⁴ The United States has suspended the GAL agreement with Haiti as part of the economic sanctions imposed on that nation.

⁵ The Korea Federation of Textile Industries, facsimile, Aug. 14, 1992.

⁶ Figures for the United States and Mexico from unpublished data of the U.S. Bureau of Labor Statistics, Office of Productivity and Technology, "Hourly Compensation Costs for Production Workers: Apparel and Other Textile Products Manufacturing (US SIC 23) 26 Countries or Areas, 1975 and 1981-91," Mar. 1993; all

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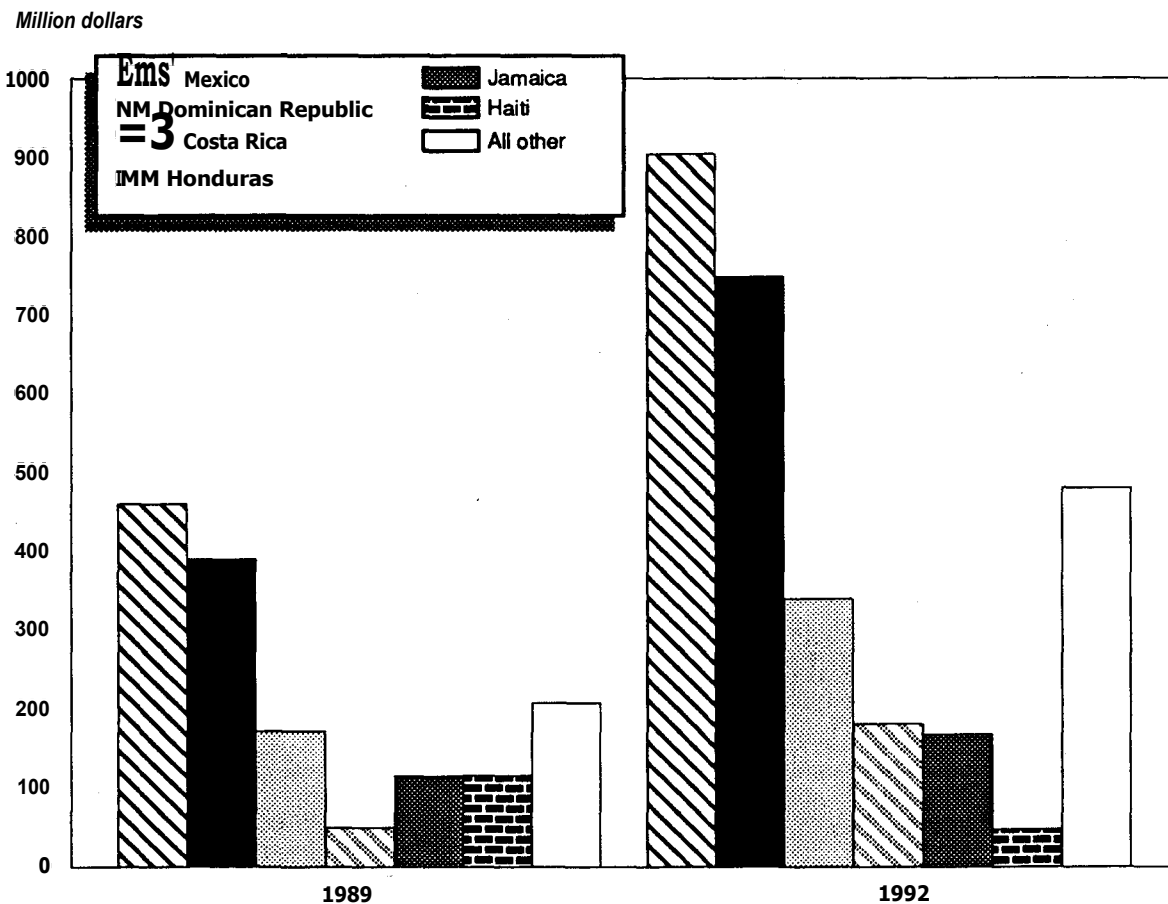
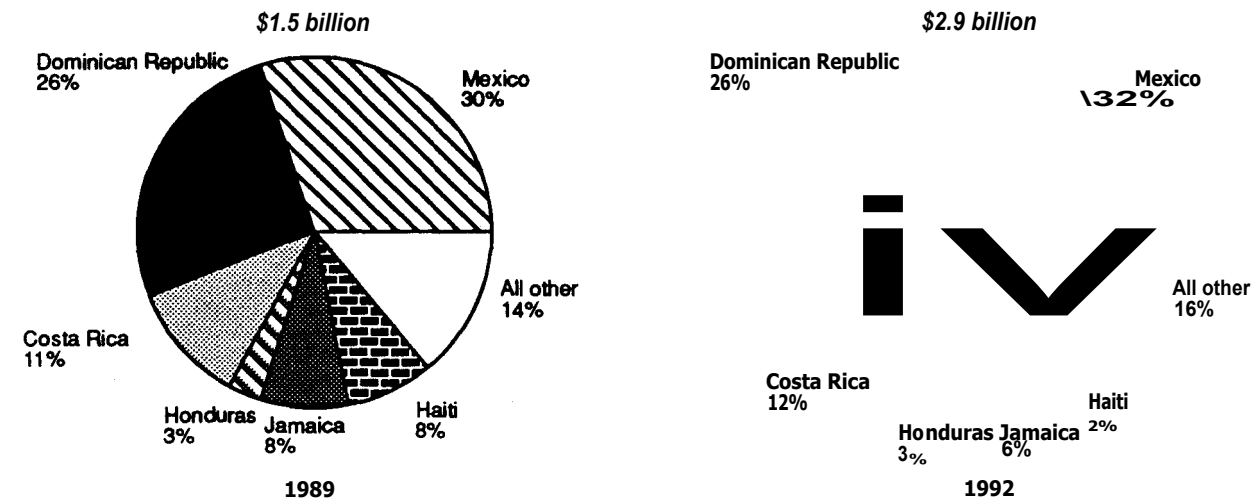
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Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 2-12

Textiles, apparel, and footwear: Value of U.S.-made components assembled in imports under provision 9802.00.80, by leading countries of assembly, 1989 and 1992



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

The North American Free-Trade Agreement (NAFTA) is expected to benefit U.S. apparel firms that use Mexico as a low-cost manufacturing base to compete with East Asian products in the United States and Mexico. Quota and duty elimination under NAFTA will likely make Mexico an attractive alternative source of apparel to the major Asian suppliers. NAFTA may also result in the shifting of some U.S. trade and investment from the Caribbean Basin to Mexico, because Caribbean nations compete with Mexico for assembly work from U.S. firms.⁶

Other Manufactured Articles

This sector covers a wide spectrum of products. Certain of these product groups, such as agricultural, forestry, chemical, petroleum, and steel products, do not lend themselves to assembly. The principal products in this "other manufactured articles" category that are imported under the production-sharing tariff provision include furniture, scientific and medical instruments, photographic equipment, locks, and jewelry. Total U.S. imports of other manufactured articles increased by 8 percent during 1989-92, to \$232 billion (table 2-13, figure 2-13). The ratio of HTS provision 9802.00.80 imports to total imports for other manufactured articles was much smaller than for the major product groups, averaging 1.2 percent annually during 1989-92 (table 2-14).

⁶—Continued

other figures from Werner International, "Hourly Labor Costs in the Apparel Industry" (New York: 1991).

⁷ U.S. International Trade Commission, *Potential Effects of a North American Free-Trade Agreement on Apparel Investment in CBERA Countries*, USITC publication 2541, July 1992, and *Potential Impact on the U.S. Economy and Selected Industries of the North American Free-Trade Agreement*, USITC publication 2596, Jan. 1993, ch. 8.

Imports of other manufactured articles entering under HTS provision 9802.00.80 totaled \$2.63 billion in 1992. Imports of products in this sector under provision 9802.00.80 consisted chiefly of surgical and medical equipment at \$583 million; scientific instruments, at \$452 million; photographic equipment and supplies, at \$202 million; furniture, at \$141 million; fabricated rubber and plastic products, at \$115 million; blank recording media, at \$92 million; and locks and padlocks and jewelry, at \$68 million each.

The share of provision 9802.00.80 imports of other manufactured articles accounted for by U.S.-made components averaged 45 percent annually during 1989-92. In 1992, provision 9802.00.80 imports of jewelry had the highest level of duty-free content among important production sharing categories, 91 percent, whereas photographic equipment and supplies had the lowest level of duty-free content, 37 percent (table B-16).

The duty savings (tariff incentive) from importing under provision 9802.00.80 amounted to \$62 million in 1992, 7 percent of total duty savings from the use of both production-sharing provisions for all products (table 2-14). Importers of surgical and medical instruments accrued 18 percent of the other manufactured articles savings from use of provision 9802.00.80 in 1992 (\$11.0 million), and importers of scientific instruments received 15 percent (\$9.3 million).

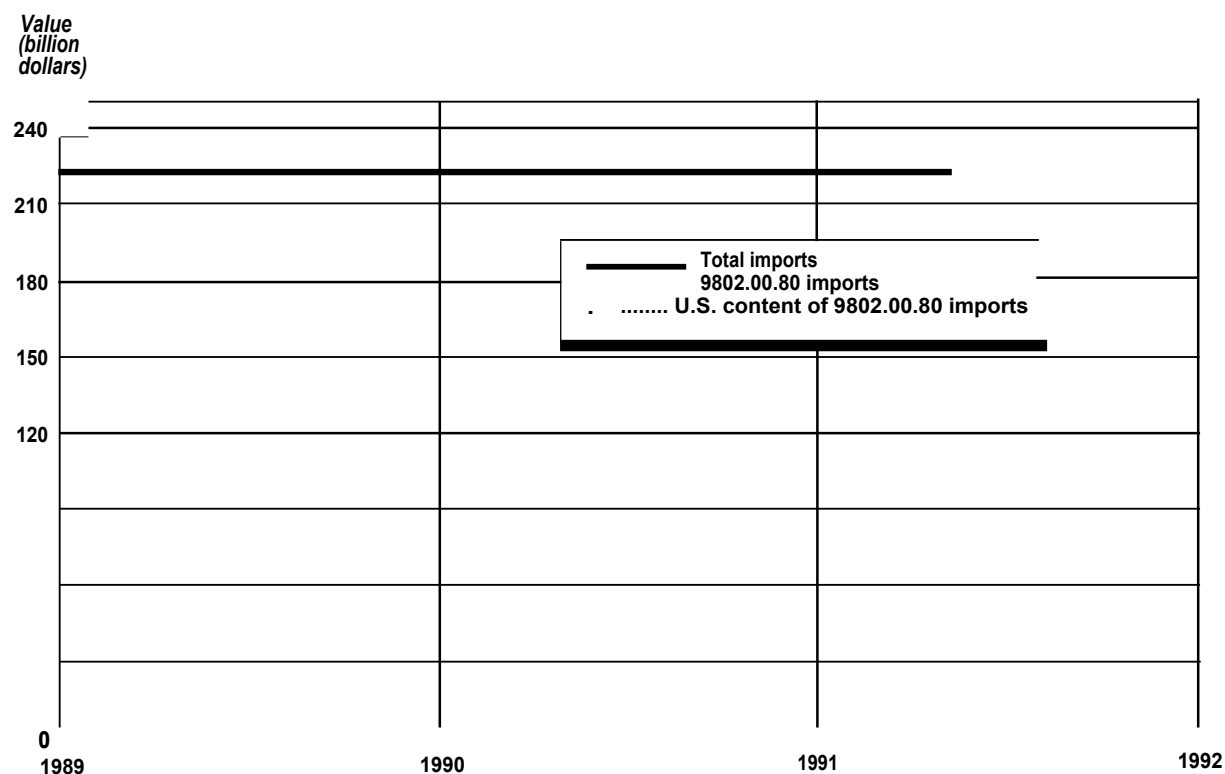
In terms of the value of U.S.-made components contained in the assembled goods, the leading products imported under production-sharing provisions in other manufactured articles were surgical and medical instruments, scientific instruments, and furniture (figure 2-14). While such imports of surgical and medical equipment increased by 60 percent during 1989-92, imports of furniture dropped by more than two-thirds (table B-16). Several U.S. manufacturers of medical equipment have moved the assembly

Table 2-13
Other manufactured articles: U.S. imports for consumption, total and under HTS provision 9802.00.80, 1989-92

Year	Total Imports	9802.00.80 Imports	Duty-free value of 9802.00.80 Imports
Value (million dollars)			
1989	214,045	2,676	1,220
1990	228,447	2,610	1,117
1991	218,064	2,533	1,138
1992	231,838	2,630	1,220
Change (percent)			
1992 from 1989	8	-2	0
Average annual 1992 from 1989	3	-1	0

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

Figure 2-13
Other manufactured articles: U.S. imports for consumption, total and provision 9802.00.80, 1989-92



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

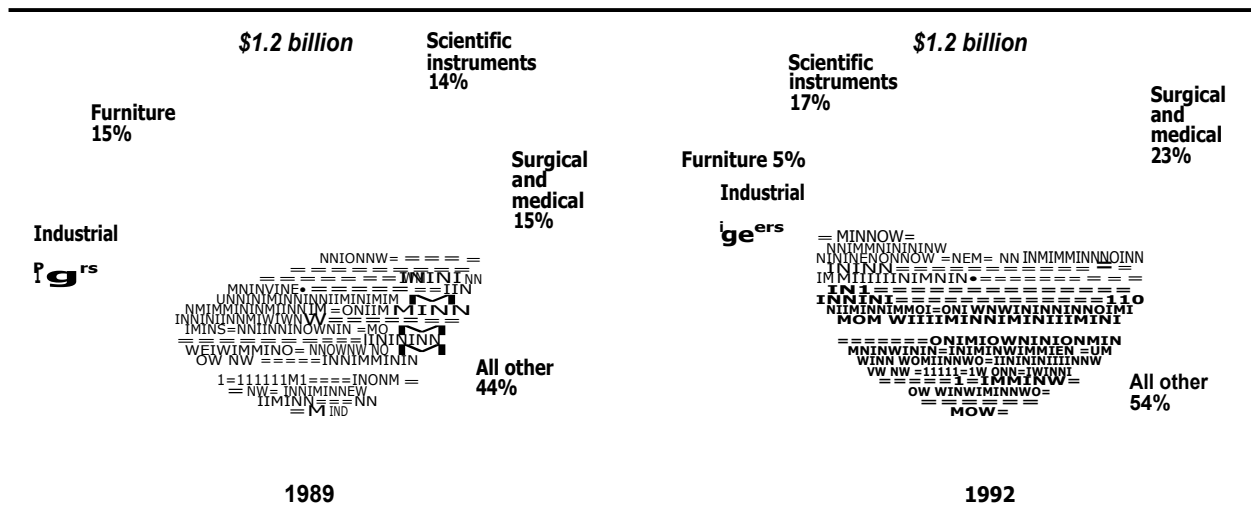
Table 2-14
Other manufactured articles: Nominal and effective rates of duty under HTS provision 9802.00.80 and duty savings, 1989-92

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
1989	1.3	46	4.3	2.3	54
1990	1.1	43	4.3	2.4	50
1991	1.2	45	4.8	2.6	55
1992	1.1	46	5.1	2.7	62

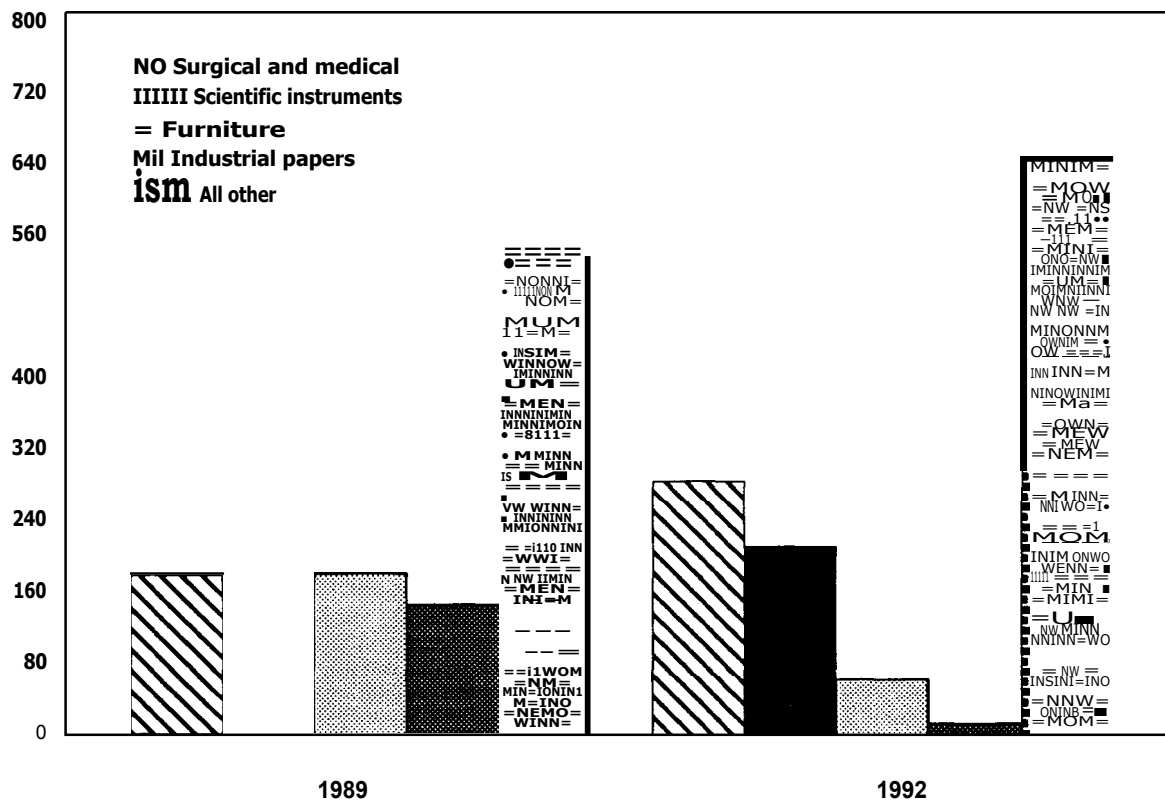
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 2-14

Other manufactured articles: Value of U.S.-made components assembled in imports under provision 9802.00.80, by selected industries, 1989 and 1992



Million dollars



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

of goods whose production resists mechanization (such as respiratory equipment) to Mexico and the Dominican Republic. In terms of the value of the U.S.-origin content, Mexico accounted for 72 percent of U.S. production-sharing imports of surgical and medical instruments in 1992, and the Dominican Republic, 18 percent.

Imports of furniture under 9802.00.80 dropped from \$574 million in 1990 to just \$141 million in 1992. This sharp decrease in the use of the production sharing provision, however, does not indicate a decline in the use of assembly plants by U.S. firms in the two major sources of these imports, Canada and Japan. Instead, the data reflect a diminished financial incentive to use 9802.00.80 when importing furniture from these countries.

While imports of furniture from Mexico under 9802.00.80 fell from \$319 million to \$102 million during 1990-92, total imports of furniture actually grew by 35 percent, from \$580 million to \$784 million. U.S. importers have greatly reduced their use of 9802.00.80 because many of the assembly plants in Mexico have increased local value-added (labor and parts) sufficiently to qualify for duty-free entry under the Generalized System of Preferences (GSP), thus reducing the financial incentive to declare eligibility under 9802.00.80. GSP imports accounted for over three quarters of total imports of furniture from Mexico in 1992. While imports of furniture from Mexico under 9802.00.80 fell by \$156 million in 1992 from 1991, imports under the GSP climbed by \$216 million.

Similarly, while imports of furniture from Canada under the production sharing provision plummeted

from \$255 million to \$40 million during 1990-92, total imports of furniture edged upward, from \$1.21 billion to \$1.27 billion. Most production sharing in Canada in the furniture sector involves the assembly of car seats that are eligible for duty-free entry under the APTA. However, U.S. automobile and truck manufacturers first began importing *seats* that they were making in Canada (from U.S. and Canadian parts and materials) under 9802.00.80 in December 1986 to reduce their tax liabilities under the newly imposed user fee. The October 1990 action placing the \$400 *per* entry cap on the user fee, in conjunction with staged elimination of tariffs and the user fee under the U.S.-Canada FM, greatly reduced the incentive to import these motor vehicle *seats* and all but a few types of furniture under 9802.00.80.

Although Canada and Japan were the leading suppliers of total imports of "other manufactured articles" in 1992 (accounting for 21 percent and 8 percent of the total, respectively), Mexico was by far the dominant beneficiary of the duty-free treatment of provision 9802.00.80 imports throughout the period (table 2-15, figure 2-15).

The principal articles imported from Mexico under heading 9802.00.80 in 1992, in terms of U.S. content, were surgical and medical instruments and apparatus, scientific instruments, and motor vehicle seats (table B-19). In 1992, the major 9802.00.80 product from Canada in terms of U.S. content, accounting for 50 percent of such imports, was optical instruments (table B-20). Surgical and medical instruments accounted for 75 percent of the imports from the Dominican Republic (table B-25).

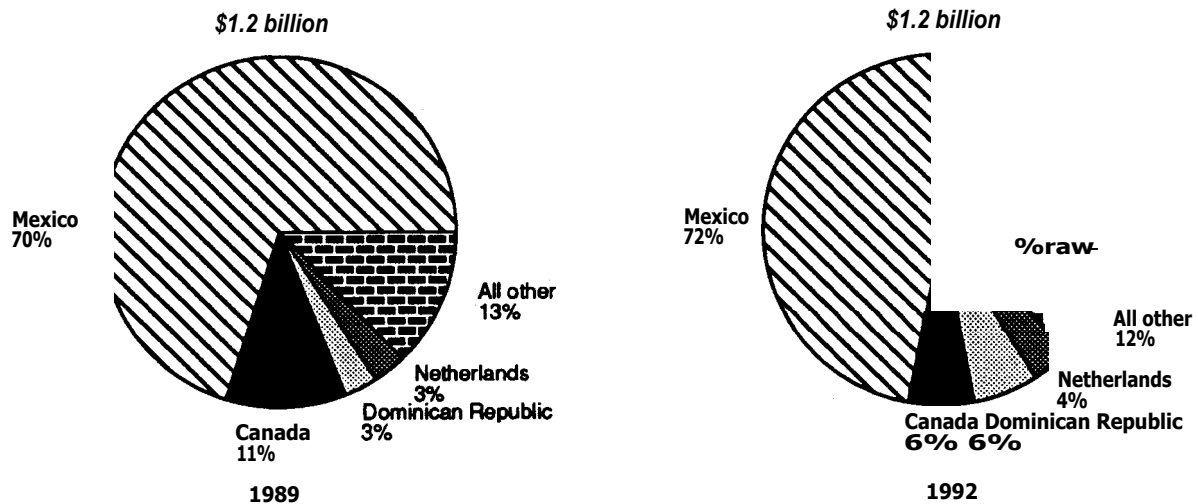
¹ Not applicable.

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

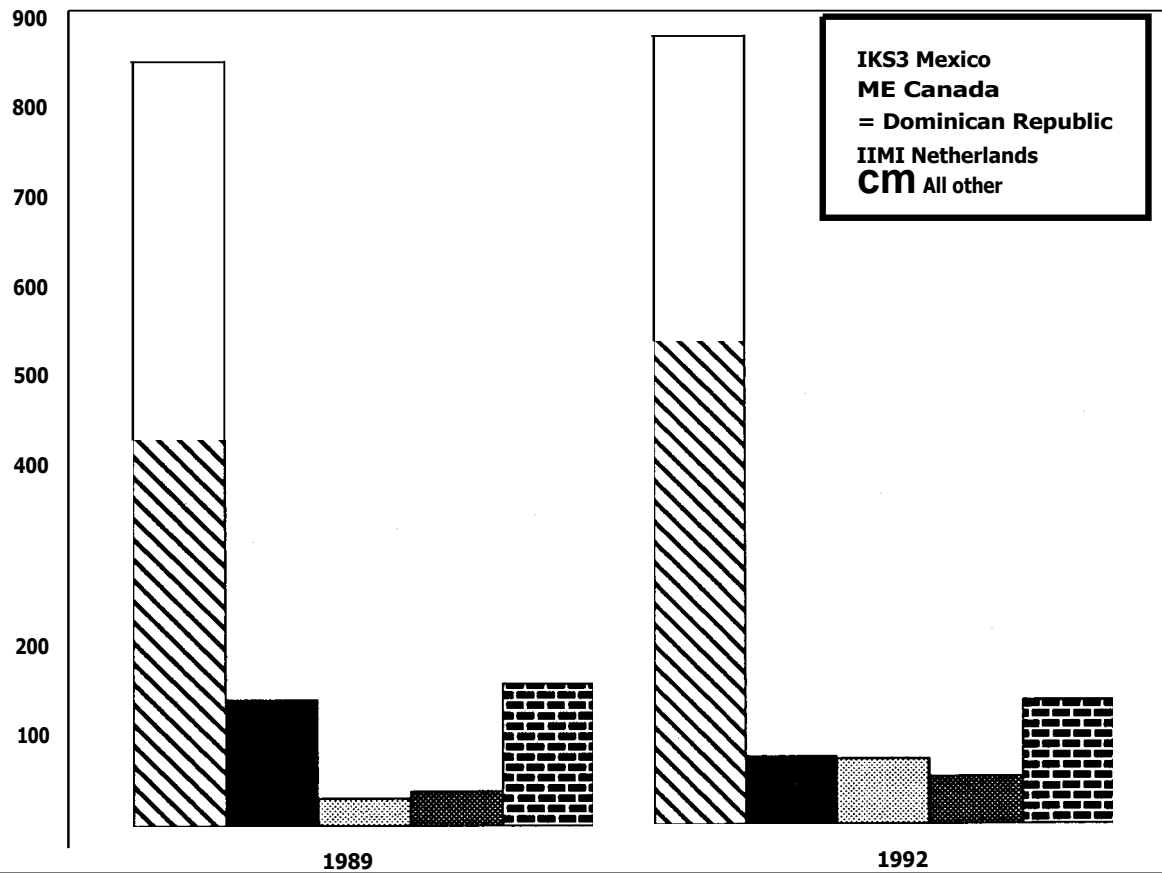
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 2-15

Other manufactured articles: Value of U.S.-made components assembled in imports under provisions 9802.00.80, by leading countries of assembly, 1989 and 1992



Million dollars



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

CHAPTER 3

Implications of the North American Free-Trade Agreement for Mexico's Maquiladora Industry and the Use of the Production Sharing Tariff Provisions

The maquiladora industry¹ has been a major source of foreign exchange for Mexico over the past decade. In 1992, it was second only to the petroleum industry and ahead of tourism. Access to the maquiladora industry's low-cost labor has also enabled numerous U.S. companies to become more globally competitive? By moving labor-intensive assembly to Mexico, U.S. companies are able to maintain higher-skilled, higher-paying jobs in the capital-intensive aspects of their operations in the United States. However, under the North American Free-Trade Agreement (NAFTA), the Maquiladora Program will expire as of January 1, 2001.³ This chapter examines the implications of the

¹ Mexico's maquiladora law allows the Government to grant licenses permitting companies to import components and machinery free of duty but under bond, provided that the machinery and components are subsequently exported. If the goods are not exported, the bond is forfeited and the importer is subject to full assessment of duties. Failure to comply with the stipulations of the maquiladora law can result in the forfeiture of the importer's license to operate as a maquila. Maquilas are assembly plants that use foreign-made components, most of which are imported from the United States. The bulk of their production is exported to the United States. Most maquilas are either subsidiaries of U.S. manufacturers or perform assembly under contract with U.S. firms. The sector in Mexico that assembles products for foreign firms is called the maquiladora industry. The maquiladora law is part of the Maquiladora Program, a Mexican Government initiative to attract foreign investment in assembly plants in towns along the border with the United States.

² Of 323 companies responding to a Commission survey in 1987, 62 firms (19 percent) said they would have gone out of business if they had not been able to use tariff provision 9802.00.80 (item 807.00 in the Tariff Schedules of the United States). Another 164 firms (51 percent) indicated that they would have lost U.S. market share to foreign producers that do not use U.S.-made components. See U.S. International Trade Commission, *The Use and Economic Impact of TSVS Items 80630 and 807.00* (investigation No. 332-244), USITC publication 2053, Washington, D.C., Jan. 1988.

³ For a description of events leading up to the signing of the NAFTA and an assessment of the agreement's purposes and likely effects, see USITC, *Potential Impact on the U.S. Economy and Selected Industries of the North American Free-Trade Agreement* (investigation No. 332-337), USITC Publication 2596, January 1993, p. 3-3.

NAFTA for the maquiladora industry, and the use of the U.S. tariff provisions that have complemented assembly operations in Mexico. Chapter 4 provides background on the origins and growth of the maquiladora industry.

The United States, Mexico, and Canada signed the North American Free-Trade Agreement on December 17, 1992. Legislation implementing the Agreement was approved by the U.S. Congress in November 1993 and the provisions of the NAFTA went into effect on January 1, 1994. For Mexico, the chief aim of the Agreement reportedly is to attract foreign investment to modernize its economy; for the United States, a major goal is to lock into place market reforms instituted by Presidential Decrees of Miguel de la Madrid and Carlos Salinas de Gónzalez and to reduce trade and investment barriers still in place.⁴ The U.S.-Canada Free-Trade Agreement (FTA), which went into force in January 1989, served as a model for the NAFTA. Some provisions of the U.S.-Canada FTA were superseded by the NAFTA, while others remain separate from the NAFTA.

Implications of the NAFTA for the Maquiladora Industry

The NAFTA will affect the maquiladora industry in a number ways. Most directly, the NAFTA calls for

⁴ The decision of President Miguel de la Madrid to apply for membership in the General Agreement on Tariffs and Trade (GATT) in 1986 signaled Mexico's commitment to modernize its economy and to liberalize foreign access to its market. The debt crisis of the mid-1980's proved to policy makers in Mexico that the country could no longer *rely* on income from petroleum exports to pay its foreign debt or afford to protect inefficient domestic producers from foreign competition. Joining GATT required Mexico to cut its tariffs on imported goods typically from 100 percent ad valorem to 20 percent (Mexico reduced most tariffs to about 10 percent), eliminate its policy of requiring import licenses for most goods, and otherwise conform to GATT codes regarding import regulations. See Banco de México, *The Mexican Economy*, June 1993.

staged "elimination" of the Maquiladora Program. Annex I - Mexico (page I-M-34) of the NAFTA modifies the Maquiladora Decrees by gradually *increasing* the amount of a company's maquiladora production that it can sell to the domestic (Mexican) market. With the NAFTA entering into force on January 1, 1994, the maximum amount that a maquila can export to the domestic market, based on the value of the maquila's annual exports in the previous year, increases as follows (in percent):

Year	Share of the maquiladora's previous year's exports available to the domestic market
1993	50 (with restrictions—see below)
1994	55
1995	60
1996	65
1997	70
1998	75
1999	80
2000	85
2001	no limit

Restrictions on maquiladora operations were loosened in 1989, allowing up to 50 percent of a maquila's annual production to be sold in the Mexican market (see chapter 4 for a description of changes in laws governing the maquiladora industry). However, several conditions had to be met to receive authorization to sell maquila products to the domestic market in Mexico. For example, the maquila product could not compete directly with a product made entirely in Mexico (using Mexican materials and parts), and the maquila product had to consist of at least 15 percent Mexican content. Until recent years, such permits were rare. Under the NAFTA, these restrictions will be removed. Therefore, the increase in maquiladora access to the domestic market on January 1, 1994, will be much more significant than the 5 percentage points indicated in the tabulation above. This will give an immediate boost to maquiladora operations and their component suppliers in the United States through increased sales, and to consumers and industrial customers in Mexico through lower prices and access to better quality products.

The phase out of the Maquiladora Program is timed to coincide with the implementation of limitations on "duty drawback" for Mexico's trade with the United States and Canada on January 1, 2001.⁶ All three countries have various customs programs that generally enable companies to avoid customs duties on goods that are imported, processed, and subsequently

exported. Such programs tend to encourage export-oriented production of goods that contain imported materials or components. Under drawback, **duties on imported components used in the manufacture of products that are eventually exported** can be either waived or rebated.

Article 303 of the NAFTA limits "same condition drawback"—the extent to which signatories can refund customs duties on imports from third countries to be subsequently exported to another NAFTA signatory. It also limits the granting of conditional duty waivers on goods to be re-exported. The limitation on conditional duty exemption applies to all North American trade, not just trade that receives NAFTA benefits. This limitation ensures that imports from third countries will be subject to ordinary customs duties when imported into North America and that one party cannot be used as a platform by third countries for exporting products free of duty to another party?

NAFTA provides that a duty waiver, reduction, or refund that is contingent on exportation may not exceed the smaller of the following two amounts:

- The total amount of the duties paid or owed on the initial importation of the third country goods into North America or
- The total amount of the duties paid on the goods' subsequent shipment to another NAFTA signatory.

Thus, third country goods would be eligible for a limited duty exemption, effectively being subject to the higher of the two possible customs duties. The NAFTA specifies certain exemptions from these general limitations on duty drawback.⁸

After a transition period,⁹ companies will no longer be eligible for a full refund of customs duties paid or owed on imports from third countries that are subsequently exported to another NAFTA signatory. According to an assessment of the NAFTA by the U.S. International Trade Commission,

The limitation on such programs may tend to encourage a relative increase in North American sourcing by companies that currently import third-country parts and components free of duty for assembly and export to another NAFTA signatory. The limitation also could encourage companies to assemble such parts and components entirely in third countries, depending on the relative duty rate differentials and a host of other factors.¹⁰

⁷ For a more extensive discussion regarding the changes to drawback agreed to in the NAFTA, see USITC, *Potential Impact on the US. Economy and Selected Industries of the North American Free-Trade Agreement* (investigation No. 332-337), USITC publication 2596, Jan. 1993, p. 3-6.

⁸ *Ibid.*, p. 3-4.

⁹ The limitation on drawback and duty deferral programs will take effect after a transition period of 7 years for United States-Mexico trade and 2 years for United States-Canada trade.

¹⁰ USITC, *Potential Impact on the US. Economy and Selected Industries of the North American Free-Trade Agreement* (investigation No. 332-337), USITC Publication 2596, January 1993, p. 3-5.

⁵ "Decreto para el Fomento y Operacion de la Industria Maquiladora de Exportacion," *Ley Aduanera*, Titulo IV, Capitulo I, III; Titulo V, Capitulo II; Titulo VI.

⁶ The NAFTA extends the date for the elimination of drawback for all trade between the United States and Canada from January 1, 1994 (as provided for in the U.S.-Canada Free-FTA), to January 1, 1996.

Commission staff interviewed numerous Mexican and U.S. parties involved with maquiladora trade about the effects that NAFTA's elimination of the Maquiladora Program and its limitations on duty drawback would have on the maquiladora industry.¹¹ These interviews and research yielded the following observations:

1. Growth in the maquiladora industry has slowed considerably because of (a) a narrowing of labor costs between the United States and Mexico,¹² (b) infrastructure constraints (housing, electricity, telecommunication, and transportation), and (c) the fact that most U.S. companies whose production processes include labor-intensive assembly procedures amenable to relocation to Mexico have already gone to Mexico or made a decision that the maquiladora option is not in the company's best interest.¹³
2. Further growth in the maquiladora industry along the U.S.-Mexico border is contingent upon cooperative efforts by companies using maquila assembly, industrial park operators, and local governments to improve infrastructure in the region. Absent infrastructure constraints, companies currently operating in maquilas will be able to expand their production and increase employment because they will be able to supply both the U.S. market and the Mexican market from border facilities.¹⁴
3. Because of financial commitments to existing facilities and because the U.S. market will

¹¹ Most of these interviews took place at the October 1993 annual conferences of the Border Trade Alliance and the World Export Processing Zones Association, held in Washington, DC and Ciudad Juarez, respectively. Views were also gathered by telephone from academic sources and trade consultants in Arizona, California, New York, North Carolina, and Texas.

¹² Although average hourly compensation for manufacturing employees in Mexico was only 15 percent that of comparable workers in the United States in 1992, superior productivity by U.S. workers greatly offset the lower wages and benefits paid to Mexican workers. See Chapter 4 for a discussion of related issues.

¹³ Elsie Echeverri-Carroll, "The Maquiladora Industry in the Context of a North American Free Trade Agreement," in Elsie Echeverri-Carroll, ed., *NAFTA and Trade Liberalization in the Americas*. Bureau of Business Research, University of Texas at Austin, 1994.

¹⁴ In an interview with *Twin Plant News* (Jan. 1993, p. 47), Lucinda Vargas, then a Senior Economist and Director of International Services for The Center for Econometric Research on Mexico and currently with the Federal Reserve Bank of El Paso, predicted that the NAFTA will encourage integration of the border assembly plants with the rest of the economy of Mexico. Ms. Vargas also predicted that with the merging of both industrial sources of supply and markets in North America, "production sharing [operations along the border] will make more sense than ever in a world where trading blocs will be increasingly determining investment trends."

continue to be the primary focus of the border assembly industry, most companies operating in frontier factories are likely to remain in border communities. Existing factors (such as lack of infrastructure, greater lead times, and higher transportation costs when operating in the interior of Mexico) will continue to attract companies to the border rather than to interior locations in Mexico.

4. Some companies will determine that the increasing ability to sell into the Mexican market as well as the U.S. market is a sufficient incentive to open additional assembly facilities in Mexico. Most of this new investment would prefer to be located close to the border, but some will move deeper into Mexico (for example, Guaymas, Ciudad Chihuahua, or the Nuevo Laredo-Monterrey corridor) to avoid the infrastructure bottlenecks associated with the border. Moving even farther into central Mexico entails other infrastructure and logistical problems. Companies most attracted to establishing assembly plants in central Mexico will be those who will expect the bulk of their sales to be directed to the Mexican market.¹⁵
5. The maquiladora industry will benefit from NAFTA-related trade diversion to North American sourcing. The total cost of assembly operations in the maquilas will be reduced because of staged elimination of tariffs on products from the industry going to both the United States and Mexico. This will make maquila-made products more competitive with products made outside North America. Some companies may relocate assembly plants from Asia to Mexico. Maquiladora production will expand as its

¹⁵ This assessment is also supported in the USITC, *The Likely Impact on the United States of a Free Trade Agreement With Mexico* (investigation No. 332- 337), USITC publication 2353, Feb. 1991, p. 5-6. This report also states:

The Southwest border region will retain much of its attractiveness as a location for manufacturing and production sharing. Border locations will offer proximity to existing border suppliers and services, proximity to Mexican markets, access to lower cost Mexican labor, and a convenient location for higher technology production processes that an industry may be reluctant to introduce in Mexico. Also, managers of U.S. plants in the border region will be able to live in the United States and commute to facilities in Mexico on a daily basis. The twin plant concept allows firms to benefit from better distribution and telephone systems as well as lower cost transportation in the United States. Production-sharing operations will continue to provide an important way to conduct business with a foreign culture, especially for small and medium-size firms.

products take market share away from non-North American goods. Since assembly operations in Mexico use more U.S.-made parts than do competitors in Asia and Europe, the NAFTA will result in a growth in both U.S. production and exports of U.S.-made parts. Current maquiladoras and new plants opening in Mexico because of the NAFTA will continue to use imported (mostly U.S.-origin) components because of the lack of adequate good-quality, high-volume components from Mexican producers.

6. Companies in Mexico's assembly industry that rely on non-North American production equipment will see their costs rise under the NAFTA because they will have to pay duty on such machinery beginning January 1, 2001. Machinery for use in the maquiladora industry can currently be imported into Mexico free of duty but under bond.¹⁶
7. Japanese and Korean maquilas, particularly those assembling televisions in Tijuana, will be placed at a competitive disadvantage because the rules of origin under the NAFTA favor companies like Zenith, RCA, and Magnavox that make greater use of U.S.-made parts in their Mexican assembly plants. Asian television companies may either (a) open plants in North America to produce picture tubes and other key parts, (b) insist that important part suppliers move production to North America, or (c) shift sourcing to existing U.S. parts producers.¹⁷

Effects of the NAFTA on the Use of the Production-Sharing Tariff Provisions

By 1992, most U.S. imports from Canada of products that were the result of production sharing entered free of duty, either because of (1) the Automotive Products Trade Act, (2) duty-free treatment for certain products from all most-favored-nation (MFN) suppliers, or (3) regular or

accelerated staged tariff elimination under the U.S.-Canada FTA. With the staged reduction/elimination of both tariffs and the merchandise processing fee (customs user fee) under the FTA, by 1992 there was little or no incentive to import most products from Canada containing U.S.-made components under the production-sharing provisions (HTS provisions 9802.00.60 and 9802.00.80). As a result, **imports from Canada under the production-sharing provisions** dropped from \$24.9 billion in 1990 to \$3.6 billion in 1992. During the same period, total imports from Canada grew from \$78.2 billion to \$83.2 billion.

A similar scenario should occur for U.S. imports from Mexico under the NAFTA. On January 1, 1994, tariffs were reduced to free for 54 percent of dutiable tariff categories for eligible goods entering from Mexico.¹⁸ **Because the value of U.S.-made components contained in imports under the production-sharing tariff provisions is exempt from the customs user fee, there will be some incentive to import even duty-free products under these provisions until the user fee is phased out under the NAFTA by June 1999.**⁹ By January 1, 1999, an estimated 62 percent of all otherwise dutiable imports from Mexico will be entering free of duty under the NAFTA. Production-sharing imports from Mexico totaled \$16.5 billion in 1992, but should amount to only a small fraction of that figure by the year 2000 (the last year before the Maquiladora Program is eliminated and duty drawback is limited).

Goods likely to be imported from Mexico under the production sharing provisions after 2001 are those with longer duty phase-out periods and assembled products that do not contain sufficient North American content to meet the rules of origin to qualify for NAFTA treatment. The most likely candidates for continued entry under provision 9802.00.80, after all duties on Mexican products are eliminated, are televisions assembled in Mexico for Japanese and Korean companies. The non-North American components used in the assembly of these televisions will be assessed Mexico's MFN rate of duty for such parts when they enter Mexico.²⁰ Mexico will assess no

¹⁶ The bond is returned when the machinery is exported from Mexico. However, the import duty is applied on the depreciation of the equipment in Mexico. Therefore, if a piece of equipment is used in a maquila long enough to become fully depreciated, full duty must be paid by the original importer in Mexico on the equipment even if it is eventually returned to the United States or exported to another country.

¹⁷ For example, Kazuo Takada, President of the Japanese Maquiladora Association in San Diego, predicted in a January 1993 interview with *Twin Plant News* that Japanese companies that do not already have maquiladora operations will be discouraged by the rules of origin requirements of the NAFTA from investing in new assembly plants in Mexico.

¹⁸ USITC, *Potential Impact of the U.S. Economy and Selected Industries of the North American Free-Trade Agreement* (investigation No. 332-337), USITC publication 2596, Jan. 1993, p. viii. The Congressional Budget Office projects that 60 percent of the dutiable imports from Mexico will be eligible to enter duty free on January 1, 1994, and 80 percent on January 1, 1999. See U.S. Congress, Congressional Budget Office, *A Budgetary and Economic Analysis of the North American Free Trade Agreement*, July 1993, p. 10.

¹⁹ U.S. General Accounting Office, *North American Free Trade Agreement: Assessment of Major Issues, Volume 2*, GAO/GGD-93-37, Sept. 1993, p. 18.

²⁰ Such parts are usually shipped from Asia to Los Angeles (air) or Long Beach (sea) and trucked under bond to Tijuana. Such imports will continue to be accorded duty-free treatment while in transit through the United States to Mexico.

duty on the U.S.-made parts used in the assembly of the televisions. When the assembled televisions enter the United States, they would be assessed the MFN rate of duty applied by the United States toward such products. However, entering under HTS provision 9802.00.80, the value of the U.S.-made components contained in these televisions will be subtracted from the customs value before applying the MFN rate of duty. Also, the original importer of Asian television components into Mexico would be eligible for a refund in the amount of the lower of (a) the Mexican duties

collected on the Asian components contained in the assembled televisions or (b) the U.S. duties collected on the total value of the assembled televisions (less the U.S. content).

As happened under the U.S.-Canada FTA, use of the production-sharing tariff provisions will likely diminish sharply under the NAFTA. However, production sharing itself, that is, use of assembly facilities in Mexico, will likely be commensurate with the integration of industries in Mexico and the United States.

CHAPTER 4

The Origins and Growth of Mexico's Maquiladora Industry

Origins of the Maquiladora Program

From 1917-1964, Mexican citizens were allowed to work on U.S. farms and ranches under a series of laws and regulations generally called the Bracero Program. The use of braceros in the U.S. agricultural industry peaked during periods of labor shortages in the United States because of war: the two world wars and the Korean conflict. Most of the Bracero workers were involved in harvesting cotton and tomatoes in California's San Joaquin Valley. As the Mexican Farm Labor Program (PL-78), enacted in 1951, was allowed to lapse on December 31, 1964, there were approximately 200,000 Mexican men employed in the United States under the program.

The Bracero Program had led thousands of families to move from over-populated, job-scarce rural communities in the interior of Mexico to towns along the Mexican side of the border, swelling the populations of Tijuana, Mexicali, Ciudad Juarez, and Matamoros. Typically, the mature men in these families would leave villages in the Mexican interior to find work on U.S. farms, and often were recruited by labor contractors. Many of these Braceros, rather than return to their home villages, would move their families to the border to make visits more frequent and less expensive. The settlement of these families in the border towns added to the housing shortage in border communities and further strained municipal services.²

In anticipation of expiration of the Bracero Program, the Government of Mexico developed a program to attract foreign investment to the border region to employ former Braceros and to mitigate the

economic and social problems that many believed would confront the region when the Bracero Program ended. It was in this context that the Government of Mexico established the Border Industrialization Program (BIP)³ in 1965.⁴ The Government of newly-elected President Diaz Ordaz created a frontier zone along the border into which companies would import machinery and components free of duty under bond. The bond would be returned to the Mexican importer when the components and/or machinery were exported. The attraction of foreign producers to these assembly plants would be relatively cheap labor and nearby access to the U.S. market. The BIP was based on the successful operation of export processing zones in Taiwan and Korea. The assembly plants, which were not allowed to sell any of their production to the domestic market in Mexico, were officially termed the "in-bond" industry.⁶

This BIP was established through an exchange of letters between the Secretary of Finance and the Secretary of Industry and Commerce under existing regulations. A committee consisting of representatives from these two Federal agencies would review

³ In Spanish, Programa Fronterizo de Industria, or PR.

⁴ Donald Baerresen, *The Border Industrialization Program of Mexico*, 1971.

In-bond plants could request permission to sell their products in the domestic market provided there was no Mexican production of competing goods.

⁶ According to Roberto E. Batres, Presidente, Arther D. Little Mexicana, S.A. de C.V., in an interview by Ralph Watkins, USITC, Mexico City, Mar. 1988, the Government of Mexico contracted with Arther D. Little de Mexico (ADL) in 1964 to propose a way to find jobs for the soon-to-be unemployed Braceros that would be returning to Mexico. The proposal that became the BIP was developed by ADL's Richard Bolin. The October 1964 report recommended the creation of industrial parks along the border that would recruit U.S. companies to establish "twin plants," with one twin plant on the Mexican side of the border employing unskilled workers in labor-intensive operations and the other twin on the U.S. side of the border maintaining the capital-intensive aspects of the company's production. In concept, both plants could be run by a single management team. Richard Bolin is currently the Director of the Flagstaff Institute at the University of Northern Arizona and the Executive Director of the World Export Processing Zones Association.

Philip L. Martin, "NAFTA, Migration, and U.S. Labor Markets" (University of California, Davis), September 29, 1992, p. 15.

² To address the unemployment problem and to make the border area more attractive to tourists from the United States, the Government of Mexico initiated the National Frontier Program (Pronaf) in 1962. The Government encouraged Mexican businesses to locate factories along the border to help integrate the border with the rest of the Mexican economy. Pronaf also "cleaned up" the border towns, built schools, and promoted cultural exchanges with the United States. Pronaf was headed by Antonio J. Bermudez, former director of PEMEX during the national petroleum company's 20 formative years after 1938. See Richard Bolin, "Maquiladora History and Prospects" in SEGUMEX, *Maquiladora Industry Annual Review 1990*.

applications by firms for in-bond status.⁷ No decree was issued and the program was not formalized into law until March of 1971.⁸ By the end of 1965, 12 in-bond plants were in operation, and employment in the in-bond industry totaled 3,000 workers.⁹

Growth of the Maquiladora Industry^o

The in-bond assembly industry in Mexico eventually grew to be known as the maquiladora¹ industry. It is now regulated by the Decree for the Development and Operation of the Maquiladora Industry.¹² Maquila operations were initially confined to a 20-kilometer strip along the U.S.-Mexico border. In 1972, the Government of Mexico opened up the rest of the country to maquila production, subject to government approval. Mexico further liberalized the Maquiladora Program in 1977 when it authorized selected maquilas to sell up to 20 percent of their production in the domestic market without payment of the bonded duties. However, several conditions had to be met to receive authorization to sell maquila products to the domestic market in Mexico. For example, the maquila product could not compete directly with a product made entirely in Mexico (using Mexican materials and parts), and the maquila product had to consist of at least 15 percent Mexican content. Until recent years, such permits were rare. Restrictions on maquiladora operations were again loosened in 1989, allowing up to 50 percent of a maquila's annual production to be sold in the Mexican market. Again, a permit is required.

⁷ For a description of the legal aspects of the BIP, or Maquiladora Program, see USITC, *The Impact of Increased United States-Mexico Trade on Southwest Border Development* (investigation No. 332-223), USITC publication 1915, Nov. 1986, p. 21ff; and USITC, *The Use and Economic Impact of TSUS Items 80630 and 807.00* (investigation No. 332-244), USITC publication 2053, Jan. 1988.

⁸ The WEFA Group and CIEMEX-WEFA, *The Implication for the U.S. Economy of Tariff Schedule Item 807 and Mexico's Maquiladora Program*, May 1988, p. 17.

⁹ USITC, *Imports Under Items 80630 and 807.00 of the Tariff Schedules of the United States, 1981-84*, May 1986.

¹⁰ For more information on the maquiladora industry, see USITC, *The Use and Economic Impact of TSUS Items 80630 and 807.00* (investigation No. 332-244). USITC publication 2053, Jan. 1988, Ch. 8. See also, U.S. Congress, Office of Technology Assessment, *U.S.-Mexico Trade: Pulling Together or Pulling Apart?*, ITE-545, Oct. 1992, pp. 65ff; and U.S. Department of Labor, Bureau of International Labor Affairs, *US. Employment Impact of TSUS 80630 and 807.00 Provisions and Mexican Maquiladoras: A Survey of Issues and Estimates*, Economic Discussion Paper 29, Aug. 1988, pp. 16ff.

¹¹ The terms maquiladora and maquila are derived from the Spanish word "maquilar"—to measure and take the miller's dues for grinding corn. From the *New Revised Velazquez Spanish and English Dictionary* (1967).

¹² *Diario Oficial*, Aug. 15, 1983.

By the close of 1992, the number of maquilas in operation had grown to 2,016 plants with employment totaling 465,620 (table 4-1). The chief appeal of the maquiladora industry is a combination of relatively low-cost labor and proximity to the U.S. market. Although wages may be higher in Mexico than some other developing countries, the improving productivity of the workers makes maquiladoras competitive. Mexican cities near the U.S. border also have advantages over other low-labor-cost locations. These include shorter lead times for plants in these cities for shipping materials and parts and returning assembled products to parent companies, close proximity to corporate planners and engineers in the United States, and well-developed infrastructure and services that U.S. twin cities can provide (such as transportation, communication, **customs, materials, parts, construction, repair, education, and health**). Plant managers in such cities also are afforded the option of living and raising their families on the U.S. side of the border.

The growth of the maquiladora industry has been greatly affected by (1) Mexico's overall economic performance and economic reforms, (2) trends in the value of the peso relative to the U.S. dollar, (3) increased competition from Asia for U.S. producers of articles requiring labor-intensive production processes, (4) trends in the U.S. business cycle,¹³ (5) trends in the difference in labor costs between Mexico and alternative locations for assembly in East Asia,¹⁴ and (6) the difference between Mexico and the United States in terms of hourly compensation and productivity. The peak years for growth in the maquiladora industry were 1987 and 1988 (table 4-1 and figure 4-1). These years were also the low point in terms of labor costs in Mexico and coincided with an acute foreign debt crisis in Mexico.¹⁵ As average hourly compensation in Mexico has increased, the growth of the maquiladora industry has slowed—or, in terms of employment, it may have reached a plateau in 1991-92. **In the view of some analysts,**

¹³ The relationship between trends in employment growth in the maquiladora industry and U.S. manufacturing production (total and in the electronics and transportation equipment sectors) is presented graphically in Elsie L. Echeverri-Carroll, "The Maquiladora Industry in the Context of a North American Free Trade Agreement," unpublished draft, University of Texas at Austin, 1993.

¹⁴ See table 1-9 of this report; USITC, *Production Sharing: U.S. Imports Under Harmonized Tariff Schedule Subheadings 9802.00.60 and 9802.00.80, 1988-91* (investigation No. 332-237), USITC publication 2592, Feb. 1993, p. 18; and Elsie Echeverri-Carroll, p. 7.

¹⁵ Oil export prices fell by more than 50 percent in early 1986, contributing to a decline in Mexico's oil exports from \$14.8 billion in 1985 to \$6.3 billion in 1986. This caused a 6-percent decline in Mexico's GDP in 1986—on top of the September 1985 earthquake that caused damage equivalent to 2 percent of Mexico's GDP. Heavy borrowing to cover budget shortfalls and the inability to repay debts on schedule resulted in 159 percent inflation in 1987. See Banco de Mexico, *The Mexican Economy*, June 1993, p. 2.

Table 4-1

The Mexican maquiladora Industry: Number of plants and employees, and average hourly compensation costs in Mexico and the United States, 1975 and 1980-92

Year	Number of:		Average hourly compensation manufacturing workers	
	Maquilas	Employees	Mexico	United States
1975	454	67,214	\$1.44	\$6.36
1980	620	119,546	2.18	9.87
1981	605	130,973	3.71	10.84
1982	585	127,048	2.54	11.64
1983	600	150,867	1.85	12.10
1984	672	199,684	2.04	12.51
1985	760	211,968	1.58	13.01
1986	890	249,833	1.49	13.21
1987	1,125	305,253	1.01	13.52
1988	1,396	369,489	1.25	13.91
1989	1,467	418,533	1.48	14.32
1990	1,707	447,606	1.64	14.91
1991	1,925	467,454	1.95	15.60
1992	2,016	465,620	2.35	16.17

Sources: For maquiladoras during 1980-91, compiled by the General Accounting Office from Mexico's Instituto Nacional de Estadística, Geografía y Información (INEGI) in General Accounting Office, *North American Free Trade Agreement: U.S.-Mexican Trade and Investment Data*, GAO/GGD-92-131, Sept. 1992, p. 84ff; for maquiladoras in 1970 and 1975, "Growth of Mexico's Maquiladora Industry," *Twin Plant News*, Dec. 1992, p. 76; for maquiladoras in 1992, "Maquiladora Scoreboard," *Twin Plant News*, Jan. 1993, p. 52; and for average hourly compensation costs, U.S. Department of Labor, Bureau of Labor Statistics, Office of Productivity and Technology, various reports.

when Mexican labor costs reached 15 percent of U.S. labor costs in 1992, Mexico's advantage in terms of average hourly compensation was balanced against the higher productivity of U.S. workers as well as other cost advantages of maintaining manufacturing in the United States. According to research by George Ingram, U.S. manufacturing compensation was 4.7 times the level of Mexican manufacturing compensation in 1991, but U.S. manufacturing productivity was 4.6 times as great.¹⁶

Growth in the industry was modest during its first 15 years, reaching 131,000 workers in 1981. However, maquiladora growth stagnated during 1981-83 as Mexico faced an economic crisis attributable to many causes—a global recession, declining Mexican oil export earnings and ensuing foreign debt payment crisis, the Mexican Government's reported failure to address structural problems in the economy, and Mexico's fiscal deficit financed by monetary expansion. Monetary expansion led to inflation and an overvalued peso, which in turn increased labor costs for U.S. companies with maquiladora operations.

The maquiladora industry resumed expansion after 1984 following the Mexican Government's efforts to stabilize the economy, resolve its foreign debt crisis,

and implement market-oriented economic reforms. Reforms such as trade policy liberalization and competitive devaluations of the peso have promoted economic stability, reduced inflation and generally lowered labor costs, and made Mexico a more attractive site for foreign investment.¹⁷

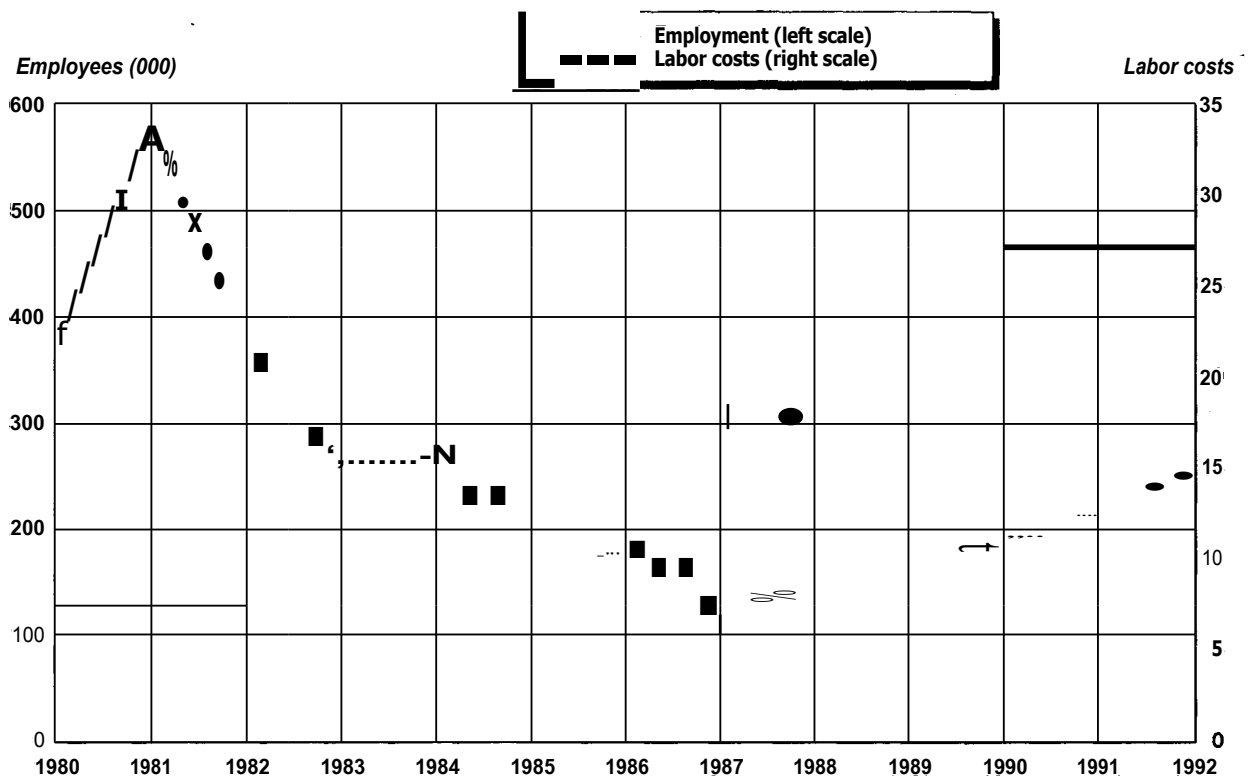
The sharp drop in labor costs in Mexico during 1984-87 attracted companies in the U.S. motor vehicle industry (particularly auto parts) to the maquiladora plants. U.S. car and truck companies were under great pressure in terms of competition from Japanese manufacturers during this period and, in turn, motor vehicle producers put pressure on their parts suppliers (even wholly-owned subsidiaries) to cut costs. For

¹⁷ For a discussion of Mexico's debt crisis in the mid-1980s and the policies of the Mexican Government in response to the crisis, see Banco de Mexico, *The Mexican Economy*, June 1993; USITC, *The Impact of Increased United States Mexico Trade on Southwest Border Development* (investigation No. 332-223), USITC publication 1915, Nov. 1986, p. 11ff; and USITC, *Recent Trade and Investment Reforms Undertaken by Mexico and Implications for the United States* (investigation No. 332-282 Phase I), USITC publication 2275, Apr. 1990, chaps. 1-2. Some analysts believe that, because of the large trade deficit that Mexico has accumulated in the last few years, Mexico will likely devalue the peso again to assuage concerns in financial markets about its accumulation of foreign debt. These analysts assert, however, that the passage of the NAFTA will restore confidence in the Mexican economy and that, because of NAFTA, Mexico will attract enough new foreign investment to comfortably maintain its current level of trade deficits, at least in the short term.

¹⁶ George M. Ingram, *NAFTA: Evaluating the Arguments*, Foreign Policy Institute, The Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University, 1993, p. 14.

Figure 4-1

Employment in Mexico's maquiladora industry and ratio of average hourly compensation costs for production workers in manufacturing in Mexico to that in the United States, 1980-92.



¹ Mexican labor costs as a percent of U.S. labor costs.

Source: Employment data compiled by the General Accounting Office and *Twin Plant News* from INEGI; hourly compensation costs from the U.S. Bureau of Labor Statistics.

- There is an inverse relationship between labor costs in Mexico (relative to those in the United States) and the use of maquilas by U.S. companies (as measured by employment in the maquiladora industry).
- There is approximately a one—year lag between the cause and effect among these two variables: as relative labor costs in Mexico increase, it takes time for U.S. companies to respond to the new information. First, companies must decide if the trend will endure; then, they must determine what the implications are for their total cost of production; and finally, it takes time to implement plans to relocate production.
- The increase in Mexican labor costs in 1981 resulted in decreased employment in the maquiladora industry in 1982 whereas the sharp reduction in labor costs in 1982 and subsequent years led to annual increases in employment that began in 1983.
- In conjunction with massive devaluations of the peso, Mexican labor costs reached a low point in 1987.
- However, as labor costs in Mexico climbed from 9 percent of U.S. labor costs to 15 percent during 1988-92, growth in maquiladora employment began to slow in 1989 and was flat in 1992.

many, the answer was moving assembly to Mexico—for others, it was Asia, and for some, Brazil.¹⁸

The first industries attracted to the border by the Maquiladora Program were involved in consumer electronics, printed circuit boards, toys, furniture, apparel (especially women's undergarments and disposable hospital gowns), padlocks, respiratory equipment, and operating room kits. Between 1980 and 1986, however, the transportation sector's share of total maquiladora production grew from 9 percent to 29 percent,¹⁹ and by 1991, the motor vehicle and parts industry accounted for 24 percent of total employment in the maquiladora industry. Electronic products accounted for 35 percent of employment, and apparel, just 10 percent.²⁰ The electronics industries of Silicon Valley and Orange County, California, tend to establish maquiladora operations in Tijuana and Mexicali just south of the California border; electronics firms of the Midwest (especially Minnesota, Illinois, and Indiana) tended to favor Juarez, Chihuahua, Nogales, Matamoros, and Reynosa; Midwest auto parts makers gravitated to Juarez, Matamoros, Reynosa, and Nuevo Laredo; men's trouser producers in the south looked to sewing operations in the Rio Grande Valley (as well as various locations in the Caribbean Basin); companies in the Los Angeles garment district turned to sewing operations in Tijuana to cut costs; furniture companies, faced with stiff air quality standards in the Los Angeles Basin, looked to Tijuana, Tecate, and Mexicali. By the end of 1992, despite the opening up of almost all of Mexico to the Maquiladora Program nearly two decades earlier, over 80 percent of all maquilas remained within 20 kilometers of the U.S. border.

¹⁸ See, for example, U.S. Congress, Office of Technology Assessment, *U.S.-Mexico Trade: Pulling Together or Pulling Apart?*, 1TE-545, Oct. 1992, and U.S. Congress, Congressional Budget Office, *A Budgetary and Economic Analysis of the North American Free Trade Agreement*, July 1993, and USITC, *The Likely Impact on the United States of a Free Trade Agreement With Mexico* (investigation No. 332-337), USITC publication 2353, Feb. 1991. Each discusses the involvement of the U.S. motor vehicle sector in the maquiladora industry.

¹⁹ WEFA, p. 24.

²⁰ United States General Accounting Office, *North American Free Trade Agreement: U.S.-Mexican Trade and Investment Data*, GAO/GGGD-92-131, Sept. 1992, p. 90ff.

Although Mexican companies had controlling ownership in 48 percent of all maquilas in 1991,²¹ maquiladoras buy less than 2 percent of their parts and materials from Mexican firms.²² Three-quarters of the components used by maquilas are imported from the United States and about one-sixth, from Japan and other East Asian sources.²³ Most of the Mexican-owned maquilas provide the physical structures for assembly by U.S. firms, as well as hire and manage employees, and assure compliance with Mexican government regulations. The contracting U.S. firms provide equipment, parts, materials, engineering, production management, and oversight. U.S. companies had controlling ownership of 45 percent of maquilas in 1991, and Japanese companies, 2 percent.

There were 52 Japanese-owned maquilas in 1992.²⁴ Most were involved in the assembly of televisions, stereos, appliances, and auto parts. The Japanese TV/electronics firms reportedly prefer Tijuana because of direct flights between Tokyo and Los Angeles, proximity to the U.S. electronic companies in Orange County and other California locales, and the cultural opportunities in Los Angeles and San Diego. Like their U.S. competitors, Japanese auto parts firms set up their maquiladoras in the Rio Grande Valley.²⁵

The following tabulation derived from the January 1993 issue of *Twin Plant News*, ranks the top locations for maquiladora operations by number of employees:

²¹ U.S. General Accounting Office, *North American Free Trade Agreement: U.S.-Mexican Trade and Investment Data*, GAO/GD-92-131, Sept. 1992, p. 97.

²² U.S. Congress, Office of Technology Assessment, *U.S.-Mexico Trade: Pulling Together or Pulling Apart?*, 1TE-545, Oct. 1992, p. 65.

²³ USITC, *The Use and Economic Impact of TSUS Items 80630 and 807.00* (investigation No. 332-244), USITC Publication 2144, Jan. 1988, pp. 3-12.

²⁴ United States General Accounting Office, *North American Free Trade Agreement: U.S.-Mexican Trade and Investment Data*, GAO/GGGD-92-131, Sept. 1992, p. 97.

²⁵ Elsie Echeverri-Carroll, *Maquilas: Economic Impacts and Foreign Investment Opportunities: The Japanese Maquilas, A Special Case Study*, paper presented at Maquila Seminar, Latin American Study Program, Wilson Center, Washington, DC, 1989.

City	State	Number of employees
Ciudad Juarez	Chihuahua	130,000
Tijuana	Baja California	71,490
Matamoros	Tamaulipas	38,268
Reynosa	Tamaulipas	30,000
Ciudad Chihuahua	Chihuahua	29,010
Nogales	Sonora	20,935
Mexicali	Baja California	20,223
Monterrey	Nuevo Leon	17,130
Ciudad Acuna	Coahila	13,332
Nuevo Laredo	Tamaulipas	10,000

According to the Banco de Mexico, the maquiladora industry accounted for 42 percent of total exports from Mexico to all markets during January-August 1993. By comparison, the petroleum industry accounted for 15 percent. Further, the maquiladora industry accounted for 79 percent of Mexico's exports of all manufactured goods. Imports for the maquiladora industry accounted for one quarter of total Mexican imports during the period.

Use of the Production-Sharing Tariff Provisions

Two U.S. tariff provisions facilitate the use of the maquiladora industry: 9802.00.60 (no duty is applied toward the value of U.S.-origin metal contained in articles that are imported into the United States for further processing) and 9802.00.80 (no duty is applied toward the value of U.S.-made components contained in imported articles). These tariff provisions were not created specifically to foster the development of the maquiladora sector in Mexico,²⁶ but Mexico fashioned

²⁶ In fact, the sponsor of the legislation from which the metal processing tariff provision originated intended for the tariff break to benefit a specific company in Michigan that, because of capacity constraints in Detroit, had contracted out processing to a nearby company in Ontario. For a description of the legislative history of the production sharing tariff provisions, see USITC, *Production Sharing: U.S. Imports Under Harmonized Tariff Schedule Subheadings 9802.00.60 and 9802.00.80, 1986-89* (investigation No. 332-237), USITC publication 2365, Mar. 1991, p. A-9.

its in-bond program to complement these U.S. provisions.²⁷ The level of imports from Mexico under these provisions followed a similar pattern to that of employment in the maquiladora industry during 1980-92, growing from \$2.3 billion to \$16.5 billion (table 4-2).²⁸

Motor vehicles and parts²⁹ are by far the most important products assembled in the maquiladoras, accounting for 45 percent of total imports from Mexico under 9802.00.80 in 1992. Televisions accounted for 11 percent; printed circuit boards, semiconductors, and other electronic components, for 10 percent; and apparel and other textile articles, for 8 percent.

²⁷ See, for example, Richard Bolin, "Maquiladora History and Prospects" in SEGUMEX, *Maquiladora Industry Annual Review 1990*.

²⁸ Note, however, that in 1982, there was a 9-percent increase in the value added in Mexico to production sharing imports from that country, but only a 1 percent increase in the value of the U.S.-made components being assembled. This reflects the higher cost of doing business in Mexico at a time when the peso was considered to be significantly overvalued. The 15 percent growth in production-sharing imports from Mexico in 1992 despite the lack of an increase in employment indicates both rising productivity in the maquilas and a move toward the assembly of higher value products.

²⁹ The "electrical conductors" category of imports has been combined with piston-type internal combustion engines and other motor vehicle parts in this calculation because ignition wiring sets for motor vehicles account for the vast majority of imports from Mexico in this category. U.S. imports of electrical conductors from Mexico under provision 9802.00.80 in 1992 amounted to \$1.7 billion.

Table 4-2
U.S. Imports from Mexico under the production sharing provisions, 1980-92

Year	Production sharing imports (Mexico)			Share of total imports from Mexico	U.S. content as share of total exports to Mexico
	Total	U.S. content	Value added		
	<i>Millions dollars</i>					Percent
1980	2,341	1,186	1,155	19	8
1981	2,709	1,438	1,271	20	8
1982	2,838	1,454	1,384	18	13
1983	3,714	1,907	1,807	22	22
1984	4,808	2,555	2,253	27	22
1985	5,567	2,956	2,611	29	23
1986	6,457	3,401	3,056	38	29
1987	8,689	4,493	4,196	44	32
1988	10,785	5,404	5,381	48	27
1989	11,969	6,126	5,843	45	25
1990	13,025	6,545	6,480	44	24
1991	14,334	7,255	7,079	47	23
1992	16,502	8,692	7,810	49	21

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

APPENDIX A
THE CUSTOMS TREATMENT OF HTS
PROVISIONS 9802.00.60 AND 9802.00.80

Provisions 9802.00.60 and 9802.00.80 of the Harmonized Tariff Schedule of the United States (HTS) are discussed in more detail in previous Commission reports on production sharing. (See USITC publications 2365, Mar. 1991 and 2469, Dec. 1991.) This appendix will examine the customs treatment of qualifying Caribbean Basin assembly and processing, the trade agreement status of the provisions, their relation to preferential tariff programs, and the special access program or special regime.

Caribbean Basin Assembly or Processing

U.S. note 2(b), subchapter II, HTS chapter 98, was enacted as section 222 of the Customs and Trade Act of 1990. The note provides the treatment of U.S.-origin components, materials, or ingredients assembled or processed in a designated Caribbean Basin Economic Recovery Act (CBERA) beneficiary, where the resulting goods do not otherwise qualify for duty-free entry under the program's rules of preference. This disqualification usually occurs because substantial transformation in the beneficiary country is deemed not to have occurred, or because inadequate value is added in or attributable to the beneficiary country. The note in chapter 98, by stating that covered goods shall not be considered foreign articles, effectively requires that they be considered to have domestic origin. The note also provides that these goods are not subject to duty upon entry into the U.S. customs territory.¹

Trade Agreement Status and Special Tariff Treatment

Although most rates of duty in column 1-general in chapters 1 through 97 of the HTS are "bound" concession rates under the General Agreement on Tariffs and Trade, the duty rates in 9802.00.60 and 9802.00.80 are not. Nor is the United States legally obliged to retain these tariff provisions, which are not part of the international Harmonized Commodity Description and Coding System (HS). Thus, with one exception, Congress may amend or repeal these tariff provisions without impairing U.S. trade agreement obligations or concessions, even though such action could result in an effective increase in the duties collected on currently eligible goods. The exception is found in the two U.S. free-trade agreements with Israel and Canada, which do require the United States to continue this duty treatment for qualifying goods.

In a two-tier determination, importers may claim preferential tariff rates under four programs as to goods found to be conditionally eligible for entry under these two provisions. The applicable preferential programs are the Automotive Products Trade Act, the Agreement on Trade in Civil Aircraft, the U.S.-Canada Free-Trade Agreement, and the U.S.-Israel Free Trade Area Implementation Act of 1985, all the foregoing are explained in general note 3(c) to the HTS. For shipments deemed covered by these two provisions, the special duty rate from the appropriate provision in HTS chapters 1-97 is ascertained. If the goods qualify under that program's rules of preference, that special duty rate would be applied to the dutiable portion of the shipment's value.

Special Access Program/Special Regime

Statistical reporting number 9802.00.8010 covers "articles eligible pursuant to bilateral textile agreements for entry under a Special Access Program or Special Regime, and entered in compliance

¹ The blanket exemption from duty for any qualifying shipment under the note (regardless of the otherwise applicable general or special duty rates provided for under the HTS), even for goods of U.S. origin, is not commonly afforded elsewhere in the HTS. See general note 1 to the HTS.

with procedures established by the Committee for the Implementation of Textile Agreements (CITA).² Importers are required to report on entry documents the value of the U.S.-fabricated components included in the merchandise and the shipment's dutiable value (total value less the value of U.S.-fabricated components), pursuant to statistical note 1(b), subchapter II, chapter 98. The Special Access Program (SAP) is available to designated CBERA beneficiary countries having bilateral textile agreements with the United States,³ while the Special Regime (SR) is limited to textile and apparel products of Mexico.

SAP bilateral agreements contain (1) guaranteed access levels (GALs) for apparel assembled in the particular CBERA country from U.S.-formed-and-cut fabric, and (2) regular quota limits for apparel of the applicable Multifiber Arrangement (MFA) categories but not of such fabric. According to CITA,⁴ a specific limit (SL) or a designated consultation level (DCL) for regular quotas and a GAL is negotiated for each MFA category covered by the SAP bilateral. GALs can be increased upon exporter request unless "unusual market disruption" occurs; SLs have set allowable annual percentage increases; and DCLs are increased only after bilateral consultation. GAL shipments under provision 9802.00.80 "typically qualify to have duty only assessed on the value added overseas (under HTS tariff line 9802); however those entering under the "H" provision lose this duty benefit."⁵ Special CBI⁶ Export Declarations must be filed at the time of exportation of fabric parts from the United States, and the Customs Service can request documentary proof of the U.S. forming and cutting of such parts. Foreign-origin trimmings, fasteners, and similar articles not exceeding 25 percent of the cost of components in the assembled product do not disqualify an apparel article from entry under the GAL/SAP. Also, CBERA assemblers must file declarations, and goods must be accompanied by the textile visas and certificates of origin specified in the bilaterals.

The SR resulted from a 1988 bilateral agreement between the United States and Mexico, under which many textile categories received quotas that "distinguish between Mexican products produced from foreign fabric and Mexican products assembled from U.S. formed and cut fabrics. In essence, each such category has a sublimit for products that are not assembled from U.S. formed and cut fabric."⁷ To be eligible, goods must be eligible for entry under the heading, except that goods that enter under the SAP would be covered by the "H" provision, and may qualify for inclusion under the SR despite being excluded from the provision. The SR differs from the SAP in that, under the SR, each category is subject to an SL, within which a sublimit is negotiated for apparel assembled from foreign fabric. Thus, all SR shipments are charged against Mexico's quota for each category, in contrast to GAL shipments, which are not charged against a CBERA beneficiary's quota. In other respects, the two programs share many criteria and exclusions, particularly as to foreign-origin trimmings, fastenings, and similar components. The SR seems to have more stringent documentation and audit provisions, probably due to the wider range of goods potentially qualifying (under the larger Mexican textile/maquiladora industry), and all goods involved must enter through one of the common border ports of entry. Under both the SR and the SAP, foreign-origin fabric that is finished in the United States and then cut for assembly abroad cannot be the basis for a claim of entry under the provision.

User Fees

As noted in earlier Commission reports on these tariff provisions, the advent of the customs user fee on December 1, 1986, prompted an increase in the quantity of goods for which eligibility for entry

² See chapter 98 of the HTS for the legal text of the provisions and applicable notes.

³ Announced by President Reagan on Feb. 20, 1986, and implemented June 11, 1986 (51 FR 21208).

⁴ U.S. Department of Commerce, Office of Textiles and Apparel, *Special Access Program Information Brochure*, Dec. 1990.

⁵ Ibid., pp. 1-2. CITA says the "H" provision covers "the reimportation of apparel which has been assembled from U.S. components and bleached, permapressed, stonewashed, acidwashed, or dyed following assembly." These processes may be among those that Customs would not deem to be permissible incidental operations under heading 9802.00.80, regardless of the country involved, so that such goods must be excluded from the SAP.

⁶ Caribbean Basin Initiative.

⁷ *Mexican Special Regime Program Information Brochure: Implementation Manual*, prepared by the Office of Textiles and Apparel in cooperation with the Customs Service, Oct. 24, 1988.

was claimed under the conditionally duty-free provisions of HTS chapter 98. Initially, the fee was not viewed as permanent, but it has been continued to help defray costs of the Customs Service administration. The user fee is applied to the dutiable value (foreign value added) for imports under HTS 9802.00.60 and 9802.00.80, but not to the nondutiable (U.S.-origin) value. The user fee (properly known as the merchandise-processing fee) was set at 0.22 percent ad valorem on imported merchandise, with certain exclusions—among them, articles provided for in chapter 98 of the HTS. From October 1, 1987 through December 31, 1989, the fee was 0.17 percent ad valorem; subsequently, the fee was restructured and continued at the 0.17-percent rate but with a floor (\$21 minimum fee per entry) and cap (\$400 maximum fee) from October 1, 1990 onward. Current Customs regulations reflect a fee for formal entries of 0.17 percent ad valorem, with the floor and cap unchanged.⁸ A \$3 surcharge is added to entries processed manually.

Under article 403 of the U.S.-Canada Free-Trade Agreement (and section 24.23 of the Customs regulations), goods originating in the territory of Canada were assessed the merchandise-processing fee under a negotiated phase-out scheme. During 1992, the applicable fee was 40 percent of the fee otherwise applicable, while in 1993 a 20-percent fee level was charged; the fee was eliminated on January 1, 1994. Goods from other countries entered under chapter 98 are to be subject to the imposition of the fee, with limited exceptions for products of preference-eligible countries.

⁸ 19 C.F.R. sec. 24.23.

APPENDIX B

STATISTICAL TABLES

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B-2

Table B-2
U.S. Imports for consumption under HTS provision 9802.00.60: Value and share of total, by
principal sources, 1989-92

Source	1989					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
	<i>Million dollars</i>			<i>Percent</i>		
Canada	808.6	449.3	359.4	70.9	64.4	80.9
Japan	67.1	43.4	23.7	5.9	6.2	5.3
Germany	39.0	26.1	12.9	3.4	3.7	2.9
France	5.8	4.2	1.6	.5	.6	.4
All other	5.9	3.1	2.8	.5	.4	.6
Total, developed countries	926.6	526.1	400.4	81.2	75.5	90.1
Mexico	181.1	142.3	38.8	15.9	20.4	8.7
Dominican Republic	17.8	17.3	.5	1.6	2.5	.1
Argentina	9.5	7.2	2.2	.8	1.0	.5
All other	6.4	4.2	2.1	.5	.6	.6
Total, less developed countries	214.8	171.0	43.8	18.8	24.5	9.9
Grand total	1,141.3	697.1	444.2	100.0	100.0	100.0
	1990					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
	<i>Million dollars</i>			<i>Percent</i>		
Canada	901.5	481.7	419.8	65.3	58.9	74.8
Japan	188.7	129.4	59.2	13.7	15.8	10.6
Germany	30.5	17.2	13.2	2.2	2.1	2.4
France	20.5	12.9	7.6	1.5	1.6	1.4
All other	16.8	10.8	6.1	1.2	1.3	1.1
Total, developed countries	1,158.0	652.0	506.0	83.9	79.7	90.1
Mexico	185.1	138.6	46.5	13.4	16.9	8.3
Dominican Republic	16.8	16.4	.4	1.2	2.0	.1
South Korea	5.8	3.1	2.7	.4	.4	.5
Taiwan	4.7	4.1	.6	.3	.5	.1
All other	9.3	4.2	5.1	.7	.5	.8
Total, less developed countries	221.9	166.4	55.5	16.1	20.3	9.9
Grand total	1,379.8	818.4	561.4	100.0	100.0	100.0

See notes at end of table.

Table 8-2-Continued
U.S. imports for consumption under HTS provision 9802.00.60: Value and share of total, by
principal sources, 1989-92

Source	1991					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
	<i>Million dollars</i>			<i>Percent</i>		
Canada	809.2	389.5	419.8	70.5	61.8	81.1
Japan	94.5	61.7	32.8	8.2	9.8	6.3
Germany	15.3	10.4	4.9	1.3	1.7	.9
Belgium	10.2	7.8	2.4	.9	1.2	.5
France	6.6	4.7	2.0	.6	.7	.4
United Kingdom	5.7	3.6	2.1	.5	.6	.4
All other	2.3	1.1	1.2	.2	.2	.2
Total, developed countries	944.0	478.8	465.2	82.3	76.0	89.8
Mexico	184.5	137.9	46.6	16.1	21.9	9.0
Greece	9.8	7.1	2.7	.9	1.1	.5
Argentina	4.0	3.0	1.0	.3	.5	.2
All other	5.4	3.0	2.3	.5	.5	.4
Total, less developed countries	203.7	151.2	52.6	17.7	24.0	10.2
Grand total	1,147.7	629.9	517.8	100.0	100.0	100.0
	1992					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
	<i>Million dollars</i>			<i>Percent</i>		
Canada	681.4	368.1	313.3	66.7	61.1	74.9
Japan	68.6	39.6	29.0	6.7	6.6	6.9
Germany	7.4	3.7	3.7	.7	.6	.9
France	5.1	3.1	2.0	.5	.5	.5
Switzerland	2.9	1.0	1.9	.3	.2	.5
Belgium	2.6	1.6	1.0	.3	.3	.2
Australia	1.6	1.0	.6	.2	.2	.1
All other	2.1	1.2	.9	.2	.2	.2
Total, developed countries	771.6	419.3	352.3	75.6	69.6	84.3
Mexico	231.7	171.7	60.0	22.7	28.5	14.3
Taiwan	8.6	5.8	2.8	.8	1.0	.7
South Korea	5.4	4.0	1.4	.5	.7	.3
All other	3.6	1.8	1.8	.4	.3	.4
Total, less developed countries	249.2	183.4	65.8	24.4	30.4	15.7
Grand total	1,020.9	602.7	418.2	100.0	100.0	100.0

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-3

U.S. Imports for consumption under HTS provision 9802.00.60, by commodity groups, 1989-92
(In thousands of dollars)

Source	1989			1990		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products	0	0	0	4,016	543	3,473
Forest products	0	0	0	42	32	10
Textiles, apparel, and footwear	0	0	0	5	4	1
Chemicals, coal, petroleum, natural gas, and related products:						
Certain inorganic chemical compounds	18,819	11,688	7,132	17,072	9,572	7,499
All other articles	28	5	23	54	16	38
Total	18,848	11,692	7,155	17,126	9,588	7,538
Minerals and metals:						
Iron and steel mill products, all grades	117,551	76,412	41,139	131,386	88,840	42,547
Shapes and plates of iron or steel, all grades	824	588	236	382	209	173
Pipe and tubing of iron or steel, all grades	11,961	9,279	2,682	8,914	6,613	2,301
Wire and wire products of iron or steel, all grades	3,283	2,307	976	1,588	897	691
Sheets and strip of iron or steel, all grades, including tin mill products	75,612	56,727	18,885	105,837	76,689	29,148
Other	25,872	7,512	18,360	14,665	4,431	10,233
Copper, wrought	35,463	22,982	12,481	22,865	13,939	8,926
Aluminum	279,576	240,357	39,219	398,422	312,404	86,018
Aluminum, wrought other than foil	271,638	236,097	35,541	377,080	301,458	75,622
Aluminum foil	7,938	4,260	3,678	21,343	10,946	10,397
Nickel, wrought	167	104	64	75	67	8
Lead, unwrought	891	489	402	238	172	66
Tantalum, unwrought, unalloyed	1,407	782	625	924	524	400
Titanium, wrought	12,584	10,124	2,460	13,286	10,820	2,466
Tungsten, unwrought	403	37	367	376	46	330
Tungsten, wrought	10	3	6	0	0	0
Hinges, fittings and mountings, n.s.p.f.	4,536	1,964	2,572	4,695	2,282	2,413
Interchangeable tools for hand-tools or for machine tools	2,056	1,24	812	2,376	1,105	1,270
All other articles	14,617	10,280	4,337	14,833	10,433	4,400
Total	469,261	364,777	104,484	589,476	440,632	148,844

See notes at end of table.

Table B-3-Continued
U.S. Imports for consumption under HTS provision 9802.00.60, by commodity groups, 1989-92
(In thousands of dollars)

Source	1989			1990		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment						
Parts of steam generating boilers	13	12	1	0	0	0
Parts of steam turbines	0	0	0	0	0	0
Internal combustion engines and parts thereof	24,300	13,649	10,651	16,505	11,199	5,307
Pumps and compressors, and parts thereof	947	542	405	547	308	239
Lifting, handling, loading, and unloading machinery and parts thereof	397	207	190	64	59	6
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	1,109	537	573	761	424	337
Office machines and parts thereof	433	285	148	825	445	380
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	3,606	1,969	1,637	4,414	3,123	1,291
Miscellaneous machinery parts	23,657	16,128	7,529	23,586	15,341	8,244
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	18,143	13,908	4,235	20,434	14,948	5,486
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	77	21	55	280	149	131
Electrical capacitors	15	4	10	0	0	0
Articles for making and breaking electrical circuits	136,858	97,688	39,170	155,407	115,267	40,140
Electronic tubes (except X-ray)	174	109	65	0	0	0
Semiconductors	2,458	1,335	1,123	2,126	1,015	1,112
Miscellaneous electrical articles	750	409	341	905	637	268
Parts for rail locomotives and rolling stock	1,396	896	500	402	90	312
Bodies and chassis for motor vehicles, and other motor vehicle parts	18,087	13,268	4,820	23,336	18,090	5,245
Parts of aircraft and space-craft	353,761	100,413	253,348	456,866	133,498	323,368
All other articles	906	614	292	5,648	3,650	1,999
Total	587,085	261,992	325,093	712,108	318,245	393,863
Miscellaneous manufactures	66,139	58,646	7,493	57,050	49,360	7,690
Grand total	1,141,333	697,107	444,226	1,379,823	818,404	561,419

See notes at end of table.

Table 8-3-Continued

U.S. Imports for consumption under HTS provision 9802.00.60, by commodity groups, 1989-92
(In thousands of dollars)

Source	1991			1992		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products	0	0	0	168	152	16
Forest products	35	35	(1)	5	2	3
Textiles, apparel, and footwear	23	21	2	251	168	83
Chemicals, coal, petroleum, natural gas, and related products:						
Certain inorganic chemical compounds	5,896	4,046	1,850	5,716	2,780	2,936
All other articles	34	31	4	21	17	4
Total	5,930	4,077	1,854	5,737	2,797	2,940
Minerals and metals:						
Iron and steel mill products, all grades	126,055	92,142	33,913	111,476	77,153	34,323
Shapes and plates of iron or steel, all grades	798	630	168	355	213	142
Pipe and tubing of iron or steel, all grades	7,087	5,147	1,940	3,276	2,236	1,041
Wire and wire products of iron or steel, all grades	1,926	1,393	533	1,724	1,371	353
Sheets and strip of iron or steel, all grades, including tin mill products	107,592	80,272	27,320	103,611	72,258	31,353
Other	8,652	4,700	3,952	2,510	1,076	1,434
Copper, wrought	23,280	15,471	7,809	44,385	31,515	12,871
Aluminum	269,245	218,639	50,606	256,620	213,256	43,364
Aluminum, wrought other than foil	254,700	211,080	43,620	245,837	208,393	37,444
Aluminum foil	14,544	7,558	6,986	10,784	4,863	5,920
Nickel, wrought	5,566	4,052	1,513	79	52	27
Lead, unwrought	196	128	69	252	166	86
Tantalum, unwrought, unalloyed	125	63	62	153	46	107
Titanium, wrought	6,575	5,514	1,061	2,684	2,217	467
Tungsten, unwrought	133	28	105	208	64	144
Tungsten, wrought	0	0	0	0	0	0
Hinges, fittings and mountings, n.s.p.f.	3,171	1,557	1,614	2,904	1,329	1,575
Interchangeable tools for hand-tools or for machine tools	6,399	3,490	2,909	2,451	1,957	494
All other articles	11,576	7,987	3,589	12,029	8,076	3,953
Total	452,321	349,070	103,251	433,241	335,831	97,410

See notes at end of table.

Table B-3-Continued

U.S. Imports for consumption under HTS provision 9802.00.60, by commodity groups, 1989-92
(In thousands of dollars)

Source	1991			1992		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment:						
Parts of steam generating boilers	54	52	2	5	4	1
Parts of steam turbines	121	89	32	204	160	44
Internal combustion engines and parts thereof	20,889	16,044	4,845	54,829	31,521	23,308
Pumps and compressors, and parts thereof	1,308	862	446	349	183	166
Lifting, handling, loading, and unloading machinery and parts thereof	11	11	1	70	25	44
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	284	119	164	481	216	265
Office machines and parts thereof	138	111	26	11	8	3
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	7,378	5,570	1,808	8,934	7,836	1,098
Miscellaneous machinery parts	8,492	5,185	3,307	12,473	5,874	6,598
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	25,048	14,944	10,104	21,133	15,726	5,407
Microphones, loudspeakers, and related equipment; and radiotelegraphic and radiotelephonic apparatus and related equipment	9	3	6	0	0	0
Electrical capacitors	0	0	0	0	0	0
Articles for making and breaking electrical circuits	2,315	1,627	688	3,967	3,311	656
Electronic tubes (except X-ray)	0	0	0	0	0	0
Semiconductors	118	60	58	0	0	0
Miscellaneous electrical articles	3,180	2,402	778	1,192	813	378
Parts for rail locomotives and rolling stock	1,578	340	1,237	5,234	1,695	3,540
Bodies and chassis for motor vehicles, and other motor vehicle parts	21,333	16,619	4,714	26,095	19,789	6,305
Parts of aircraft and space-craft	556,801	181,217	375,583	393,662	134,970	258,692
All other articles	2,790	1,918	872	2,986	2,530	456
Total	651,846	247,173	404,673	531,624	224,662	306,962
Miscellaneous manufactures	37,551	29,544	8,007	49,831	39,081	10,750
Grand total	1,147,706	629,920	517,786	1,020,857	602,693	418,164

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-4
U.S. Imports for consumption under HTS provision 9802.00.60, by principal sources, 1992

Source	Total value		Duty-free value	
	Value	Percent of total	Value	Percent of total
	<i>Million dollars</i>		<i>Million dollars</i>	
Grand total	1,020.9	100.0	602.7	100.0
Top 10 sources, total	1,015.3	99.5	599.6	99.5
Canada	681.4	66.7	368.1	61.1
Mexico	231.7	22.7	171.7	28.5
Japan	68.6	6.7	39.6	6.6
Taiwan	8.6	.8	5.8	1.0
Germany	7.4	.7	3.7	.6
South Korea	5.4	.5	4.0	.7
France	5.1	.5	3.1	.5
Switzerland	2.9	.3	1.0	.2
Belgium	2.6	.3	1.6	.3
Australia	1.6	.2	1.0	.2
All other	5.6	.5	3.1	.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.

Table B-5
U.S. Imports for consumption from Canada under HTS provision 9802.00.60, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Forest products	5	2	3
Textiles, apparel, and footwear	251	168	83
Minerals and metals:			
Iron and steel mill products, all grades	9,677	6,681	2,995
Shapes and plates of iron or steel, all grades	355	213	142
Pipe and tubing of iron or steel, all grades	2,785	1,875	910
Wire and wire products of iron or steel, all grades	1,309	1,092	217
Sheets and strip of iron or steel, all grades, including tin mill products	3,222	2,808	414
Other	2,005	693	1,312
Copper, wrought	16,487	15,198	1,289
Aluminum	211,961	185,753	26,208
Aluminum, wrought other than foil	211,613	185,591	26,022
Aluminum foil	347	162	185
Lead, unwrought	252	166	86
Titanium, wrought	2,644	2,209	435
Hinges, fittings and mountings, n.s.p.f.	1,286	317	969
Interchangeable tools for hand-tools or for machine tools	2,449	1,956	494
All other articles	1,549	1,089	460
Total	246,304	213,369	32,935
Machinery and equipment:			
Parts of steam generating boilers	5	4	1
Parts of steam turbines	204	160	44
Internal combustion engines and parts thereof	25,242	10,368	14,874
Pumps and compressors, and parts thereof	349	183	166
Lifting, handling, loading, and unloading machinery and parts thereof	34	14	20
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	450	212	238
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	1,648	1,419	229
Miscellaneous machinery parts	12,226	5,725	6,501
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	10	2	8
Articles for making and breaking electrical circuits	335	104	231
Miscellaneous electrical articles	438	266	172
Bodies and chassis for motor vehicles, and other motor vehicle parts	268	131	137
Parts of aircraft and space-craft	390,614	133,425	257,189
All other articles	2,977	2,524	452
Total	434,799	154,534	280,264
Miscellaneous manufactures	55	17	37
Grand total	681,414	368,091	313,323

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-6
U.S. imports for consumption from Mexico under HTS provision 9802.00.60, by commodity groups, 1992

(In thousands of dollars)

Commodity grOup	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Iron and steel mill products, all grades	83,788	57,826	25,962
Pipe and tubing of iron or steel, all grades	172	74	98
Wire and wire products of iron or steel, all grades	73	69	5
Sheets and strip of iron or steel, all grades, including tin mill products	83,195	57,406	25,789
Other	347	278	69
Aluminum:			
Aluminum, wrought other than foil	2,071	1,918	152
Hinges, fittings and mountings, n.s.p.f	1,586	1,008	578
All other articles	8,052	5,814	2,238
Total	95,497	66,567	28,930
Machinery and equipment:			
Internal combustion engines and parts thereof	28,954	20,871	8,082
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	16	1	15
Office machines and parts thereof	9	7	3
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	7,226	6,394	832
Miscellaneous machinery parts	25	9	16
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	21,059	15,716	5,343
Articles for making and breaking electrical circuits	3,631	3,207	424
Miscellaneous electrical articles	754	548	206
Bodies and chassis for motor vehicles, and other motor vehicle parts	25,827	19,658	6,169
All other articles	6	2	4
Total	87,506	66,413	21,093
Miscellaneous manufactures	48,655	38,678	9,977
Grand total	231,658	171,659	59,999

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-7
U.S. Imports for consumption from Japan under HTS provision 9802.00.60, by commodity groups,
1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Chemicals, coal, petroleum, natural gas, and related products:			
All other articles	21	17	4
Minerals and metals:			
Iron and steel mill products, all grades:			
Sheets and strip of iron or steel, all grades, including tin mill products	15	9	6
Copper, wrought	27,140	15,815	11,325
Aluminum	34,762	21,553	13,210
Aluminum, wrought other than foil	26,999	17,741	9,258
Aluminum foil	7,763	3,811	3,952
Total	61,918	37,377	24,541
Machinery and equipment:			
Parts for rail locomotives and rolling stock	5,234	1,695	3,540
Parts of aircraft and space-craft	1,385	483	901
All other articles	4	4	(¹)
Total	6,623	2,182	4,441
Grand total	68,562	39,576	28,987

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-8
U.S. Imports for consumption from Taiwan under HTS provision 9802.00.60, by commodity groups,
1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Iron and steel mill products, all grades:			
Sheets and strip of iron or steel, all grades, including tin mill products	8,444	5,785	2,659
Hinges, fittings and mountings, n.s.p f	3	(¹)	3
Total	8,448	5,785	2,662
Miscellaneous manufactures	129	15	115
Grand total	8,577	5,800	2,777

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-9
U.S. Imports for consumption from Germany under HTS provision 9802.00.60, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Chemicals, coal, petroleum, natural gas, and related products:			
Certain inorganic chemical compounds	5,716	2,780	2,936
Minerals and metals:			
Iron and steel mill products, all grades:			
Sheets and strip of iron or steel, all grades, including tin mill products	102	56	46
Copper, wrought	39	24	15
Aluminum	40	17	23
Aluminum, wrought other than foil	17	9	8
Aluminum foil	23	9	15
Nickel, wrought	18	17	1
Tantalum, unwrought, unalloyed	153	46	107
Tungsten, unwrought	208	64	144
All other articles	792	433	359
Total	1,352	658	694
Machinery and equipment:			
Miscellaneous machinery parts	204	137	67
Miscellaneous manufactures	110	93	17
Grand total	7,382	3,668	3,714

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-10
U.S. Imports for consumption from South Korea under HTS provision 9802.00.60, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Iron and steel mill products, all grades:			
Pipe and tubing of iron or steel, all grades	318	286	32
Sheets and strip of iron or steel, all grades, including tin mill products	5,076	3,731	1,345
Total	5,395	4,018	1,377
Machinery and equipment:			
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	20	20	1
Grand total	5,415	4,037	1,377

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-11
U.S. imports for consumption from France under HTS provision 9802.00.60, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Aluminum:			
Aluminum, wrought other than foil	..... 5,137	..... 3,134	2,003

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-12
U.S. Imports for consumption from Switzerland under HTS provision 9802.00.60, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products	168	152	16
Minerals and metals:			
Aluminum:			
Aluminum foil	2,539	844	1,695
All other articles	236	53	183
Total	2,775	897	1,877
Grand total	2,942	1,049	1,893

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-13
U.S. imports for consumption from Belgium under HIS provision 9802.00.60, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Iron and steel mill products, all grades:			
Sheets and strip of iron or steel, all grades, including			
tin mill products	2,197	1,413	784
Copper, wrought	262	162	100
Aluminum:			
Aluminum foil	111	37	74
Total	2,570	1,612	958

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-14
U.S. Imports for consumption from Australia under HTS provision 9802.00.60, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
All other articles	27	5	22
Machinery and equipment:			
Parts of aircraft and space-craft	1,555	993	562
Grand total	1,582	998	584

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-15
U.S. Imports for consumption under HIS provision 9802.00.80: Value and share of total, by
principal sources, 1989-92

Source	1989					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
	<i>Million dollars</i>			<i>Percent</i>		
Canada	25,725.9	8,478.4	17,247.5	35.2	44.8	31.9
Japan	16,838.4	392.3	16,446.1	23.1	2.1	30.4
Germany	3,932.6	65.1	3,867.5	5.4	.3	7.1
Sweden	1,761.1	39.1	1,722.0	2.4	.2	3.2
United Kingdom	1,320.4	146.0	1,174.5	1.8	.8	2.2
France	725.8	96.5	629.3	1.0	.5	1.2
Belgium	426.6	6.4	420.2	.6	.9	.8
Italy	362.5	55.4	307.1	.5		.6
All other	409.5	91.3	318.2	.5	.4	.5
Total, developed countries	51,502.7	9,370.4	42,132.3	70.5	49.5	77.9
Mexico	11,766.7	5,969.0	5,797.7	16.1	31.5	10.7
South Korea	1,978.0	574.1	1,403.9	2.7	3.0	2.6
Singapore	1,376.9	342.2	1,034.8	1.9	1.8	1.9
Malaysia	1,315.6	596.0	719.6	1.8	3.2	1.3
Taiwan	1,061.7	259.7	802.1	1.5	1.4	1.5
Brazil	933.5	98.2	835.3	1.3	.5	1.5
Dominican Republic	665.0	456.5	208.5	.9	2.4	.4
Philippines	588.9	247.6	341.3	.8	1.3	.6
Hong Kong	306.4	97.5	209.0	.4	.5	.4
Thailand	277.7	154.7	122.9	.4	.8	.2
Costa Rica	277.5	187.6	89.9	.4	1.0	.2
Haiti	220.7	154.6	66.0	.3	.8	.1
Jamaica	164.4	116.9	47.5	.2	.6	.1
All other	596.1	296.1	299.7	.8	1.5	.6
Total, less developed countries	21,529.0	9,550.8	11,978.2	29.5	50.5	22.1
Grand total	73,031.8	18,921.3	54,110.5	100.0	100.0	100.0

See notes at end of table.

Table B-15-Continued
U.S. Imports for consumption under HTS provision 9802.00.80: Value and share of total, by principal sources, 1989-92

Source	1990					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
	<i>Million dollars</i>			<i>Percent</i>		
Canada	23,957.7	9,538.2	14,419.5	31.9	45.8	26.6
Japan	17,106.8	582.4	16,524.4	22.8	2.8	30.4
Germany	5,771.0	94.6	5,676.3	7.7	.5	10.5
Sweden	1,610.0	48.6	1,561.4	2.1	.2	2.9
United Kingdom	1,434.7	166.9	1,267.8	1.9	.8	2.3
France	976.0	110.2	865.8	1.3	.5	1.6
Italy	452.8	57.5	395.3	.6	.3	.7
Belgium	444.5	7.5	437.0	.6	(¹)	.8
Netherlands	378.5	91.0	287.5	.5	.4	.5
All other	254.0	38.6	215.4	.4	.3	.5
Total, developed countries	52,386.1	10,735.5	41,650.7	69.8	51.6	76.7
Mexico	12,811.2	6,387.5	6,423.7	17.1	30.7	11.8
South Korea	2,182.3	602.1	1,580.2	2.9	2.9	2.9
Malaysia	1,351.2	578.1	773.1	1.8	2.8	1.4
Singapore	1,334.3	352.9	981.5	1.8	1.7	1.8
Taiwan	957.2	235.4	721.8	1.3	1.1	1.3
Dominican Republic	704.3	488.5	215.8	.9	2.3	.4
Brazil	655.8	65.5	590.3	.9	.3	1.1
Philippines	595.8	259.4	336.4	.8	1.2	.6
Thailand	481.4	196.9	284.4	.6	.9	.5
Costa Rica	310.5	214.5	96.0	.4	1.0	.2
Hong Kong	306.3	97.4	208.8	.4	.5	.4
Haiti	189.6	134.5	55.0	.3	.6	.1
Jamaica	161.7	120.5	41.2	.2	.6	.1
All other	694.4	350.5	343.9	.8	1.7	.6
Total, less developed countries	22,736.0	10,083.8	12,652.2	30.2	48.4	23.3
Grand total	75,122.2	20,819.2	54,302.9	100.0	100.0	100.0

See notes at end of table.

Table B-15-Continued
U.S. imports for consumption under HTS provision 9802.00.80: Value and share of total, by principal sources, 1989-92

Source	1991					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
	<i>Million dollars</i>			<i>Percent</i>		
Japan	16,838.7	472.2	16,366.6	29.9	3.4	38.6
Canada	7,459.0	2,123.9	5,335.1	13.2	15.3	12.6
Germany	4,605.3	84.6	4,520.7	8.2	.6	10.7
Sweden	915.9	25.3	890.6	1.6	.2	2.1
France	866.6	54.5	812.1	1.5	.4	1.9
United Kingdom	775.4	65.0	710.4	1.4	.5	1.7
Australia	256.4	10.6	245.8	.5	.1	.6
Belgium	238.3	7.3	231.0	.4	.1	.5
All other	615.4	140.9	474.5	1.1	1.0	1.1
Total, developed countries	32,571.1	2,984.3	29,586.8	57.8	21.5	69.7
Mexico	14,127.3	7,103.1	7,024.2	25.1	51.2	16.5
South Korea	2,050.7	494.6	1,556.1	3.6	3.6	3.7
Malaysia	1,263.1	531.9	731.2	2.2	3.8	1.7
Singapore	978.3	289.6	688.7	1.7	2.1	1.6
Dominican Republic	944.5	642.6	301.9	1.7	4.6	.7
Taiwan	813.8	219.6	594.2	1.4	1.6	1.4
Philippines	621.9	283.2	338.6	1.1	2.0	.8
Brazil	478.2	38.4	439.7	.8	.3	1.0
Thailand	395.9	157.8	238.1	.7	1.1	.6
Costa Rica	378.8	263.8	115.1	.7	1.9	.3
Hong Kong	324.9	112.5	212.4	.6	.8	.5
Guatemala	226.6	117.1	109.5	.4	.8	.3
Jamaica	176.4	132.4	44.0	.3	1.0	.1
Haiti	172.2	124.1	48.1	.3	.9	.1
All other	784.6	370.3	414.3	1.4	2.7	1.0
Total, less developed countries	23,736.9	10,880.9	12,856.1	42.2	78.5	30.3
Grand total	56,308.0	13,865.1	42,442.8	100.0	100.0	100.0

See notes at end of table.

Table B-15-Continued
U.S. Imports for consumption under HTS provision 9802.00.80: Value and share of total, by principal sources, 1989-92

Source	1992					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Japan	17,620.7	495.9	17,124.9	31.8	3.4	42.1
Germany	5,332.4	86.2	5,246.3	9.6	.6	12.9
Canada	2,901.3	811.5	2,089.7	5.2	5.5	5.1
France	919.8	57.8	862.0	1.7	.4	2.1
United Kingdom	740.6	74.2	666.4	1.3	.5	1.6
Sweden	324.7	13.7	311.0	.6	.1	.8
Netherlands	234.9	55.5	179.5	.4	.4	.4
Ireland	189.2	58.6	130.6	.3	.4	.3
Australia	152.2	1.8	150.4	.3	.1	(¹)
Italy	133.1	21.7	111.5	.2	.1	.3
Austria	57.8	20.0	37.8	.1	.1	.1
Belgium	43.7	6.9	36.8	.1	(.1)	(.1)
All other	28.0	5.9	22.1	(1)	(1)	(1)
Total, developed countries	28,678.7	1,709.6	26,969.2	51.6	11.6	66.4
Mexico	16,248.1	8,506.5	7,741.6	29.3	57.7	19.1
South Korea	1,575.7	439.0	1,136.7	2.8	3.0	2.8
Malaysia	1,374.9	610.6	764.3	2.5	4.1	1.9
Dominican Republic	1,268.3	871.1	397.1	2.3	5.9	1.0
Singapore	1,205.8	344.4	861.4	2.2	2.3	2.1
Taiwan	898.8	297.8	601.0	1.6	2.0	1.5
Philippines	823.4	367.8	455.6	1.5	2.5	1.1
Costa Rica	500.8	354.3	146.5	.9	2.4	.4
Hong Kong	349.5	132.6	216.8	.6	.9	.5
Brazil	319.4	19.1	300.3	.6	.1	.7
Thailand	319.1	164.6	154.5	.6	1.1	.4
Guatemala	312.9	160.1	152.8	.6	1.1	.4
China	308.1	43.1	265.0	.6	.3	.7
Honduras	248.6	181.1	67.5	.4	1.2	.2
Jamaica	224.5	171.9	52.6	.4	1.2	.1
All other	708.5	358.9	349.6	1.3	2.4	.9
Total, less developed countries	26,686.3	13,023.0	13,663.3	48.2	88.4	33.6
Grand total	55,365.0	14,732.5	40,632.5	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.

Table B-16
U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1989-92
(In thousands of dollars)

Commodity group	1989			1990		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:						
Mushrooms and truffles	6,627	470	6,157	6,633	429	6,204
All other articles	1,393	344	1,049	1,072	561	510
Total	8,020	814	7,206	7,705	991	6,715
Forest products:						
Industrial papers, packaging and miscellaneous papers	187,293	146,064	41,229	35,392	23,412	11,981
All other articles	35,285	9,386	25,899	33,952	12,193	21,759
Total	222,579	155,450	67,129	69,345	35,604	33,740
Textiles, apparel, and footwear:						
Women's, girls', and infants' shirts and blouses	184,516	106,300	78,216	190,452	115,815	74,637
Women's, girls', and infants' coats and jackets	74,960	42,310	32,651	119,286	63,282	56,058
Women's, girls', and infants' trousers, slacks, and shorts	275,035	158,404	116,631	301,173	181,368	119,805
Men's and boys' shirts	208,799	125,093	83,706	230,153	136,960	93,193
Men's and boys' coats and jackets	79,596	49,266	30,330	66,125	37,497	28,628
Men's and boys' trousers, slacks, and shorts	501,430	341,253	160,177	495,620	336,558	159,062
Body-supporting garments	255,627	171,806	83,822	277,495	184,949	92,546
Gloves	34,412	20,125	14,287	38,882	24,595	14,288
Footwear	499,584	90,458	409,126	908,145	96,984	811,161
All other articles	642,604	405,828	236,776	898,957	582,038	315,919
Total	2,756,565	1,510,844	1,245,721	3,526,288	1,760,992	1,765,296
Chemicals, coal, petroleum, natural gas, and related products:						
Fabricated rubber and plastic products	91,951	50,032	41,919	89,168	51,256	37,912
All other articles	19,579	4,043	15,536	20,373	8,256	12,116
Total	111,530	54,075	57,454	109,540	59,512	50,028
Minerals and metals:						
Metallic containers	6,803	909	5,894	5,516	807	4,708
Locks and padlocks	106,490	66,044	40,446	102,201	69,749	32,452
Handtools	18,164	9,961	8,203	24,238	10,747	13,491
Structures of base metal	15,403	3,675	11,728	16,330	4,798	11,532
Nonelectric heating and cooking apparatus other than cast iron stoves	23,804	5,961	17,843	21,159	5,619	15,540
Miscellaneous metal products and articles	163,316	47,879	115,437	149,525	43,507	106,018
All other articles	77,666	34,437	43,229	89,454	48,157	41,296
Total	411,646	168,865	242,781	408,421	183,384	225,037

See notes at end of table.

Table B-16-Continued
U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1989-92
(In thousands of dollars)

Commodity group	1989			1990		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment:						
Steam engines, turbines, and boilers; and gas generators and parts thereof	3,718	758	2,961	3,172	1,177	1,994
Internal combustion engines, piston-type, and parts thereof	2,346,091	256,967	2,089,124	2,047,544	247,251	1,800,293
Internal combustion engines, non-piston type, and parts thereof	235,700	59,697	176,003	327,774	67,475	260,299
Pumps for liquids and parts thereof	35,356	16,275	19,081	38,475	16,955	21,520
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	60,750	34,786	25,965	39,791	21,737	18,054
Compressors and parts thereof	184,009	31,984	152,025	125,513	27,356	98,157
Air-conditioning machines and parts thereof	125,631	33,480	92,151	68,991	19,696	49,294
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	39,217	14,107	25,111	18,911	3,804	15,107
Centrifuges and filtering and purifying machinery and parts thereof	54,795	28,135	26,660	56,069	17,732	38,338
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	11,067	1,869	9,198	6,666	1,197	5,469
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	342,077	89,843	252,234	343,319	91,573	251,745
Lifting, handling, loading, unloading machinery and parts thereof	197,124	58,033	139,091	178,996	57,467	121,529
Pulp and paper machinery; and bookbinding and printing machinery	67,818	11,112	56,706	64,988	13,660	51,327

See notes at end of table.

Table B-16-Continued
U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1989-92
(In thousands of dollars)

Commodity group	1989			1990		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment-Continued						
Sewing machines and parts thereof including furniture specially designed for such machines	21,674	152	21,523	14,459	127	14,332
Machines for working metal, stone, and other materials	161,857	48,356	113,500	181,960	41,379	140,581
Office machines and parts thereof	1,861,481	470,711	1,390,770	2,104,447	543,859	1,560,588
Automatic vending machines and parts thereof	1,358	206	1,152	1,021	707	314
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	94,377	61,848	32,529	138,790	84,541	54,250
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	16,098	3,554	12,543	27,166	6,908	20,258
Other miscellaneous machinery and mechanical equipment and parts thereof	260,556	76,604	183,952	231,524	62,792	168,732
Transformers	126,913	70,706	56,207	170,666	93,379	77,288
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	526,744	287,471	239,273	495,207	258,994	236,213
Portable electric hand tools	23,289	12,983	10,305	15,789	7,533	8,256
Electric household appliances ..	320,368	128,943	191,425	286,330	132,162	154,168
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	14,884	4,511	10,373	12,525	4,743	7,782
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	174,152	52,421	121,731	149,680	53,456	96,224
Microphones, loudspeakers, and related equipment	83,125	30,479	52,647	78,290	25,728	52,562
Television receivers	1,371,135	311,242	1,059,893	1,480,667	323,155	1,157,512
Television apparatus and parts, other than cameras, receivers, and picture tubes	146,289	36,726	109,563	173,629	46,292	127,336
Radio receivers and transceivers and parts thereof	703,569	142,810	560,759	481,700	73,639	408,060
Record players, phonographs, record changers, and turntables, and parts thereof	6,529	2,233	4,296	2,813	1,173	1,640
Tape recorders, tape players, and dictation machines	164,370	16,380	147,990	73,785	13,921	59,864

See notes at end of table.

Table B-16-Continued
U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1989-92
(In thousands of dollars)

Commodity group	1989			1990		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment-Continued						
Miscellaneous radiotelegraphic and radiotelephonic apparatus	63,331	21,073	42,258	61,242	21,373	39,869
Other miscellaneous electrical products and parts	259,250	110,948	148,302	344,210	110,769	233,440
Electrical capacitors	167,612	114,303	53,310	166,070	108,187	57,883
Articles for making and breaking electrical circuits	931,619	528,411	403,208	1,772,286	1,370,559	402,727
Voltage regulators	45,929	21,542	24,387	55,196	26,644	28,552
Electrical resistors	76,179	45,926	30,253	71,595	41,322	30,274
Electric lamps	58,388	34,836	23,552	100,304	48,625	51,679
Electronic tubes (except X-ray)	104,335	39,711	64,624	110,411	46,685	63,726
Semiconductors	4,753,277	2,588,245	2,165,032	4,961,283	2,745,050	2,216,232
Electrical conductors	1,415,343	854,839	560,504	1,367,932	810,383	557,549
Miscellaneous electrical articles	105,914	56,886	49,028	132,183	52,303	79,880
Rail locomotives and rolling stock	503,980	260,656	243,324	340,654	187,881	152,773
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	44,231,079	7,532,368	36,698,711	45,184,703	8,317,895	36,866,808
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	3,672,384	1,155,539	2,516,845	2,923,616	1,047,801	1,875,815
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	1,162,504	384,255	778,249	1,799,671	595,397	1,204,274
Pleasure boats; floating structures	264,095	45,206	218,889	140,844	47,835	93,009
All other articles	1,840	188	1,652	12,189	1,398	10,791
Total	67,599,181	16,190,314	51,408,866	68,986,044	17,941,678	51,044,365
Miscellaneous manufactures:						
Handbags	6,084	4,400	1,685	4,206	2,845	1,361
Luggage	32,872	18,840	14,032	34,758	20,185	14,573
Flat goods	1,918	1,216	703	3,984	3,005	979
Optical instruments, components and lenses	14,515	5,503	9,012	16,202	5,475	10,727
Surgical and medical instruments and apparatus ..	311,540	178,260	133,280	393,548	204,062	189,486
Scientific instruments	373,349	167,602	205,747	370,684	146,034	224,651
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	2,009	1,001	1,008	1,468	816	652

See notes at end of table.

Table 8-16-Continued
U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1989-92
(In thousands of dollars)

Commodity group	1989			1990		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Miscellaneous manufactures-Continued						
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	67,970	19,252	48,718	73,008	15,233	57,775
Photographic equipment and supplies	186,421	87,938	98,484	161,058	73,855	87,203
Magnetic recording media not having any material recorded thereon	104,303	30,099	74,204	113,775	33,096	80,679
Musical instruments, parts and accessories	16,375	5,829	10,546	24,389	6,939	17,450
Furniture, mattresses, and pillows, cushions, and similar furnishings	553,632	180,077	373,555	574,432	209,176	365,257
Small arms (bore diameter 30mm and under)	6,736	958	5,778	8,252	529	7,724
Ammunition and munitions	1,444	199	1,244	1,838	382	1,456
Game machines, except coin or disc operated	8,544	3,623	4,921	6,591	3,278	3,313
Fishing tackle	4,222	1,774	2,448	4,765	1,971	2,795
Baseball and softball equipment	7,972	6,288	1,684	5,890	4,636	1,254
Dolls and stuffed toy figures of animate objects	500	35	464	14,626	3,147	11,479
Toys (except games), models, tricks, and party favors	70,619	27,829	42,790	48,178	19,271	28,906
Jewelry	59,913	55,125	4,787	52,243	48,127	4,116
All other articles	91,325	45,042	46,284	100,915	35,016	65,899
Total	1,922,263	840,890	1,081,373	2,014,720	837,037	1,177,686
Grand total	73,031,783	18,921,252	54,110,531	75,122,153	20,819,237	54,302,915

See notes at end of table.

Table B-16--Continued
U.S. imports for consumption under HTS provision 9802.00.80, by commodity groups, 1989-92
(In thousands of dollars)

Commodity group	1991			1992		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:						
Mushrooms and truffles	17,868	1,406	16,463	11,916	1,001	10,916
All other articles	1,374	1,028	346	3,044	901	2,144
Total	19,242	2,433	16,809	14,961	1,901	13,059
Forest products:						
Industrial papers, packaging and miscellaneous papers	16,866	12,021	4,845	21,287	13,398	7,888
All other articles	36,704	18,356	18,348	51,936	31,130	20,806
Total	53,570	30,377	23,193	73,223	44,529	28,694
Textiles, apparel, and footwear:						
Women's, girls', and infants' shirts and blouses	217,668	124,841	92,827	293,291	175,022	118,269
Women's, girls', and infants' coats and jackets	206,785	102,852	103,933	277,597	139,575	138,022
Women's, girls', and infants' trousers, slacks, and shorts	428,751	255,229	173,523	541,441	327,271	214,170
Men's and boys' shirts	257,059	155,046	102,013	448,993	280,977	168,016
Men's and boys' coats and jackets	86,759	47,524	39,235	109,054	62,554	46,501
Men's and boys' trousers, slacks, and shorts	697,356	480,064	217,292	905,664	619,850	285,815
Body-supporting garments	317,321	219,037	98,284	414,883	275,489	139,394
Gloves	33,479	21,441	12,038	32,677	20,604	12,073
Footwear	868,916	109,094	759,822	1,001,722	144,223	857,499
All other articles	1,121,377	721,105	400,272	1,337,737	825,676	512,062
Total	4,235,471	2,236,233	1,999,238	5,363,060	2,871,239	2,491,820
Chemicals, coal, petroleum, natural gas, and related products:						
Fabricated rubber and plastic products	106,649	59,443	47,206	114,757	68,845	45,912
All other articles	43,322	13,064	30,258	44,411	13,339	31,072
Total	149,971	72,508	77,463	159,168	82,184	76,984
Minerals and metals:						
Metallic containers	9,905	1,760	8,145	9,716	1,615	8,101
Locks and padlocks	81,930	57,157	24,773	67,736	44,589	23,147
Handtools	23,357	9,377	13,981	21,107	9,372	11,735
Structures of base metal	7,720	2,628	5,092	5,413	2,174	3,239
Nonelectric heating and cooking apparatus other than cast iron stoves	18,711	4,534	14,177	106,653	34,361	72,293
Miscellaneous metal products and articles	88,478	44,007	44,470	116,518	70,129	46,389
All other articles	71,522	35,637	35,886	85,019	41,690	43,329
Total	301,622	155,099	146,523	412,162	203,930	208,233

See notes at end of table.

Table B-16-Continued

U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1989-92
(In thousands of dollars)

Commodity group	1991			1992		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment:						
Steam engines, turbines, and boilers; and gas generators and parts thereof	3,418	1,110	2,309	14,251	2,138	12,113
Internal combustion engines, piston-type, and parts thereof	1,148,474	159,142	989,331	788,421	137,631	650,790
Internal combustion engines, non-piston type, and parts thereof	232,422	33,127	199,295	239,418	32,668	206,749
Pumps for liquids and parts thereof	40,538	16,259	24,280	54,381	21,185	33,196
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	27,641	14,024	13,617	14,726	6,963	7,763
Compressors and parts thereof	126,757	27,294	99,464	79,080	44,980	34,101
Air-conditioning machines and parts thereof	75,467	25,426	50,041	111,887	40,653	71,234
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	24,051	8,299	15,753	23,775	7,426	16,349
Centrifuges and filtering and purifying machinery and parts thereof	47,616	16,495	31,120	59,436	20,013	39,423
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	18,791	7,017	11,773	22,793	5,968	16,825
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	214,859	65,888	148,970	206,054	40,533	165,521
Lifting, handling, loading, unloading machinery and parts thereof	174,586	53,874	120,712	142,893	48,412	94,481
Pulp and paper machinery; and bookbinding and printing machinery	66,170	11,093	55,077	37,921	8,073	29,848
Sewing machines and parts thereof including furniture specially designed for such machines	15,954	80	15,874	16,756	64	16,692
Machines for working metal, stone, and other materials	154,868	33,987	120,881	130,764	24,512	106,253

See notes at end of table.

Table B-16-Continued
U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1989-92
(In thousands of dollars)

Commodity group	1991			1992		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment-Continued						
Office machines and parts thereof	1,967,205	515,400	1,451,805	2,015,062	576,914	1,438,148
Automatic vending machines and parts thereof	505	398	107	111	39	72
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	183,008	104,032	78,977	217,361	130,958	86,403
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	16,770	5,595	11,175	18,023	6,798	11,225
Other miscellaneous machinery and mechanical equipment and parts thereof	272,550	66,323	206,226	252,856	78,217	174,640
Transformers	219,254	114,931	104,324	273,268	134,192	139,076
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	523,684	273,569	250,115	656,138	350,570	305,567
Portable electric hand tools	8,917	2,354	6,563	18,327	3,233	15,094
Electric household appliances ..	312,273	138,969	173,304	373,624	167,960	205,663
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	14,584	5,984	8,599	13,940	6,563	7,377
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	123,320	52,902	70,418	136,661	56,957	79,704
Microphones, loudspeakers, and related equipment	81,544	27,273	54,271	95,493	32,165	63,328
Television receivers	1,587,498	414,005	1,173,493	1,827,197	522,116	1,305,081
Television apparatus and parts, other than cameras, receivers, and picture tubes	119,065	27,989	91,075	117,494	34,829	82,665
Radio receivers and transceivers and parts thereof	366,091	64,568	301,524	344,057	61,188	282,869
Record players, phonographs, record changers, and turntables, and parts thereof	1,968	824	1,144	1,966	846	1,120
Tape recorders, tape players, and dictation machines	100,695	21,612	79,083	65,959	11,164	54,795
Miscellaneous radiotelegraphic and radiotelephonic apparatus	55,263	29,632	25,632	46,127	21,486	24,642
Other miscellaneous electrical products and parts	304,165	125,151	179,015	272,099	115,749	156,350
Electrical capacitors	173,255	112,361	60,894	196,727	126,075	70,652
Articles for making and breaking electrical circuits	935,990	595,692	340,299	983,177	625,384	357,793

See notes at end of table.

Table B-16---Continued

U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1989-92
(In thousands of dollars)

Commodity group	1991			1992		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment-Continued						
Voltage regulators	53,933	26,289	27,644	69,617	22,547	47,070
Electrical resistors	61,999	33,544	28,455	63,223	29,278	33,945
Electric lamps	100,183	48,627	51,556	123,455	65,575	57,880
Electronic tubes (except X-ray)	117,483	40,457	77,027	115,525	36,302	79,223
Semiconductors	3,939,207	1,934,912	2,004,294	4,353,788	2,234,368	2,119,420
Electrical conductors	1,450,541	857,359	593,182	1,834,755	1,051,760	782,995
Miscellaneous electrical articles	99,581	43,392	56,189	88,154	32,742	55,412
Rail locomotives and rolling stock	82,926	14,563	68,363	61,006	17,122	43,884
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	30,870,364	3,118,750	27,751,613	27,377,215	2,155,857	25,221,358
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	2,437,696	979,429	1,458,268	2,931,531	1,311,814	1,619,717
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	487,179	182,263	304,917	423,224	168,658	254,566
Pleasure boats; floating structures	89,274	37,601	51,673	32,134	6,485	25,649
All other articles	9,790	1,150	8,640	30,073	4,400	25,673
Total	49,539,373	10,491,015	39,048,358	47,371,925	10,641,530	36,730,395
Miscellaneous manufactures:						
Handbags	6,640	4,586	2,054	4,840	3,533	1,307
Luggage	49,146	23,607	25,539	60,564	32,732	27,832
Flat goods	3,497	2,443	1,054	3,394	1,802	1,592
Optical instruments, components and lenses	18,729	7,422	11,307	51,464	25,936	25,528
Surgical and medical instruments and apparatus	554,984	261,116	293,868	583,156	285,177	297,980
Scientific instruments	389,895	170,612	219,283	451,936	211,033	240,903
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f.	3,021	691	2,330	5,218	866	4,352
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	63,830	20,065	43,765	78,579	28,534	50,045
Photographic equipment and supplies	195,328	76,691	118,637	201,891	75,253	126,638
Magnetic recording media not having any material recorded thereon	99,238	36,514	62,724	92,070	31,455	60,615
Musical instruments, parts and accessories	28,257	8,901	19,356	34,810	10,522	24,288

See notes at end of table.

Table B-16-Continued

U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1989-92
(In thousands of dollars)

Commodity group	1991			1992		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Miscellaneous manufactures-Continued						
Furniture, mattresses, and pillows, cushions, and similar furnishings	341,753	136,974	204,778	141,366	61,984	79,382
Small arms (bore diameter 30mm and under)	8,457	2,050	6,406	8,992	557	8,435
Ammunition and munitions	3,763	2,460	1,303	12,128	5,445	6,683
Game machines, except coin or disc operated	11		11	7,097	2,514	4,584
Fishing tackle	8,043	2,999	5,054	10,067	3,712	6,355
Baseball and softball equipment	6,873	5,562	1,312	4,076	3,008	1,068
Dolls and stuffed toy figures of animate objects	6,063	1,843	4,220	1,620	516	1,104
Toys (except games), models, tricks, and party favors	43,179	17,973	25,206	44,917	14,280	30,636
Jewelry	65,426	60,214	5,212	67,748	61,475	6,273
All other articles	112,594	34,753	77,841	104,597	26,890	77,707
Total	2,008,727	877,468	1,131,258	1,970,531	887,223	1,083,307
Grand total ...	56,307,977	13,865,134	42,442,843	55,365,029	14,732,537	40,632,493

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-17
U.S. Imports for consumption under HTS provision 9802.00.80, by principal sources, 1992

Source	Total value		Duty-free value	
	Value	Percent of total	Value	Percent of total
	<i>Million dollars</i>		<i>Million dollars</i>	
Grand total	55,365.0	100.0	14,732.5	100.0
Top 10 sources, total	49,345.8	89.1	12,520.9	85.0
Japan	17,620.7	31.8	495.9	3.4
Mexico	16,248.1	29.3	8,506.5	57.7
Germany	5,332.4	9.6	86.2	.6
Canada	2,901.3	5.2	811.5	5.5
South Korea	1,575.7	2.8	439.0	3.0
Malaysia	1,374.9	2.5	610.6	4.1
Dominican Republic	1,268.3	2.3	871.1	5.9
Singapore	1,205.8	2.2	344.4	2.3
France	919.8	1.7	57.8	.4
Taiwan	898.8	1.6	297.8	2.0
All other	6,019.2	10.9	2,211.7	15.0

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-18
U.S. Imports for consumption from Japan under HTS provision 9802.00.80, by commodity groups,
1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Forest products:			
Industrial papers, packaging and miscellaneous papers	22	17	4
Textiles, apparel, and footwear:			
All other articles	152	47	105
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	7	1	6
All other articles	98	81	17
Total	104	82	22
Minerals and metals:			
Handtools	5	4	1
Miscellaneous metal products and articles	27	19	8
All other articles	27	4	23
Total	58	27	32
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	721	300	421
Internal combustion engines, piston-type, and parts thereof	37,175	4,411	32,764
Pumps for liquids and parts thereof	70	17	54
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	10	9	1
Compressors and parts thereof	3,302	5	3,296
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	4,603	74	4,529
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	67,105	11,589	55,516
Pulp and paper machinery; and bookbinding and printing machinery	967	81	885
Machines for working metal, stone, and other materials	1,518	225	1,293
Office machines and parts thereof	558,704	150,979	407,725
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	5	1	4
Other miscellaneous machinery and mechanical equipment and parts thereof	11,122	2,044	9,078
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	33	22	10
Electric household appliances	330	5	326
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	19,715	6,159	13,556
Microphones, loudspeakers, and related equipment	33	17	16
Television receivers	7,400	706	6,694
Radio receivers and transceivers and parts thereof	400	18	382
Other miscellaneous electrical products and parts	2,486	53	2,434
Articles for making and breaking electrical circuits	406	50	356

See notes at end of table.

Table B-18-Continued

U.S. Imports for consumption from Japan under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Machinery and equipment-Continued			
Voltage regulators	22,522	4,188	18,334
Electrical resistors	7	6	1
Electronic tubes (except X-ray)	2,706	417	2,289
Semiconductors	56,407	28,049	28,357
Electrical conductors	84	37	47
Miscellaneous electrical articles	669	34	635
Rail locomotives and rolling stock	14,858	1,391	13,468
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	16,557,347	274,435	16,282,912
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	176,041	3,546	172,495
Total	17,546,745	488,867	17,057,878
Miscellaneous manufactures:			
Optical instruments, components and lenses	164	125	39
Surgical and medical instruments and apparatus	35,792	1,740	34,052
Scientific instruments	23,194	3,333	19,860
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	84	31	53
Photographic equipment and supplies	583	87	496
Musical instruments, parts and accessories	2,665	240	2,424
Small arms (bore diameter 30mm and under)	7,909	340	7,569
All other articles	3,272	918	2,354
Total	73,663	6,815	66,848
Grand total	17,620,744	495,856	17,124,889

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-19
U.S. imports for consumption from Mexico under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:			
All other articles	1,280	630	651
Forest products:			
Industrial papers, packaging and miscellaneous papers	19,892	12,698	7,194
All other articles	29,392	21,590	7,802
Total	49,284	34,288	14,996
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	56,691	40,264	16,427
Women's, girls', and infants' coats and jackets	28,927	20,408	8,519
Women's, girls', and infants' trousers, slacks, and shorts	178,766	124,267	54,499
Men's and boys' shirts	41,874	31,365	10,509
Men's and boys' coats and jackets	15,327	10,453	4,873
Men's and boys' trousers, slacks, and shorts	252,861	171,964	80,897
Body-supporting garments	92,165	66,025	26,140
Gloves	9,962	7,864	2,098
Footwear	81,993	58,513	23,480
All other articles	545,385	373,402	171,984
Total	1,303,951	904,525	399,426
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	85,244	58,720	26,524
All other articles	5,685	3,914	1,771
Total	90,929	62,634	28,295
Minerals and metals:			
Metallic containers	269	199	70
Locks and padlocks	65,245	44,301	20,944
Handtools	9,552	7,389	2,164
Structures of base metal	3,622	1,890	1,731
Nonelectric heating and cooking apparatus other than cast iron stoves	88,756	32,053	56,703
Miscellaneous metal products and articles	87,247	62,507	24,739
All other articles	70,078	38,580	31,498
Total	324,768	186,919	137,849
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	3	2	1
Internal combustion engines, piston-type, and parts thereof	336,500	109,433	227,068
Internal combustion engines, non-piston type, and parts thereof	6,761	4,406	2,355
Pumps for liquids and parts thereof	11,955	8,507	3,448
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	6,651	5,716	936
Compressors and parts thereof	41,417	27,920	13,497
Air-conditioning machines and parts thereof	74,509	27,573	46,936
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	17,527	6,268	11,259
Centrifuges and filtering and purifying machinery and parts thereof	17,105	12,928	4,177
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	11,192	4,585	6,607

See notes at end of table.

Table B-19-Continued
U.S. imports for consumption from Mexico under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity grOup	Total value	Duty-free value	Dutiable value
Machinery and equipment-Continued			
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	2,315	1,807	508
Lifting, handling, loading, unloading machinery and parts thereof	84,433	29,509	54,924
Pulp and paper machinery; and bookbinding and printing machinery	10,188	6,219	3,969
Machines for working metal, stone, and other materials	8,722	4,281	4,441
Office machines and parts thereof	392,715	211,994	180,721
Automatic vending machines and parts thereof	77	29	48
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	142,934	105,672	37,262
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	2,192	1,626	565
Other miscellaneous machinery and mechanical equipment and parts thereof	113,980	51,428	62,552
Transformers	229,222	127,549	101,673
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	569,358	335,559	233,798
Portable electric hand tools	16,321	2,932	13,389
Electric household appliances	209,861	155,435	54,426
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	3,312	2,711	602
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	72,674	36,945	35,729
Microphones, loudspeakers, and related equipment	82,388	30,042	52,346
Television receivers	1,801,472	515,378	1,286,094
Television apparatus and parts, other than cameras, receivers, and picture tubes	117,165	34,773	82,393
Radio receivers and transceivers and parts thereof	219,888	48,585	171,303
Record players, phonographs, record changers, and turntables, and parts thereof	1,966	846	1,120
Tape recorders, tape players, and dictation machines	64,727	10,955	53,772
Miscellaneous radiotelegraphic and radiotelephonic apparatus	29,397	14,904	14,493
Other miscellaneous electrical products and parts	161,105	93,761	67,344
Electrical capacitors	178,770	111,883	66,887
Articles for making and breaking electrical circuits	830,303	556,414	273,890
Voltage regulators	33,780	13,984	19,796
Electrical resistors	58,610	27,422	31,188
Electric lamps	81,428	54,887	26,540
Electronic tubes (except X-ray)	96,383	31,278	65,105
Semiconductors	271,997	165,045	106,951
Electrical conductors	1,660,075	996,084	663,991
Miscellaneous electrical articles	53,227	21,670	31,557
Rail locomotives and rolling stock	36	12	23

See notes at end of table.

Table B-19-Continued
U.S. imports for consumption from Mexico under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Machinery and equipment-Continued			
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	3,591,330	1,570,615	2,020,715
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	1,657,879	1,137,058	520,821
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	9,539	4,084	5,455
All other articles	9,668	2,763	6,905
Total	13,393,058	6,723,478	6,669,579
Miscellaneous manufactures:			
Handbags	3,726	2,556	1,170
Luggage	42,245	25,798	16,448
Flat goods	2,428	1,631	797
Optical instruments, components and lenses	4,772	2,535	2,238
Surgical and medical instruments and apparatus	319,101	204,249	114,851
Scientific instruments	339,162	189,292	149,870
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p f.....	71	30	40
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	24,831	19,640	5,191
Photographic equipment and supplies	32,227	10,274	21,953
Magnetic recording media not having any material recorded thereon	89,749	30,148	59,601
Musical instruments, parts and accessories	27,262	9,819	17,443
Furniture, mattresses, and pillows, cushions, and similar furnishings	101,806	52,811	48,995
Small arms (bore diameter 30mm and under)	203	72	132
Ammunition and munitions	10,632	4,457	6,175
Game machines, except coin or disc operated	2,002	369	1,633
Fishing tackle	3,473	940	2,533
Baseball and softball equipment	52	31	22
Dolls and stuffed toy figures of animate objects	475	343	132
Toys (except games), models, tricks, and party favors	37,457	13,631	23,826
Jewelry	6,885	6,439	446
All other articles	36,320	18,967	17,353
Total	1,084,879	594,032	490,847
Grand total	16,248,149	8,506,506	7,741,643

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 Germany under HTS provision 9802.00.80, by commodity
groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Textiles, apparel, and footwear:			
Men's and boys' coats and jackets	177		177
All other articles	45		45
Total	221	(¹)	221
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	6	3	4
All other articles	30	22	8
Total	36	24	12
Minerals and metals:			
Locks and padlocks	1,562	173	1,389
Miscellaneous metal products and articles	4,305	555	3,749
All other articles	44	26	18
Total	5,911	754	5,156
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	382	63	319
Internal combustion engines, piston-type, and parts thereof	374,907	18,500	356,407
Internal combustion engines, non-piston type, and parts thereof	994	(¹)	994
Pumps for liquids and parts thereof	209	15	195
Centrifuges and filtering and purifying machinery and parts thereof	168	49	118
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	1,914	136	1,778
Lifting, handling, loading, unloading machinery and parts thereof	236	120	116
Pulp and paper machinery; and bookbinding and printing machinery	81	41	40
Machines for working metal, stone, and other materials	8,865	339	8,526
Office machines and parts thereof	577	120	457
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	24	5	19
Other miscellaneous machinery and mechanical equipment and parts thereof	5,505	389	5,116
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	3	1	2
Electric household appliances	8,181	1,084	7,097
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	32	25	6
Microphones, loudspeakers, and related equipment	9	9	1
Radio receivers and transceivers and parts thereof	1,010	179	830
Other miscellaneous electrical products and parts	92	15	77
Articles for making and breaking electrical circuits	3,592	1,528	2,065
Voltage regulators	22	16	6
Electric lamps	5	2	3
Semiconductors	73	41	32
Miscellaneous electrical articles	10,884	2,792	8,092

See notes at end of table.

Table B-20--Continued
U.S. imports for consumption from Germany under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Machinery and equipment—Continued			
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	4,898,438	59,166	4,839,273
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	244	1	243
All other articles	3	2	1
Total	5,316,448	84,639	5,231,810
Miscellaneous manufactures:			
Optical instruments, components and lenses	1	(¹)	1
Surgical and medical instruments and apparatus	8,751	5613	8,248
Scientific instruments	157	103	54
Photographic equipment and supplies	892	124	768
Small arms (bore diameter 30mm and under)	26	4	22
Total	9,827	733	9,094
Grand total	5,332,444	86,151	5,246,293

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-21
U.S. Imports for consumption from Canada under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:			
All other articles	334	213	120
Forest products:			
Industrial papers, packaging and miscellaneous papers	1,305	676	629
All other articles	22,538	9,540	12,998
Total	23,842	10,216	13,626
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	10	7	3
Women's, girls', and infants' trousers, slacks, and shorts	114	45	69
Men's and boys' shirts	1,519	1,072	447
Men's and boys' coats and jackets	11	7	3
Men's and boys' trousers, slacks, and shorts	6	3	4
Body-supporting garments	116	70	46
Footwear	153	42	111
All other articles	27,396	9,717	17,679
Total	29,325	10,963	18,362
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	22,407	5,148	17,259
All other articles	34,635	7,242	27,393
Total	57,042	12,390	44,653
Minerals and metals:			
Metallic containers	9,447	1,416	8,031
Locks and padlocks	367	113	254
Handtools	923	227	696
Structures of base metal	1,792	283	1,508
Nonelectric heating and cooking apparatus other than cast iron stoves	17,442	2,140	15,301
Miscellaneous metal products and articles	15,518	2,179	13,339
All other articles	4,153	1,300	2,853
Total	49,641	7,658	41,983
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generator and parts thereof	13,146	1,774	11,373
Internal combustion engines, piston-type, and parts thereof ..	4,184	690	3,493
Internal combustion engines, non-piston type, and parts thereof	231,631	28,236	203,395
Pumps for liquids and parts thereof	15,389	5,013	10,376
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	3,519	643	2,876
Compressors and parts thereof	33,997	17,037	16,960
Air-conditioning machines and parts thereof	37,296	13,049	24,247
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	6,190	1,158	5,032
Centrifuges and filtering and purifying machinery and parts thereof	33,946	4,537	29,409
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	6,878	1,298	5,580

See notes at end of table.

Table B-21-Continued
U.S. imports for consumption from Canada under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Machinery and equipment-Continued			
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	80,583	21,728	58,855
Lifting, handling, loading, unloading machinery and parts thereof	53,195	17,734	35,461
Pulp and paper machinery; and bookbinding and printing machinery	10,158	897	9,261
Machines for working metal, stone, and other materials	85,672	16,455	69,217
Office machines and parts thereof	181,375	25,935	155,440
Automatic vending machines and parts thereof	33	10	24
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	17,386	5,166	12,220
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	11,079	4,278	6,801
Other miscellaneous machinery and mechanical equipment and parts thereof	105,963	22,122	83,841
Transformers	9,675	807	8,869
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	36,460	5,708	30,752
Portable electric hand tools	1,192	136	1,056
Electric household appliances	14,356	2,385	11,971
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	10,627	3,852	6,776
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	5,785	4,849	936
Microphones, loudspeakers, and related equipment	11,381	1,880	9,501
Television receivers	12,643	3,898	8,745
Television apparatus and parts, other than cameras, receivers, and picture tubes	46	8	38
Radio receivers and transceivers and parts thereof	12,780	1,244	11,536
Miscellaneous radiotelegraphic and radiotelephonic apparatus	9,554	2,316	7,238
Other miscellaneous electrical products and parts	8,673	3,063	5,610
Articles for making and breaking electrical circuits	36,113	8,881	27,232
Voltage regulators	5,803	1,692	4,111
Electric lamps	37,137	9,823	27,313
Electronic tubes (except X-ray)	3,819	575	3,245
Semiconductors	18	9	9
Electrical conductors	15,503	9,837	5,665
Miscellaneous electrical articles	9,892	4,515	5,377
Rail locomotives and rolling stock	14,664	5,480	9,183
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	614,982	193,273	421,709
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	563,902	144,250	419,652

See notes at end of table.

Table B-21—Continued
U.S. imports for consumption from Canada under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Machinery and equipment—Continued			
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	227,361	128,023	99,337
Pleasure boats; floating structures	3,803	510	3,293
All other articles	337	251	86
Total	2,598,126	725,023	1,873,103
Miscellaneous manufactures:			
Luggage	3,879	206	3,673
Flat goods	2	1	1
Optical instruments, components and lenses	43,508	22,573	20,935
Surgical and medical instruments and apparatus	15,321	4,989	10,332
Scientific instruments	29,053	6,005	23,048
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f.	2,203	454	1,749
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	874	268	606
Photographic equipment and supplies	86	14	72
Musical instruments, parts and accessories	2,233	138	2,094
Furniture, mattresses, and pillows, cushions, and similar furnishings	39,560	9,173	30,387
Small arms (bore diameter 30mm and under)	765	113	651
Ammunition and munitions	61	34	28
Game machines, except coin or disc operated	52	1	51
Fishing tackle	18	3	16
Toys (except games), models, tricks, and party favors	707	103	604
Jewelry	68	23	45
All other articles	4,577	972	3,605
Total	142,967	45,070	97,897
Grand total	2,901,278	811,534	2,089,744

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 South Korea under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products			
All other articles	156	1	154
Forest products:			
Industrial papers, packaging and miscellaneous papers	60	(¹)	60
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	2,199	68	2,131
Women's, girls', and infants' coats and jackets	14,631	810	13,821
Women's, girls', and infants' trousers, slacks, and shorts	4,432	22	4,411
Men's and boys' shirts	1,191	17	1,174
Men's and boys' coats and jackets	256	116	140
Men's and boys' trousers, slacks, and shorts	44	26	18
Gloves	120	31	89
Footwear	397,822	15,609	382,214
All other articles	26,759	2,203	24,556
Total	447,454	18,902	428,554
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	342	198	144
All other articles	247	127	120
Total	589	325	264
Minerals and metals:			
All other articles	26	12	14
Machinery and equipment:			
Pumps for liquids and parts thereof	14,936	5,222	9,714
Lifting, handling, loading, unloading machinery and parts thereof	1,190	230	1,680
Office machines and parts thereof	9,740	2,721	7,019
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	3	3	(1)
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	21	1	21
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	6,354	851	5,503
Microphones, loudspeakers, and related equipment	329	12	317
Television receivers	31	15	16
Tape recorders, tape players, and dictation machines	19	16	2
Other miscellaneous electrical products and parts	11,364	2,577	8,787
Articles for making and breaking electrical circuits	25	10	15
Electric lamps	4,551	828	3,723
Electronic tubes (except X-ray)	75	21	54
Semiconductors	669,362	383,294	286,068
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	380,694	18,132	362,562
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	20,042	3,562	16,480
Pleasure boats; floating structures	544	138	406
Total	1,120,001	417,633	702,368

See notes at end of table.

Table 8-22—Continued
U.S. Imports for consumption from South Korea under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Miscellaneous manufactures:			
Luggage	381	31	350
Surgical and medical instruments and apparatus	1,375	315	1,060
Scientific instruments	1,949	1,376	573
Musical instruments, parts and accessories	2,582	277	2,305
Fishing tackle	445	149	296
Toys (except games), models, tricks, and party favors	543	4	539
Jewelry	150	11	138
Total	7,425	2,162	5,262
Grand total	1,575,711	439,036	1,136,675

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-23
U.S. Imports for consumption from Malaysia under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	1,006	40	966
Women's, girls', and infants' coats and jackets	605	12	593
Women's, girls', and infants' trousers, slacks, and shorts	14	2	11
Men's and boys' shirts	256	3	253
Body-supporting garments	50	34	16
Footwear	164	22	142
All other articles	716	10	706
Total	2,810	124	2,686
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	4	3	1
Machinery and equipment:			
Office machines and parts thereof	6,363	3,006	3,356
Other miscellaneous machinery and mechanical equipment and parts thereof	52	50	3
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	95	64	31
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	875	294	581
Tape recorders, tape players, and dictation machines	973	73	900
Other miscellaneous electrical products and parts	14,866	2,236	12,630
Articles for making and breaking electrical circuits	11,520	2,283	9,237
Electrical resistors	1,480	1,110	370
Semiconductors	1,322,767	599,703	723,064
Electrical conductors	64	45	19
Miscellaneous electrical articles	90	56	33
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	3	(¹)	3
Total	1,359,146	608,921	750,226
Miscellaneous manufactures:			
Surgical and medical instruments and apparatus	404	65	339
Scientific instruments	12,322	1,435	10,887
Game machines, except coin or disc operated	217	94	123
Total	12,943	1,594	11,350
Grand total	1,374,903	610,641	764,262

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-24
U.S. Imports for consumption from Dominican Republic under HTS provision 9802.00.80, by
commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:			
All other articles	45	23	23
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	50,924	36,375	14,548
Women's, girls', and infants' coats and jackets	90,002	60,007	29,995
Women's, girls', and infants' trousers, slacks, and shorts	134,572	85,560	49,012
Men's and boys' shirts	85,772	51,764	34,007
Men's and boys' coats and jackets	44,753	32,650	12,104
Men's and boys' trousers, slacks, and shorts	324,704	224,073	100,631
Body-supporting garments	85,290	64,055	21,235
Footwear	65,787	47,852	17,935
All other articles	214,663	147,995	66,669
Total	1,096,467	750,332	346,135
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	131	85	46
All other articles	2,689	1,569	1,121
Total	2,821	1,654	1,167
Minerals and metals:			
Miscellaneous metal products and articles	3,276	2,481	796
Machinery and equipment:			
Office machines and parts thereof	2,196	740	1,456
Other miscellaneous machinery and mechanical equipment and parts thereof	10	6	5
Transformers	2,459	1,330	1,130
Radio receivers and transceivers and parts thereof	43	29	14
Miscellaneous radiotelegraphic and radiotelephonic apparatus	20	13	7
Other miscellaneous electrical products and parts	37	36	1
Electrical capacitors	4	2	2
Articles for making and breaking electrical circuits	53,288	36,832	16,456
Voltage regulators	514	412	101
Electrical resistors	38	18	20
Electrical conductors	9,630	7,326	2,305
Miscellaneous electrical articles	1,600	1,224	375
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	65	55	9
Total	69,904	48,023	21,880
Miscellaneous manufactures:			
Handbags	1,065	966	100
Luggage	8,443	6,002	2,441
Flat goods	90	60	30
Surgical and medical instruments and apparatus	71,953	51,474	20,479
Scientific instruments	3,481	1,083	2,398
Baseball and softball equipment	493	395	99
Jewelry	7,797	7,047	749
All other articles	2,451	1,611	840
Total	95,773	68,638	27,136
Grand total	1,268,286	871,150	397,136

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-25
U.S. imports for consumption from Singapore under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	134	4	131
Women's, girls', and infants' coats and jackets	125	1	124
Women's, girls', and infants' trousers, slacks, and shorts	2,649	46	2,603
All other articles	106	1	105
Total	3,015	52	2,962
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	2	(1)	2
Minerals and metals:			
Handtools	9,642	1,214	8,428
Miscellaneous metal products and articles	40	6	34
All other articles	5,297	1,335	3,961
Total	14,979	2,556	12,424
Machinery and equipment:			
Internal combustion engines, piston-type, and parts thereof	9,342	1,273	8,068
Office machines and parts thereof	383,496	47,448	336,048
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	3,088	194	2,895
Other miscellaneous machinery and mechanical equipment and parts thereof	489	384	106
Transformers	1	1	1
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	1,844	385	1,459
Portable electric hand tools	96	20	76
Electric household appliances	63,165	3,845	59,320
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof ..	6,469	1,930	4,539
Radio receivers and transceivers and parts thereof	19,834	3,527	16,307
Tape recorders, tape players, and dictation machines	93	85	8
Miscellaneous radiotelegraphic and radiotelephonic apparatus ..	1,261	187	1,074
Other miscellaneous electrical products and parts	7,545	508	7,037
Articles for making and breaking electrical circuits	3,060	385	2,675
Semiconductors	654,393	271,167	383,225
Electrical conductors	634	574	60
Miscellaneous electrical articles	1,963	576	1,386
Pleasure boats; floating structures	8,262	1,669	6,594
All other articles	3,251	941	2,310
Total	1,168,286	335,100	833,187
Miscellaneous manufactures:			
Optical instruments, components and lenses	117	67	50
Surgical and medical instruments and apparatus	4,691	1,778	2,913
Scientific instruments	13,620	4,455	9,165
Magnetic recording media not having any material recorded thereon	5	1	4
Jewelry	216	214	3
All other articles	826	178	647
Total	19,475	6,694	12,782
Grand total	1,205,758	344,401	861,357

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 France under HTS provision 9802.00.80, by commodity groups,
1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Forest products:			
All other articles	2	1	2
Textiles, apparel, and footwear:			
All other articles	3,966	331	3,635
Minerals and metals:			
Miscellaneous metal products and articles	244	49	194
All other articles	247	25	222
Total	491	74	416
Machinery and equipment:			
Internal combustion engines, piston-type, and parts thereof	35	19	16
Pumps for liquids and parts thereof	1,016	137	879
Centrifuges and filtering and purifying machinery and parts thereof	329	40	289
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	29,368	3,895	25,473
Office machines and parts thereof	19	8	11
Other miscellaneous machinery and mechanical equipment and parts thereof	6,281	274	6,007
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	1,238	57	1,181
Microphones, loudspeakers, and related equipment	8	8	(1)
Radio receivers and transceivers and parts thereof	5		5
Semiconductors	62	59	4
Electrical conductors	6,946	5,146	1,800
Miscellaneous electrical articles	5	2	3
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	273,484	5,284	268,199
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	399,194	6,407	392,787
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	181,637	35,333	146,305
Pleasure boats; floating structures	84	13	71
All other articles	14,192	175	14,017
Total	913,904	56,857	857,047
Miscellaneous manufactures:			
Optical instruments, components and lenses	55	22	33
Surgical and medical instruments and apparatus	1,036	463	573
Scientific instruments	156	80	76
All other articles	187	5	182
Total	1,434	569	865
Grand total	919,797	57,833	861,964

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-27
U.S. Imports for consumption from Taiwan under HTS provision 9802.00.80, by commodity groups,
1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:			
Mushrooms and truffles	61	5	56
All other articles	31	(1)	31
Total	93	5	87
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	358	7	351
Women's, girls', and infants' coats and jackets	2,782	120	2,662
Women's, girls', and infants' trousers, slacks, and shorts	291	1	290
Men's and boys' shirts	14,365	192	14,172
Gloves	41	2	39
Footwear	194,060	6,061	187,999
All other articles	2,817	177	2,640
Total	214,714	6,560	208,154
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	98	48	49
Minerals and metals:			
Locks and padlocks	562	2	559
Handtools	160	3	157
Miscellaneous metal products and articles	657	129	528
All other articles	280	129	151
Total	1,659	262	1,396
Machinery and equipment:			
Internal combustion engines, piston-type, and parts thereof	2	1	1
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	80	20	60
Centrifuges and filtering and purifying machinery and parts thereof	7,850	2,436	5,414
Sewing machines and parts thereof including furniture specially designed for such machines	16,756	64	16,692
Machines for working metal, stone, and other materials	8,027	227	7,800
Office machines and parts thereof	87,334	28,594	58,741
Other miscellaneous machinery and mechanical equipment and parts thereof	72	3	69
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	5,630	657	4,972
Portable electric hand tools	9	3	6
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	12,908	332	12,576
Microphones, loudspeakers, and related equipment	12	8	4
Television receivers	459	201	258
Television apparatus and parts, other than cameras, receivers, and picture tubes	210	24	186
Radio receivers and transceivers and parts thereof	6,919	1,417	5,502
Other miscellaneous electrical products and parts	12,909	329	12,580
Articles for making and breaking electrical circuits	10,596	3,042	7,554
Electrical resistors	2,158	166	1,992

See notes at end of table.

Table B-27—Continued

U.S. imports for consumption from Taiwan under HTS provision 9802.00.80, by commodity groups, 1992

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Machinery and equipment—Continued			
Electric lamps	14	9	5
Electronic tubes (except X-ray)	727	265	462
Semiconductors	397,250	231,140	166,110
Electrical conductors	51,138	12,656	38,483
Miscellaneous electrical articles	5,810	1,106	4,703
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	32	7	25
Pleasure boats; floating structures	17,940	3,899	14,041
Total	644,843	286,605	358,238
Miscellaneous manufactures:			
Luggage	17	1	16
Optical instruments, components and lenses	1,664	247	1,417
Surgical and medical instruments and apparatus	5,345	1,717	3,628
Scientific instruments	181	142	39
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	119	3	116
Photographic equipment and supplies	74	34	39
Game machines, except coin or disc operated	6	1	5
Jewelry	5	1	4
All other articles	29,948	2,136	27,812
Total	37,358	4,282	33,076
Grand total	898,764	297,763	601,001

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
HTS provision 9802.00.80: Items deleted from Census statistics, 1992
(In dollars)

HS-NO	Country	Total value	Duty-free value	Dutiable Value
2902.30.00.00	Canada	18,552	3,021	15,531
3917.32.00.50	Mexico	2,926,279	2,305,457	620,822
3917.33.00.00	Mexico	6,881,825	4,593,948	2,287,877
3917.39.00.10	Mexico	299,854	182,636	117,218
3917.39.00.50	Canada	709,529	131,000	578,529
	Mexico	956,698	648,845	307,853
3920.20.00.00	Mexico	317,324	271,045	46,279
3920.30.00.00	Mexico	8,514	6,795	1,719
3920.42.50.00	Canada	75,999	20,884	55,115
3920.99.10.00	Mexico	226,571	61,392	165,179
3921.13.50.00	Mexico	37,148	20,119	17,029
3921.90.15.00	Canada	954,934	268,649	686,285
4811.39.40.40	United Kingdom	8,145	1,241	6,904
5402.10.30.40	Sweden	628,629	539,112	89,517
5404.10.20.90	Canada	9,452	1,084	8,368
5602.10.90.90	Canada	42,395	25,926	16,469
5602.21.00.00	Canada	371,529	143,431	228,098
5806.10.20.00	Mexico	4,560	4,323	237
5806.32.10.90	St Lucia	103,858	30,421	73,437
5903.10.10.00	Canada	452,882	92,896	359,986
5903.90.25.00	Canada	462,774	244,215	218,559
	Mexico	36,246	32,260	3,986
	Germany	76,325	47,186	29,139
5909.00.20.00	Canada	4,577,939	546,666	4,031,273
5911.10.10.00	Mexico	713,718	347,516	366,202
5911.10.20.00	Mexico	6,548,872	2,898,373	3,650,499
5911.90.00.00	Mexico	2,005,208	1,429,736	575,472
6002.20.10.00	Colombia	10,975	3,387	7,588
	Philippines	1,888	746	1,142
	China	69,587	44,082	25,505
6002.43.00.10	Haiti	53,588	24,815	28,773
	Colombia	230,142	128,385	101,757
	Philippines	22,837	12,006	10,831
6302.22.20.20	Mexico	6,454	5,883	571
6304.19.20.00	Mexico	10,787	6,156	4,631
6804.22.60.00	Mexico	338,717	202,346	136,371
6805.20.00.00	Mexico	2,869	2,684	185
6805.30.10.00	Mexico	44,984	84	44,900
6809.90.00.00	Mexico	5,079	4,765	314
6810.99.00.00	Canada	191,663	13,299	178,364
7103.99.10.00	Thailand	1,298	1,099	199
	Korea	1,834	354	1,480
8211.92.40.60	Mexico	1,277	1,125	152
9801.00.10.84	Canada	36,900	36,000	900
9801.00.10.88	Canada	500,765	500,000	765
9801.00.10.99	Mexico	144,914	130,913	14,001
9802.00.50.60	Canada	2,856,497	2,830,611	25,886
	Mexico	4,066	4,017	49
9810.00.80.00	United Kingdom	65,334	11,001	54,333
9817.00.96.00	Mexico	29,029	25,907	3,122
	Austria	118,928	13,094	105,834
Total		34,206,171	18,900,936	15,305,235

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

Table B-29
HTS provision 9802.00.80: Items transferred and reported under 9802.00.60, 1992
(In dollars)

HTS	Country	Total value	Duty-free value	Dutiable Value
7210.70.60.30	Canada	20,055	16,920	3,135
7212.40.10.00	Canada	10,852	2,427	8,425
7318.15.40.00	Mexico	3,660	1,931	1,729
7318.24.00.00	Canada	17,946	3,579	14,367
7606.12.30.90	Canada	244,686	122,862	121,824
7609.00.00.00	Mexico	1,523,245	1,425,982	97,263
8108.90.30.60	Canada	165,278	126,000	39,278
8207.12.60.90	Canada	236,501	169,888	66,613
8455.30.00.85	Canada	403,440	400,000	3,440
Total		2,625,663	2,269,589	356,074

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