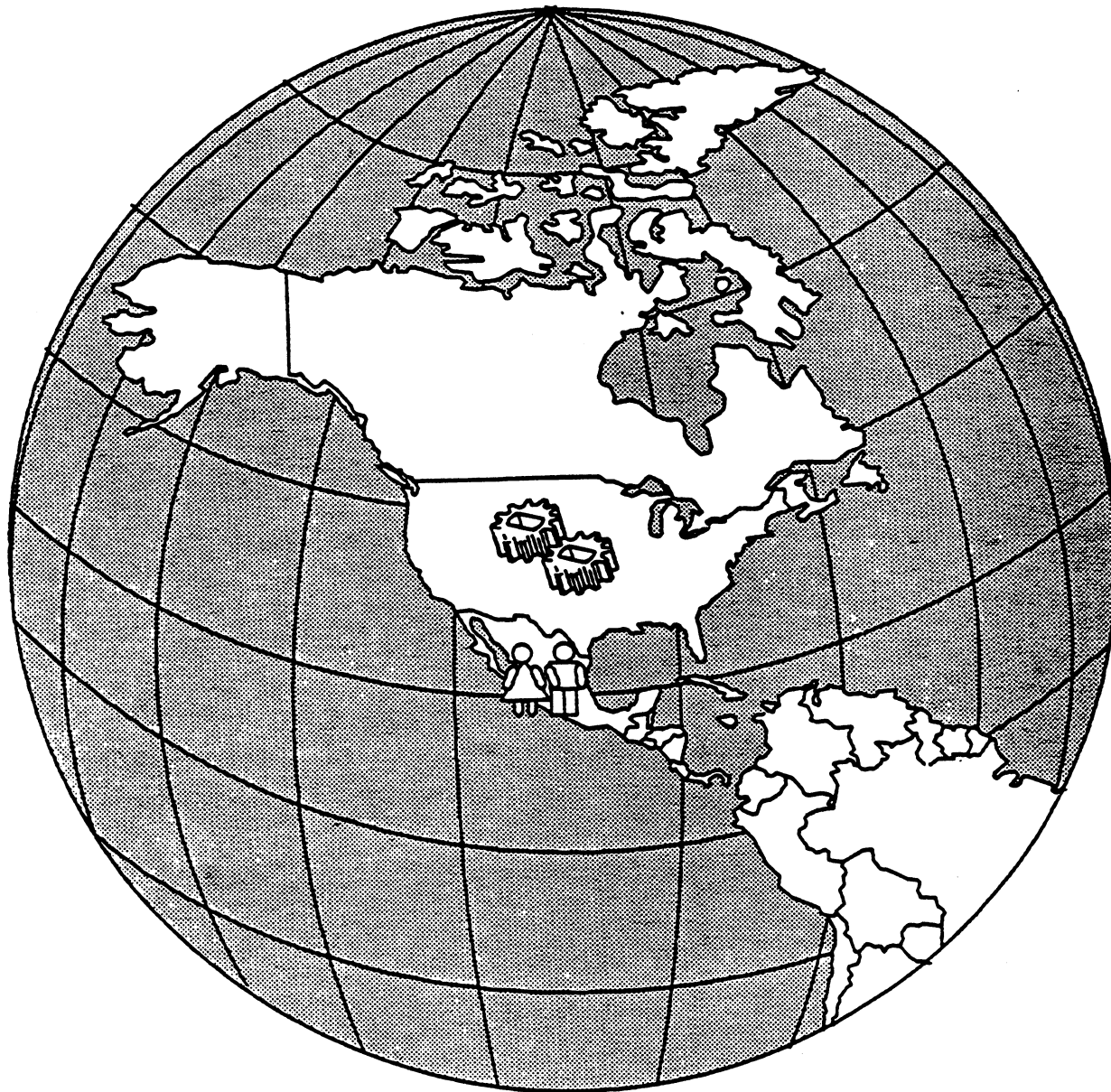


**PRODUCTION SHARING: USE OF U.S.
COMPONENTS AND MATERIALS IN
FOREIGN ASSEMBLY OPERATIONS, 1990-1993**



**USITC PUBLICATION 2886
MAY 1995**

**1993 ANNUAL REPORT
INVESTIGATION NO. 332-237**

United States International Trade Commission, Washington, DC 20436

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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 (1970-93) under these tariff provisions and evaluates the most current 4-year period 1990-93) 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 that compares production sharing in the Caribbean Basin with operations in Mexico and East Asia.

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EXECUTIVE SUMMARY

This report, prepared annually, examines the use of U.S. components and materials in foreign assembly operations under production sharing provisions of the Harmonized Tariff Schedule of the United States (HTS) and analyzes trends in such imports by commodity groups and leading sources during 1990-93. Provision 9802.00.60 sets forth liberalized tariff treatment for certain metal of U.S. origin processed in a foreign location and returned 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 that engage in production sharing to benefit from low-cost assembly in Mexico and the Caribbean in order to compete with labor-intensive articles made by foreign producers, especially in Asia.

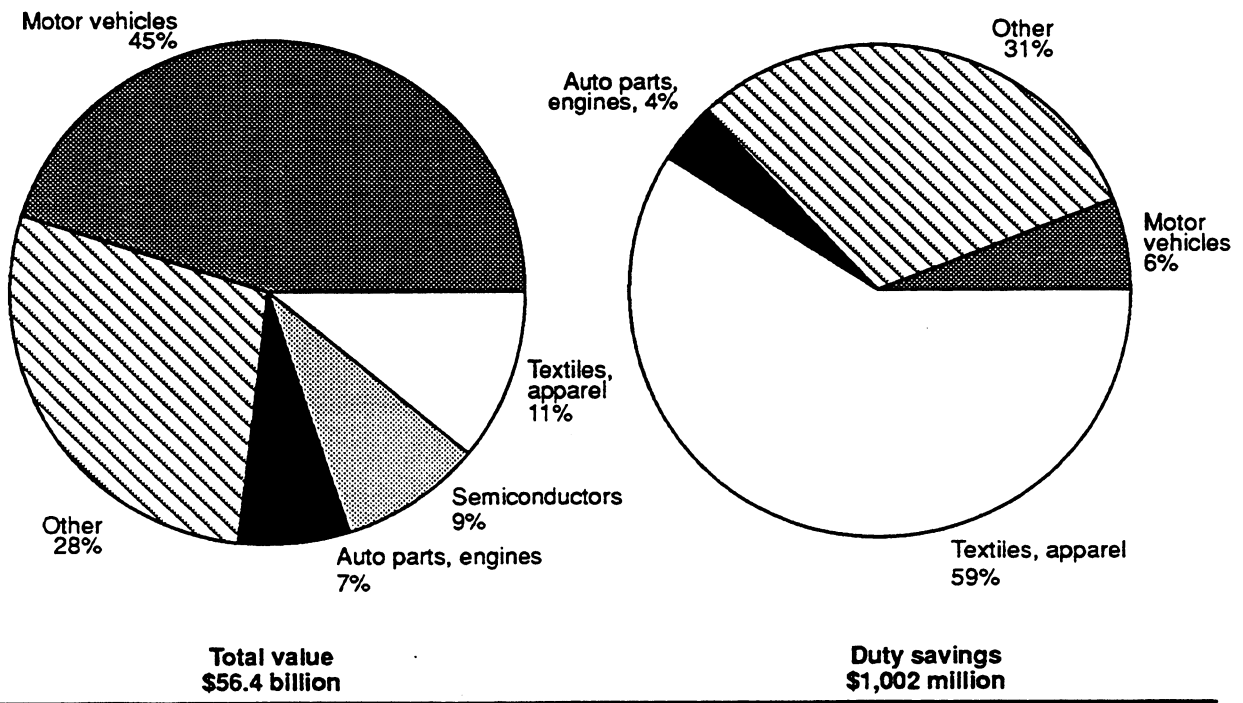
In addition to the assessment of recent trends in imports under the production-sharing provisions, this report compares production sharing in the Caribbean Basin with assembly operations in Mexico and East Asia.

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

- o 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. The \$400 cap placed on the Customs Merchandise Processing Fee (user fee) in October 1990 and the nearly completed phaseout of the user fee on imports under the United States-Canada Free-Trade Agreement (CFTA) has continued to reduce the incentive to enter duty-free articles under the production-sharing provisions. Such imports from Canada dropped from \$24.9 billion in 1990 to \$3.6 billion in 1992 and to \$3.0 billion in 1993.
- o The apparel sector has had greater incentive than other industries to use provision 9802.00.80 because of the sector's relatively higher tariffs and growing use of U.S.-origin content. Thus, although motor vehicles continued to account for the largest, though declining, share of total 9802.00.80 imports, apparel accounted for over three-fifths of the duty savings (figure A). The substantial growth of apparel imports under provision 9802.00.80 during 1990-93 is attributed to quota liberalization on 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 with Asian suppliers in the U.S. market.

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."

Figure A
U.S. imports under HTS provision 9802.00.80: Shares of total value and duty savings, by selected industries, 1993



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

- o U.S. imports under HTS provisions 9802.00.60 and 9802.00.80 fell by 25 percent during 1990-93, to \$57.3 billion, while total U.S. imports rose by 17 percent to \$575 billion, as shown in table A. Duty savings from use of these provisions rose from \$684 million in 1990 to \$1,002 million in 1993. Imports under provision 9802.00.80 alone represented more than 98 percent of the combined imports under 9802.00.60 and 9802.00.80 in 1993. The principal supplying countries were Mexico and Japan, which collectively accounted for 57 percent of total imports under 9802.00.80 in 1993. Imports from all countries, except from Canada, grew by 5 percent (from \$51.2 billion to \$54.0 billion) during 1990-93. Motor vehicles accounted for 45 percent of the total value of HTS provision 9802.00.80 imports in 1993. Goods shipped from Mexico alone accounted for nearly three-fifths (\$9.7 billion) of the duty-free content of U.S. imports under provision 9802.00.80 in 1993.
- o Provision 9802.00.60 imports (U.S. metal articles processed abroad and returned for further processing) continued to decline, falling by 39 percent during 1990-93 to \$848 million. Wrought aluminum (principally sheet used in beverage containers and foil used for consumer packaging), steel sheet and strip, and aircraft parts were the leading products imported under this provision, accounting for 68 percent of the total in 1993. Goods shipped from Canada, Mexico, and Japan accounted for \$540 million, or 96 percent, of the duty-free content of U.S. imports under provision 9802.00.60 in 1993.
- o U.S. imports under provision 9802.00.80 accounted for 49 percent of Mexico's overall exports to the United States in 1993 and 57 percent of the Dominican Republic's exports, compared with only 16 percent of Germany's, 13 percent of Japan's, and 10 percent of Korea's.
- o Most U.S. production-sharing operations in the Caribbean Basin involve the assembly of apparel. Apparel-sewing operations were initially important in the development of in-bond, export processing plants in Mexico and East Asia. However, production sharing in both locations eventually graduated to higher value added, more advanced-technology assembly of auto parts and electronic products. Despite the efforts of countries such as the Dominican Republic and Costa Rica, to follow the Mexican and East Asian models of industrialization, apparel is likely to continue to dominate Caribbean production sharing because, in order to industrialize, the region faces such disadvantages as a small local market, a limited resource base, logistical complexities that add to transportation costs, and, in some countries, inadequate physical, social, and political infrastructures.
- o As a location for foreign assembly, Mexico maintained a relative labor-cost advantage compared with competing countries such as Taiwan, Korea, Hong Kong, and Singapore during 1990-93. In 1993, average hourly compensation in Mexico remained roughly half that in Asia's newly industrialized countries (NICs). 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 1993, U.S. parts typically accounted for only one-quarter of the value of such imports from the Asian NICs.

Table A
U.S. imports under HTS provisions 9802.00.60 and 9802.00.80 and total imports, 1990 and 1993

Provision	1990	1993	Change, 1993 from 1990	Share of total imports under 9802.00.60 and 9802.00.80, 1993
	--Million dollars--		-----Percent-----	
Imports under provision 9802.00.60:				
Dutiable ¹	561	286	-49	(²)
Nondutiable ¹	818	562	-31	1
Subtotal	1,380	848	-39	1
Imports under provision 9802.00.80:				
Dutiable ³	54,303	39,478	-27	69
Nondutiable ³	20,819	16,970	-18	30
Subtotal	75,122	56,448	-25	99
Imports under 9802.00.60 and 9802.00.80:				
Dutiable	54,864	39,764	-27	69
Nondutiable	21,638	17,532	-19	31
Total	76,502	57,296	-25	100
Grand total U.S. imports	491,332	574,863	17	-

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 Less than 0.5 percent.

³ 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.

- o Changes in tariff treatment under the North American Free-Trade Agreement (NAFTA) are expected to favor Mexico over Caribbean Basin countries in their competition to attract foreign investment in production-sharing operations. Under NAFTA, apparel sewn in Mexico from fabric formed and cut in the United States enters the United States free of duty under newly created (January 1, 1994) provision 9802.00.90. Comparable apparel sewn in the Caribbean Basin receives duty-free treatment only on the value of the U.S. formed and cut fabric and is subject to duty on the value added by assembly in the Caribbean (labor costs, etc.).
- o Products assembled in Mexico, other than apparel and textile articles, will be placed on equal footing (in terms of duty-free tariff treatment) with products assembled in the Caribbean Basin when the staged elimination of tariffs for such products under NAFTA is complete in 2008. Under the Caribbean Basin Economic Recovery Expansion Act of 1990, such products assembled in the Caribbean entirely from U.S.-origin components and materials enter the United States completely free of duty. Comparable imports from Mexico were subject to duty on the value added to the U.S.-made components through assembly in Mexico.
- o NAFTA will eventually affect U.S. imports from Mexico under the production-sharing provisions in much the same manner as the CFTA and other preferential tariff treatment programs affected U.S. imports from Canada under the 9802 provisions. In the initial years of the phaseout of tariffs and the user fee, most importers are expected to continue to use the production-sharing provisions, especially when the significant value of U.S. components contained in such imports would be exempt from the customs user 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, the use of the production-sharing provisions will likely decline even though trade with Mexico and the use of U.S. components in Mexican manufacturing operations should increase, similar to the experience with imports from Canada.



CHAPTER 1. INTRODUCTION

Background and Scope of Production-Sharing Provisions 9802.00.60 and 9802.00.80 of the *Harmonized Tariff Schedule 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 1963 to 1988. Subsequently, this tariff treatment 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

Provision 9802.00.60 pertains to articles of metal¹ (except precious metal) that are manufactured or processed in the United States,² exported for further processing, and then returned to the United States for still further processing. Eligible articles entered under this provision are subject to duty only on the value of the foreign processing. Provision 9802.00.80 covers imported goods that are assembled with U.S.-manufactured components. Such products 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. In general, the duty is assessed on the value added abroad. For imports to qualify under the 9802.00.80 provision, the goods must require no further processing in the United States and only "operations incidental to the assembly process" (but not manufacturing) may occur abroad.³

U.S. imports of merchandise involved in production-sharing activity enter almost entirely under the 9802.00.80 provision. In 1993, this provision accounted for 99 percent of the total value of such imports (table A in section "Executive Summary") and for 96 percent of the total duty-free value (table B-1 in section "Appendix B"). The duty-free value, that is the value of the U.S.-origin content, accounted for a combined 31 percent of the total value of imports under the 9802.00.60 and 9802.00.80 provisions that year (table A in section "Executive Summary").

Recent Trends in Imports Under Production-Sharing Provisions

Firms traditionally have used 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 countries with low wage rates; (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; and (5) to penetrate foreign markets.

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 "U.S. 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).

³ For the legal text of the provisions, see ch. 98 of the *HTS* and applicable notes. Also see U.S. International Trade Commission (USITC), *Production Sharing: U.S. Imports Under Harmonized Tariff Schedule Subheadings 9802.00.60 and 9802.00.80, 1987-1990*, 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 trend can lead to greater efficiency and economies of scale and to interdependency between plants requiring coordination of production planning. Rationalization of production across international boundaries is increasingly a common practice.

More specifically, the most important reason companies import under 9802.00.80 is to reduce production costs by assembling U.S.-made components in countries with low labor rates such as Mexico and those in the Caribbean Basin. Companies also use 9802.00.80 to reduce costs when rationalizing multinational operations, usually involving cross-border production of U.S. companies and their Canadian affiliates. Costs are additionally reduced when foreign manufacturers, typically motor vehicles producers in Japan, Germany, and South Korea, use U.S.-made parts in goods destined to the U.S. market.

The most significant operations making use of provision 9802.00.60 are U.S. metal fabricators with plants in both the United States and Canada or Mexico. When firms exhaust certain processing capacities on the U.S. side of the border, metal sheets or coil are sent to affiliates in Canada or Mexico to have those particular functions performed. The processed metal is then returned to the U.S. parent company or other U.S. affiliate for further processing.

More recently, firms have been using the production-sharing tariff provisions to benefit from an exemption of the Customs user fee that was established in December 1986.⁵ Before imposition of the Customs user fee, 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).⁶ However, because the duty-free portion of imports under 9802.00.60 is 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 phaseout of the user fee on imports under the United States-Canada Free Trade Agreement (CFTA) greatly reduced the incentive to import under the production-sharing provision.⁷ As a result, imports from Canada under the provision, which had jumped from \$83 million in 1986 to \$902 million in 1990, dropped to \$551 million in 1993.

The use of the production-sharing tariff provisions depends in large part on the amount of the financial incentive involved. As tariffs are reduced or eliminated through trade agreements and tariff preference regimes, so are the incentives to declare eligibility for entry under HTS provision 9802.00.80. The most visible example has been the effect of the staged elimination of tariffs on U.S. imports from Canada under the CFTA. By 1993, the vast majority of imports from Canada entered free of duty or were subject to a very low tariff under the CFTA. Furthermore, the Customs user fee under the CFTA in 1993 was only 20 percent of the 0.17 percent ad valorem fee applicable to most imports from other countries.⁸ The following tabulation shows that during the 1990-93 period, coinciding with staged tariff and Customs user fee reductions under the CFTA, imports of goods from Canada under provision 9802.00.80 decreased significantly.

Year	U.S. imports from Canada		HTS 9802.00.80 share of total from Canada Percent
	HTS 9802.00.80	Total	
	-----Million dollars-----		
1990	23,958	91,198	26.3
1991	7,459	90,924	8.2
1992	2,901	98,243	3.0
1993	2,477	110,482	2.2

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. For a discussion of the fee, see app. A.

⁶ Public Law 89-283, 79 stat. 1016, enacted Oct. 21, 1965.

⁷ The customs user fee as applied toward goods originating in Canada underwent staged elimination under the CFTA. The fee was reduced to zero on January 1, 1994 (see app. A).

⁸ The customs user fee on Canadian origin goods was eliminated on January 1, 1994. For additional information about the current status of the customs user fee, see app. A. For a discussion of the impact of the customs user fee on the use of the production sharing provisions, see USITC, *Production Sharing: U.S. Imports Under Harmonized Tariff Schedule Subheadings 9802.00.60 and 9802.00.80, 1986-1989*, USITC publication 2365, Mar. 1991, ch. 2.

While imports from Canada under the provision fell by 90 percent, total imports from Canada grew by 21 percent and the use of U.S.-made components in Canadian operations manufacturing goods for North American consumption continued at a strong pace.⁹

A similar scenario regarding imports from Mexico under HTS provision 9802.00.80 can be expected once staged elimination of tariffs and the Customs user fee is completed under the NAFTA.¹⁰ Production sharing will continue but use of the production-sharing tariff provisions will virtually cease for all products except certain textile and apparel products as explained later. However, in the short term, the use of the provisions for most goods will increase, reflecting continued growth in U.S.-Mexico trade, both with the domestic industry in Mexico and with the maquiladora industry. The following tabulation shows that U.S. imports from Mexico under HTS provision 9802.00.80 rose by 23 percent in the first 11 months of 1994 over the corresponding 1993 level. Total U.S. merchandise imports from Mexico expanded by 25 percent during the period and U.S. exports rose by 22 percent.

Year	U.S. imports from Mexico		HTS 9802.00.80 share of total from Mexico Percent
	HTS 9802.00.80	Total	
	-----Million dollars-----		
1990	12,811	29,506	43.4
1991	14,127	30,445	46.4
1992	16,248	33,935	47.9
1993	18,762	38,668	48.5
Jan.-Nov.:			
1993	17,293	35,451	48.8
1994	21,192	44,436	47.7

These diverse trends have resulted in an overall decline in the value of imports under production-sharing provisions relative to total U.S. imports during 1990-93. In 1993, the share of total imports accounted for by entries under 9802.00.60 and 9802.00.80 returned to the pre-user fee (1986) level of 10 percent (figure 1-1).

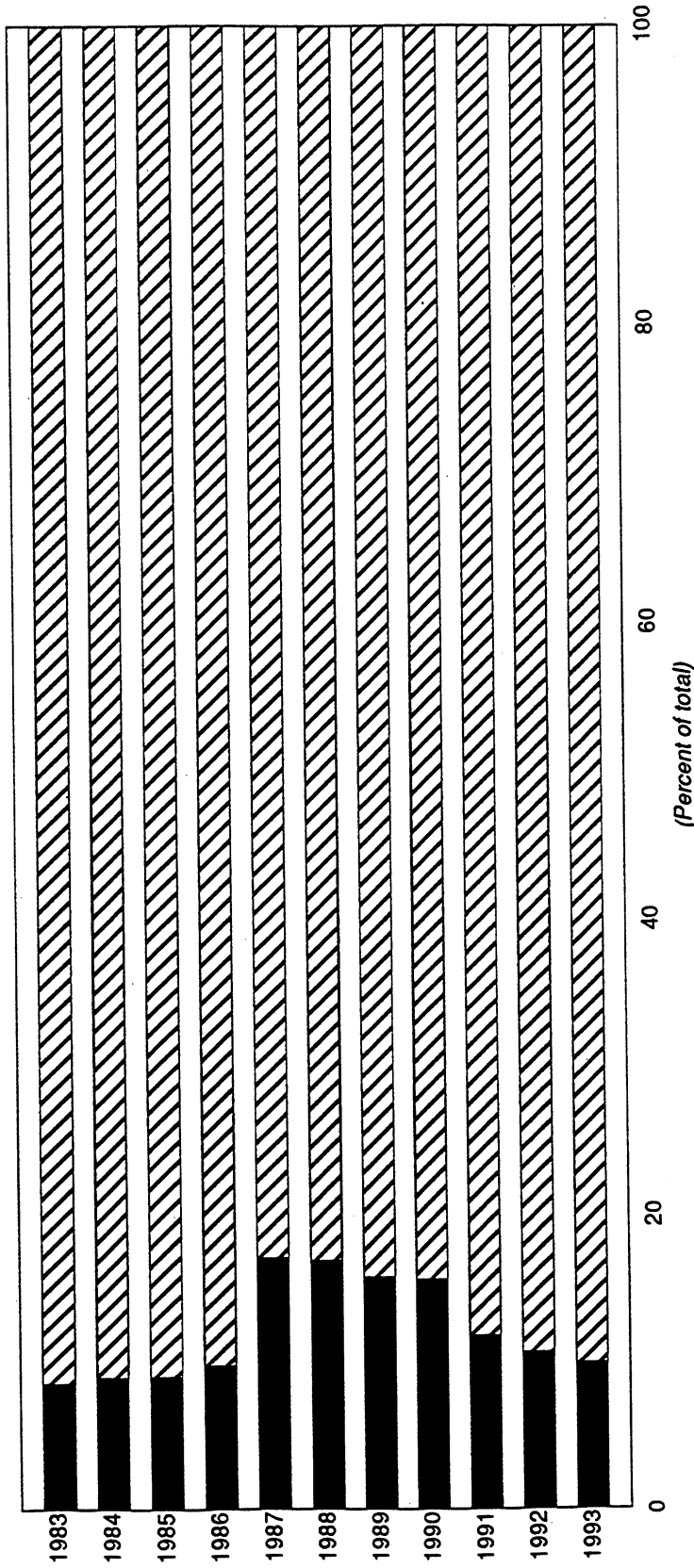
U.S. tariffs on almost all textile and apparel products from Mexico will be removed within 6 years of NAFTA's adoption, or by 1999. To qualify for duty-free entry, such goods must meet the NAFTA rules of origin. The basic origin rule is the "yarn forward" rule, which requires the goods to be made in North America from the yarn stage forward (i.e., the production of the yarn, fabric, and end product must occur there). However, those textile and apparel goods from Mexico that are assembled entirely of fabric made and cut in the United States are now eligible for NAFTA duty-free entry under the new 9802.00.90 provision.¹¹ As U.S. duties are removed on textiles and apparel from Mexico that meet the origin rules, such goods that contain U.S. components will not need to enter under the 9802.00.90 provision to receive the duty-free benefit. In contrast, textile and apparel goods assembled in Mexico from certain non-North American fabrics that were cut in the United States are eligible for preferential NAFTA rates under the new 9802.00.80.55 provision up to

⁹ For a discussion of recent trends in U.S.-Canada trade, see USITC, *U.S. Trade Shifts in Selected Industries: 1993 Annual Report*, USITC publication 2805, p. 16.

¹⁰ Chapter 3 in last year's annual report discusses the impact of NAFTA on production sharing. See USITC, "Implications of the North American Free-Trade Agreement for Mexico's Maquiladora Industry and the Use of the Production-Sharing Tariff Provisions," *Production Sharing: U.S. Imports Under Harmonized Tariff Schedule Provisions 9802.00.60 and 9802.00.80, 1989-1992*, USITC publication 2729, Feb. 1994, ch. 3. A recent publication by Lucinda Vargas of the El Paso Branch of the Federal Reserve Bank of Dallas, *Business Frontier*, Nov./Dec. 1994, concurred with the earlier USITC assessment that although the maquiladora program will disappear as a legal entity on January 1, 2001, the assembly industry should continue to flourish under the NAFTA because the program's attractiveness as an investment alternative in Mexico will be enhanced by the agreement.

¹¹ This provision was created in connection with the adoption of NAFTA on January 1, 1994. Imports under this provision will be discussed in future editions of this USITC annual report.

Figure 1-1
U.S. Imports under provisions 9802.00.60 and 9802.00.80: Share of total imports 1983-93



(Billion dollars)

Items	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Other imports	235.0	294.4	313.1	332.2	333.6	363.4	393.8	414.8	426.3	468.7	517.6
9802.00.80 and 9802.00.60	21.6	28.6	30.5	36.5	68.5	73.7	74.2	76.5	57.5	56.4	57.3

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

specified annual "tariff preference levels" (TPLs).¹² See chapter 3 for a discussion of the advantages that access to provisions 9802.00.80.55 and 9802.00.90 give to apparel assembly operations in Mexico relative to comparable operations in the Caribbean Basin.

While imports under the production-sharing provisions from less-developed countries (LDCs) continued to grow during 1990-93, imports from the developed countries (especially from Canada) dropped dramatically after 1990 because of the new user fee cap (tables B-2 and B-15, figure 1-2). The U.S. content of imports of transportation equipment from Canada, principally motor vehicles and parts, stabilized at \$0.5 billion following a consistent declining trend during 1989-92, from \$7.4 billion to \$0.5 billion.¹³ 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 following tabulation illustrates the imports of U.S.-origin content from developed and less-developed countries during 1990-93 and their shares of total imports of U.S.-origin content:

	<i>(Billion dollars)</i>			
	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Developed countries..	11.4	3.5	2.2	2.1
LDCs.....	<u>10.3</u>	<u>11.0</u>	<u>13.2</u>	<u>15.5</u>
Total.....	21.6	14.5	15.3	17.6

	<i>(Percent of total)</i>			
Developed countries..	53	24	14	12
LDCs.....	<u>47</u>	<u>76</u>	<u>86</u>	<u>88</u>
Total.....	100	100	100	100

Trends in Imports Under Production-Sharing Provision 9802.00.60

U.S. imports under HTS provision 9802.00.60 continued to decrease significantly in 1993, bringing the total decline in these imports to 39 percent since 1990 (table 1-1). The value of the U.S.-origin content of such imports declined by 31 percent, to \$562 million. Most of the decline in imports under the 9802.00.60 provision during 1990-93 resulted from smaller shipments from Canada and Japan (table 1-2). Those two countries, along with Mexico, have historically accounted for most imports under the metal processing production-sharing provision. Germany and France, countries that have traditionally been among the top sources, also experienced large percentage declines in the duty-free value of U.S. imports under this provision during 1990-93.

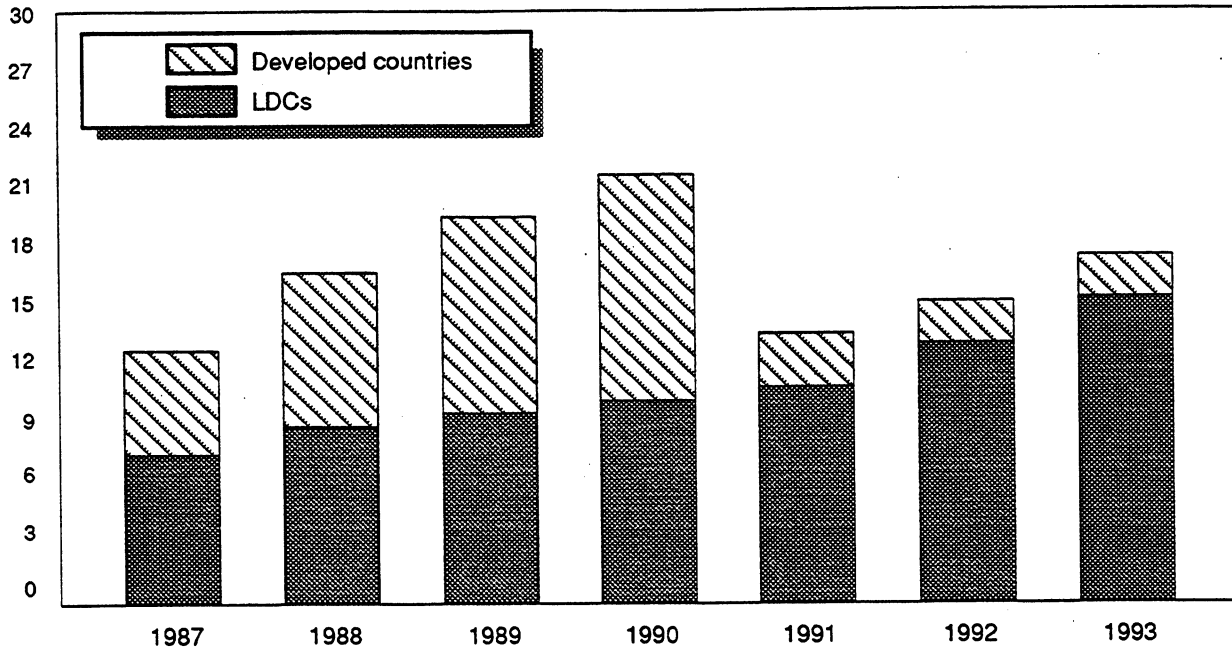
Imports from Canada under HTS provision 9802.00.60 (measured in terms of the value of the U.S.-origin metal before foreign processing) fell \$13 million (4 percent) to \$355 million in 1993 (figure 1-3). The duty-free value of U.S. imports of articles for making and breaking electrical circuits from Canada declined from \$115 million to \$150,000 during 1990-93. This product, which accounted for 90 percent of the decline in the duty-free value of imports from Canada during 1990-93, became eligible for duty-free entry under the CFTA. These articles consisted chiefly of printed circuit boards made by a Canadian subsidiary of a major U.S. semiconductor and computer

¹² This HTS provision was created in connection with the adoption of NAFTA on January 1, 1994. The TPLs permit the import of a fixed quantity of certain goods at the NAFTA preferential rates; imports exceeding the TPLs are subject to the higher most-favored-nation rates.

¹³ Since 1965, virtually all imports of motor vehicles from Canada have been eligible to enter free of ordinary customs duty under the Automotive Products Trade Agreement. Until Jan. 1, 1994, some were entered under 9802.00.80 as well to avoid payment of the user fee on the U.S. content.

Figure 1-2
U.S. imports under provisions 9802.00.60 and 9802.00.80: Duty-free portion accounted for by developed and less developed countries, 1987-93

Billion dollars



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

Table 1-1
U.S. imports for consumption: Total and HTS provision 9802.00.60, 1990-93

Year	Total imports	9802.00.60 imports	Duty-free value of 9802.00.60 imports
<i>Value (million dollars)</i>			
1990	491,332	1,380	818
1991	483,778	1,148	630
1992	525,091	1,021	603
1993	574,863	848	562
<i>Change (percent)</i>			
1993 from 1990	17	-39	-31
Average annual 1993 from 1990	5	-15	-12

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

Table 1-2
Duty-free value of U.S. imports for consumption under HTS provision 9802.00.60, by principal sources, 1990-93

Source	Million dollars				Change in value of duty-free content, 1993 from 1990	Share of total duty-free value	
	1990	1991	1992	1993		1990	1993
Canada	482	389	368	355	-26	59	63
Mexico	139	138	172	156	12	17	28
Japan	129	62	40	29	-78	16	5
France	13	5	3	7	-42	2	1
Korea	3	2	4	4	24	(¹)	1
Germany	17	10	4	3	-80	2	1
All others	35	24	13	7	-79	4	1
Total	818	630	603	562	-31	100	100

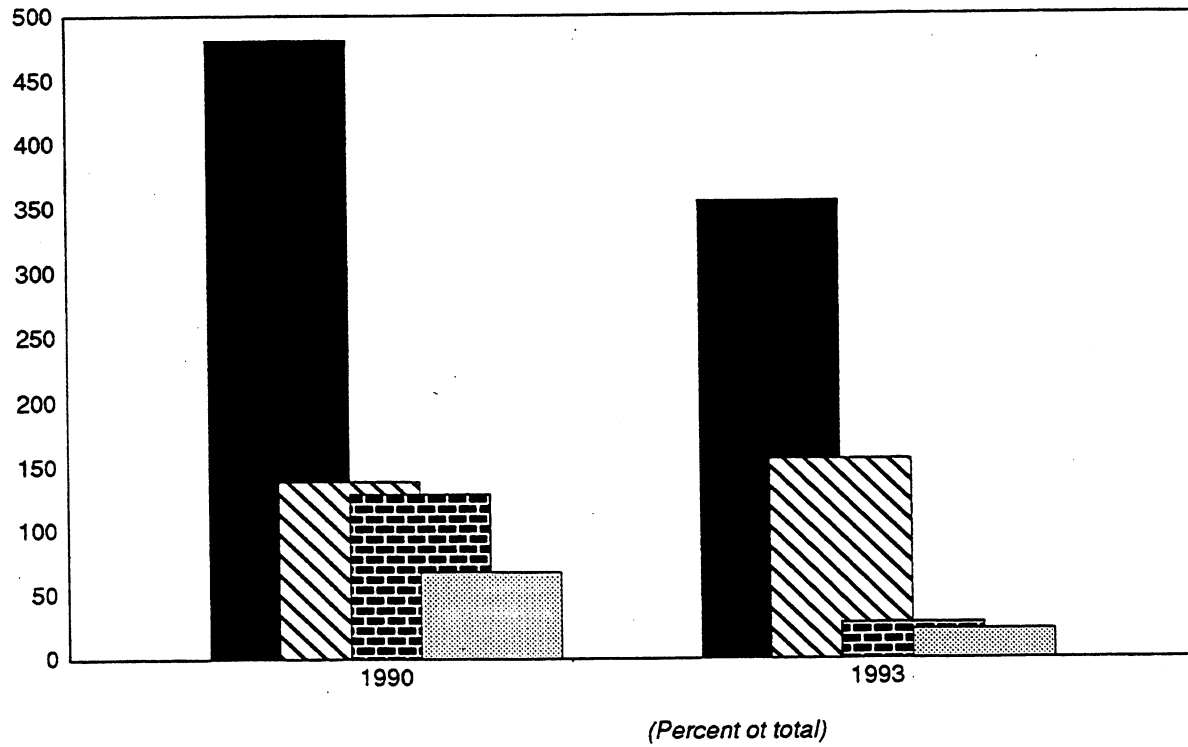
¹ Less than 0.5 percent.

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

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

Figure 1-3
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, 1990 and 1993

Million dollars



<i>Countries</i>	1990	1993
Canada	59	63
Mexico	17	28
Japan	16	5
All other	8	4

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

manufacturer.¹⁴ In addition, the duty-free value of U.S. imports of aircraft parts from Canada under 9802.00.60 fell by 47 percent to \$70 million during 1990-93.¹⁵ The drop in imports reflects changes in the user fee that decreased incentives to import these duty-free products under HTS provision 9802.00.60. Aircraft parts enter duty free under the Agreement on Trade in Civil Aircraft.¹⁶

Aluminum accounted for over half of all imports from Canada under provision 9802.00.60 in 1993 (table B-5). Because of capacity constraints, a U.S. company exports rolled aluminum to its subsidiary in Canada, where it is processed into thinner canning sheet and then shipped to a U.S. subsidiary of the parent company.¹⁷

Imports from Japan under HTS provision 9802.00.60 also decreased in 1993, falling by \$12 million (30 percent) to \$28 million, mainly as a result of decreasing aluminum production-sharing operations. Historically, Japanese producers have purchased scrap aluminum cans from the United States for processing into high-grade aluminum canning sheet for U.S. can makers or breweries.¹⁸ Japanese aluminum producers began buying scrap aluminum from the United States in the 1980's when rising energy costs in Japan forced these companies to shut down their smelting operations.¹⁹

In recent years, however, Japanese producers have increasingly substituted unwrought aluminum from Russia for U.S. scrap, resulting in a sharp decrease (from \$118 million in 1990 to \$12 million) in U.S. imports of aluminum products from Japan under HTS provision 9802.00.60.²⁰

Imports from Mexico under HTS provision 9802.00.60 have increased 12 percent overall since 1990; however, in 1993, imports under this provision fell \$12 million (7 percent) to \$156 million. Steel sheet and strip and motor-vehicle parts accounted for over half of all 9802.00.60 imports from Mexico in 1993. Most steel sent to Mexico for processing is from an Arizona mill that generally operates its U.S. galvanizing facility at near-full capacity. Excess steel is shipped to an affiliated plant in Mexico for galvanizing. Consequently, the level of steel sheet and strip imported from Mexico under this provision fluctuates from year to year according to demand in the U.S. market and capacity constraints at the Arizona steel producer's U.S. galvanizing plant.²¹ In 1993, such imports dropped 25 percent to \$43 million (measured in terms of U.S. content). That \$14 million decrease in steel imports was larger than the total reduction in all imports from Mexico under this provision in 1993. Imports of steel sheet and strip are expected to decline because U.S. producers added 2 million tons of galvanizing capacity during 1991-93.²²

The 56 percent growth in imports of motor vehicle parts and engines from Mexico during 1990-93 (to \$38.5 million in U.S. content) reflects the increasingly integrated nature of North American motor vehicle manufacturing. Mexican plants perform labor-intensive metal processing

¹⁴ 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.

¹⁵ U.S. aircraft manufacturers have expanded subcontracting of parts work to companies in Canada in recent years.

¹⁶ 31 UST (pt 1) 619.

¹⁷ Commission staff interviews with aluminum industry officials in Sept. 1986, Sept. 1993, and Feb. 1995.

¹⁸ *Ibid.*

¹⁹ U.S. Congress, Office of Technology Assessment, "Nonferrous Metals: Industry Structure--Background Paper," OTA-BP-E-62 (Washington, DC: U.S. Government Printing Office, Sept. 1990), pp. 6, 27. Aluminum smelters convert bauxite or alumina to aluminum metal. This process is highly energy intensive. Melting aluminum-bearing scrap is less energy intensive, requiring about 5 percent of the amount of energy consumed in aluminum smelting.

²⁰ Staff interview with aluminum industry officials in Sept. 1994. Also see tables 1-3, B-14.

²¹ Testimony of Santiago Clariond, President, Industrias Monterrey, at the public hearing in the matter of Certain Flat Rolled Carbon Steel Products, USITC investigation Nos. 701-TA-319-332, 334, 336-342, 344, and 347-353 (Final) and 731-TA-573-579, 581-592, 594-597, 599-609, and 612-619 (Final), June 30, 1993, pp. 906-907.

²² For further information, see USITC, Certain Flat-Rolled Carbon Steel Products from Argentina, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom, investigation Nos. 701-TA-319-32, 334, 336-342, 344, and 347-353 (Final) and investigation Nos. 731-TA-573-579, 581-592, 594-597, 599-609, 612-619 (Final), USITC publication 2664, Aug. 1993, p. I-52. The Commission's investigations on steel had no impact on U.S. imports from Mexico as the Commission's ruling on corrosive resistant steel from Mexico was negative and no additional duties were imposed.

operations for the Big Three U.S. automobile manufacturers (General Motors, Ford, and Chrysler). In 1993, imports of motor vehicle parts from Mexico under provision 9802.00.60 decreased by 5 percent from the 1992 level. In terms of the value of the U.S.-origin metal, imports of engines dropped by \$10.3 million in 1993, while imports of other auto parts grew by \$8.2 million.

Table 1-3 provides a comparison of trends in imports under provision 9802.00.60 by 13 major industry groups during 1990-93. Imports in most product categories decreased during the period. The most significant, albeit relatively small, growth in imports under the provision occurred in motor vehicle parts and engines (up \$19 million).

U.S. importers realized duty savings of \$13.6 million from the use of HTS provision 9802.00.60 in 1993.²³ The nominal rate of duty rose from 2 percent in 1992 to 2.5 percent in 1993 (table 1-4). The significant decline in the value of duty-free imports entering under HTS provision 9802.00.60 from Canada resulted in a greater portion of 9802.00.60 imports being dutiable. The effective rate of duty remained at 0.8 percent.²⁴ Imports of processed iron and steel mill products accounted for over half of the duty savings accrued from importing under HTS provision 9802.00.60, although these products represented just 19 percent of the total HTS provision 9802.00.60 imports in 1993. Conversely, aircraft parts and aluminum accounted for a combined 51 percent of U.S. imports under HTS provision 9802.00.60, but accounted for only a small part of the duty savings because aircraft parts entered free of duty under the Agreement on Trade in Civil Aircraft, and over 92 percent of the aluminum entered duty-free under the CFTA.

Trends in Imports Under Production-Sharing Provision 9802.00.80

The decline in U.S. imports under HTS provision 9802.00.80, following the adoption of the user fee cap in October 1990, came to a halt in 1993, when such imports rose by 2 percent over the 1992 level to \$56.4 billion (table 1-5). Nevertheless, these imports remained well below the 1990 peak of \$75 billion. The share of total imports entering under 9802.00.80 dropped from 15 to 10 percent (table 1-6). The decrease in imports under provision 9802.00.80 in response to the change in user fee regulations mostly involved motor vehicles and parts from Canada. Imports of motor vehicles and parts (including internal combustion engines) from Canada under provision 9802.00.80, most of which are eligible for duty-free entry under APTA, dropped from \$19.8 billion in 1990 to \$1.2 billion in 1993.

Imports under provision 9802.00.80 from countries other than Canada grew by 5 percent during 1990-93. The value of U.S.-made components contained in 9802.00.80 imports from countries other than Canada rose by a substantial 43 percent, to \$16.2 billion, far exceeding the rate of expansion in total imports (table 1-5). Mexico is by far the largest source of these non-Canadian shipments, accounting for 60 percent of the duty-free portion of these imports in 1993.

Imports of motor vehicles and parts from the rest of the world under this provision averaged \$29.3 billion annually during 1990-93. In 1993, imports of motor vehicles and parts under provision 9802.00.80 dropped by \$2.4 billion, with Japan and Europe accounting for most of the decrease.

²³ The duty savings can be calculated by multiplying the value of U.S. content by the nominal rate of duty.

²⁴ The effective rate of duty is calculated by multiplying the nominal rate of duty by the ratio of the dutiable imports under 9802.00.60 to total imports under 9802.00.60.

Table 1-3
U.S. imports under HTS provision 9802.00.60, total and duty-free, by industry groups, 1990 and 1993

Industry group	Duty-free value		Average annual change, 1993 from 1990		Share of total 1993	Ratio of duty-free value to total value		Total value		Change, 1993 from 1990		Average annual change, 1993 from 1990		Share of total 1993
	1990	1993	Percent	Percent		1990	1993	1990	1993	Percent	Percent			
	--1,000 dollars--		-----		Percent	-----		--1,000 dollars--		-----		-----		
Agricultural and forest products.....	575	0	-100	(1)	14	(1)	4,058	0	-100	100	(1)			
Textiles, apparel, and footwear.....	4	0	-100	(1)	80	(1)	5	0	-100	100	(1)			
Chemicals, coal petroleum, natural gas, and related products.....	9,588	2,758	-71	(2)	56	48	17,126	5,802	-66	-30	1			
Minerals and metals.....	440,632	366,528	-17	65	75	75	589,476	487,958	-17	-6	58			
Internal combustion engines and parts.....	11,199	15,381	37	11	67	64	16,505	24,147	46	14	3			
Office machines and parts.....	445	89	-80	(2)	54	68	825	131	-84	-46	(2)			
Motors, generators, transformers, and related equipment.....	14,948	12,113	-19	2	73	83	20,434	14,654	-28	-10	2			
Radio and telephone equipment and parts.....	149	0	-100	(1)	53	(1)	280	0	-100	-100	(1)			
Semiconductors.....	1,015	0	-100	(1)	48	(1)	2,126	0	-100	-100	(1)			
Other electrical articles.....	115,904	1,269	-99	(2)	74	50	156,312	2,548	-98	-75	(2)			
Motor-vehicle parts, industrial vehicles, non-self-propelled vehicles, motorcycles, rail locomotives, and rolling stock.....	18,181	28,387	56	16	77	82	23,738	34,740	46	14	4			
Other machinery and equipment.....	156,404	91,836	-41	16	32	41	491,887	222,702	-55	-23	26			
Miscellaneous manufactures.....	49,360	43,582	-12	8	87	79	57,050	55,494	3	-1	7			
Total.....	818,404	561,945	-31	100	59	66	1,379,823	848,175	-39	-15	100			

1 Not applicable.
2 Less than 0.5 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 1-4

HTS provision 9802.00.60: Share of total imports, duty-free share, nominal and effective rates of duty, and duty savings, 1990-93

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 Million dollars
			Nominal	Effective	
-----Percent-----					
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
1993	0.1	66	2.5	0.8	13.6

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

Table 1-5

HTS provision 9802.00.80: U.S. imports for consumption, total and HTS provision 9802.00.80, 1990-93

	Total imports	9802.00.80 imports			Duty-free value of 9802.00.80 imports		
		Total	Canada	Other	Total	Canada	Other
Value (million dollars)							
1990	491,332	75,122	23,958	51,164	20,819	9,538	11,281
1991	483,778	56,308	7,459	48,849	13,865	2,124	11,741
1992	525,091	55,365	2,901	52,464	14,733	812	13,921
1993	574,863	56,448	2,477	53,971	16,970	769	16,201
Change (percent)							
1993 from 1990	17	-25	-90	5	-18	-92	44
Average annual 1993 from 1990	5	-9	-53	2	-7	-57	13

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

This decline was offset by increased imports in 1993 of apparel from the Caribbean and Mexico, and motor vehicles and parts, motors, generators, television receivers, electrical conductors, and scientific instruments from Mexico.

The ratio of the U.S. content to the total value of imports under HTS 9802.00.80 averaged nearly 28 percent annually during 1990-93. The U.S.-origin content of HTS 9802.00.80 imports amounted to \$16.9 billion in 1993 (table 1-5), and the duty savings from using provision 9802.00.80 totaled \$1.0 billion (table 1-6). The 26-percent increase in duty savings in 1993 over 1992 largely reflected a 20-percent rise in imports of apparel and of other textile products under the provision (from \$5.36 billion to \$6.42 billion), with most coming from the Caribbean Basin and Mexico (table B-18).

Table 1-6

HTS provision 9802.00.80: Share of total imports, duty-free share, nominal and effective rates of duty, and duty savings, 1990-93

Year	9802.00.80 imports to total imports	Duty-free to total 9802.00.80 imports	9802.00.80 Rate of duty		Total duty savings Million dollars
			Nominal	Effective	
-----Percent-----					
1990	15	28	2.3	1.7	664
1991	12	25	3.4	2.6	697
1992	11	27	4.1	3.0	885
1993	10	30	4.5	3.1	1,002

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

Principal Products

The leading products imported under 9802.00.80 in 1993 in terms of total customs value, that is, U.S. content and foreign value added, were motor vehicles, which accounted for 45 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 (9 percent) than do most other products (47 percent) under HTS 9802.00.80. However, U.S.-made parts constituted 35 percent of the value of motor vehicles from Canada and 42 percent of the vehicles from Mexico, compared with 2 percent of vehicles from Japan and 1 percent from Germany (tables B-18 through B-21).

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 HTS 9802.00.80, because 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 1993 were apparel (21 percent), semiconductors (16 percent), motor vehicles (14 percent), "other" electrical articles²⁵ (13 percent), and engines and other motor vehicle parts (10 percent) (table 1-7, figure 1-4).

Although imports under provision 9802.00.80 in several product categories decreased in 1993, the use of production sharing increased in other categories:

Product	1992	1993	Increase,
			1993 over 1992
-----Million dollars-----			
Apparel	2,871	3,482	611
Semiconductors	2,234	2,715	481
Certain motor vehicle parts	1,312	1,490	178
Motor vehicles	2,156	2,306	150
Certain pharmaceutical products	13	157	144
Television receivers	522	642	120
Printed circuit boards	625	739	114
Scientific and medical instruments	496	594	98
Motors and generators	351	425	74
Electrical conductors	1,052	1,122	70
All other	<u>3,101</u>	<u>3,298</u>	<u>198</u>
Total	14,733	16,970	2,237

²⁵ Most of these products are ignition wiring sets for motor vehicles.

Table 1-7
U.S. imports under HTS provision 9802.00.80, total and duty-free, by industry groups, 1990 and 1993

Industry group	Duty-free value		Change, 1993 from 1990		Average annual change, 1993 from 1990		Share of total		Ratio of duty-free value to total value		Total value		Change, 1993 from 1990		Average annual change, 1993 from 1990		Share of total	
	1990	1993	1990	1993	1990	1993	1990	1993	1990	1993	1990	1993	1990	1993	1990	1993	1990	1993
	-----1,000 dollars-----		-----Percent-----		-----Percent-----		-----Percent-----		-----Percent-----		-----1,000 dollars-----		-----Percent-----		-----Percent-----		-----Percent-----	
Agricultural and forest products	36,595	33,242	-9	(1)	32	47	32	32	77,050	102,715	33	10	(1)					
Shirts and blouses	252,775	617,531	144	4	63	60	63	63	420,605	980,463	133	33	2					
Trousers, slacks, and shorts	517,926	1,039,226	105	6	63	65	63	63	796,793	1,693,535	113	28	3					
Body-supporting garments	184,949	317,281	72	2	67	67	67	67	277,495	475,403	71	18	1					
Footwear	96,984	192,941	99	1	11	17	11	11	908,145	1,133,459	25	8	2					
Other textiles and apparel	708,358	1,294,643	83	8	63	63	63	63	1,123,250	2,138,844	90	24	4					
Chemicals, coal, petroleum, natural gas, and related products	59,512	225,670	279	1	54	81	54	81	109,540	279,141	155	37	(1)					
Minerals and metals	183,384	253,321	38	1	45	48	45	48	408,421	532,143	30	9	1					
Internal combustion engines and parts	314,726	154,790	-51	1	13	18	13	18	2,375,318	863,929	-64	-29	2					
Office machines and parts	543,859	487,216	-10	3	26	26	26	26	2,104,447	1,857,242	-12	-4	3					
Motors, generators, transformers, and related equipment	352,373	533,189	51	3	53	49	53	49	665,873	1,083,485	63	18	2					
Television apparatus and parts, other than cameras and picture tubes	369,447	696,125	89	4	22	30	22	30	1,654,296	2,299,901	39	12	4					
Radio and telephone equipment and parts	174,196	213,133	22	1	23	28	23	28	770,911	759,881	-1	(2)	1					
Tape recorders, record players, and related equipment	15,094	6,538	-57	(1)	20	10	20	10	76,599	66,222	-14	-5	(1)					
Semiconductors	2,745,050	2,715,496	-1	(2)	54	55	54	55	4,961,283	5,050,585	2	1	9					
Other electrical articles	2,566,853	2,261,572	-12	13	64	56	64	56	4,020,882	4,046,993	1	(1)	7					
Motor vehicles, including automobile truck and truck tractors, motor buses, passenger automobiles	8,317,895	2,305,622	-72	14	18	9	18	9	45,184,703	25,169,808	-44	-18	45					
Motor-vehicle parts, industrial vehicles, non-self-propelled vehicles, motorcycles, rail locomotives, and rolling stock	1,235,682	1,516,972	23	7	38	51	38	51	3,264,270	2,949,483	-10	-3	5					
Other machinery and equipment	1,306,502	1,068,632	-18	6	33	40	33	40	3,907,462	2,672,573	-32	-12	5					
Scientific instruments and apparatus	356,387	629,515	77	4	46	47	46	47	781,902	1,341,169	72	20	2					
Furniture, mattresses and pillows	209,176	64,898	-69	(1)	36	54	36	54	574,432	120,552	-79	-41	(1)					
Other miscellaneous manufactures	271,513	322,502	19	6	41	39	41	39	658,475	830,157	26	8	1					
Total	20,819,237	16,970,055	-18	-7	100	28	100	28	75,122,153	56,447,683	-25	-9	100					

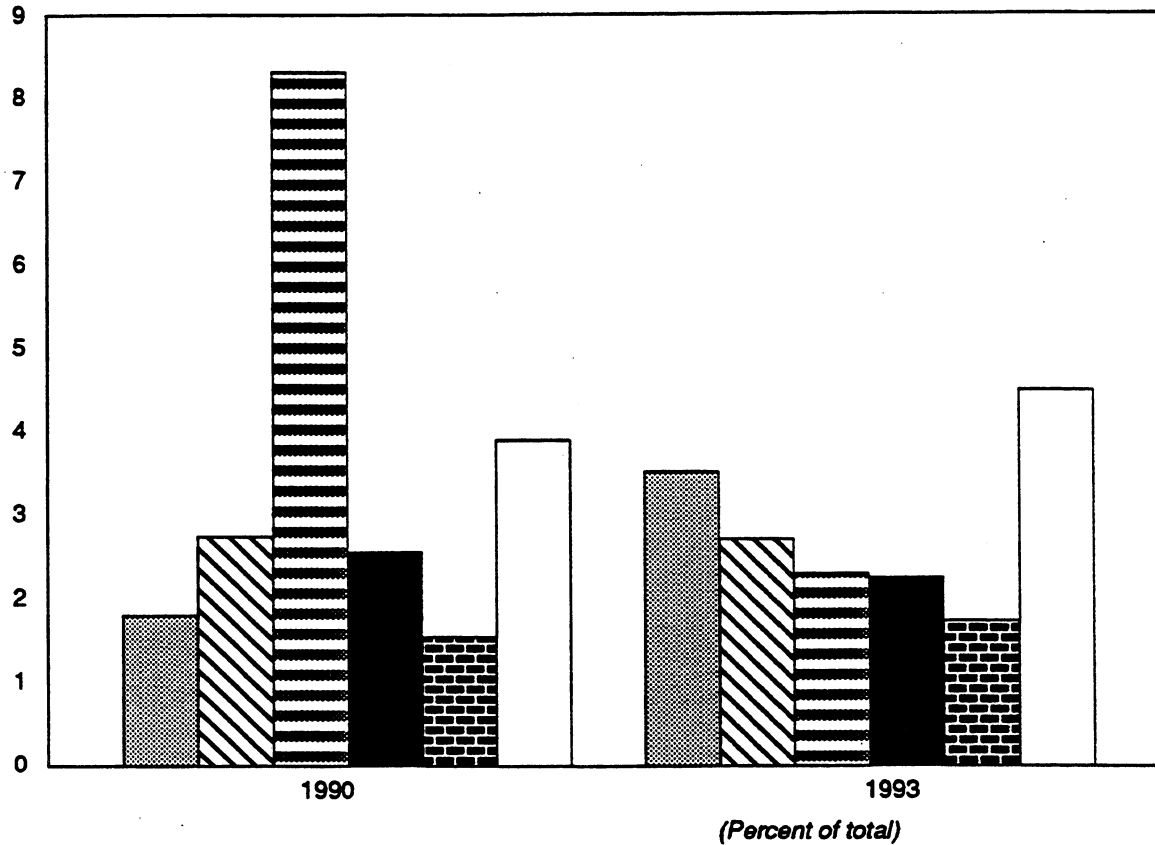
1 Less than 0.5 percent.






2 Less than -0.5 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce. Table 1-7

Figure 1-4
Value of U.S.-made components contained in imports under provision 9802.00.80, by selected industries, 1990 and 1993

Billion dollars



<i>Items</i>		1990	1993
	Apparel	9	21
	Semiconductors	13	16
	Motor vehicles	40	14
	Other electrical articles	12	13
	Motor vehicle parts	7	10
	All other	19	26

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

Imports from Mexico accounted for almost all of the increase in the U.S.-content of motor vehicles, motor-vehicle parts, television receivers, printed circuit boards, scientific and medical instruments, electrical conductors, and motors and generators. Mexico, along with the Caribbean countries, accounted for almost all the growth in the U.S. content of 9802.00.80 apparel imports. Growth in the U.S. content of semiconductor imports came from Mexico, Malaysia, and the Philippines. The Bahamas were responsible for the rise in imports of certain pharmaceutical products.²⁶

Principal Sources

Although Mexico, Japan, and Germany were the leading suppliers of imports under provision 9802.00.80 in 1993, 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 1-8). Mexico became the dominant supplier of U.S. imports under provision 9802.00.80 in 1991, in terms of the value of the U.S. content, as a result of substantially reduced imports from Canada under the provision. The Dominican Republic was a distant second in 1993, followed by Malaysia and Canada (table 1-9, figure 1-5). Mexico's share of nondutiable 9802.00.80 imports expanded by a substantial 52 percent during 1990-93, and such imports from the Dominican Republic more than doubled.

Imports from developing countries under provision 9802.00.80 amounted to \$31.2 billion in 1993 and accounted for 55 percent of total 9802.00.80 imports (table B-15). U.S.-made components totaled \$15.3 billion. By comparison, duty-free imports from LDCs totaled \$19.6 billion under the Generalized System of Preferences in 1993, \$1.9 billion under the Caribbean Basin Economic Recovery Act, and \$0.4 billion under the Andean Trade Preference Act.²⁷

Mexico was the primary source of 9802.00.80 imports from developing countries in 1993, in terms of the total value (U.S.-made components and foreign-value added). Mexico provided 60 percent of the imports from all developing countries, followed by Malaysia, Korea, the Dominican Republic, and Singapore with 5 percent each. The major products from Mexico under the 9802.00.80 provision were motor vehicles and parts, television receivers, electrical conductors, other electrical components and subassemblies, and apparel. Semiconductors accounted for nearly all of the 9802.00.80 imports from Malaysia and they were the leading import from Korea, followed by motor vehicles and footwear. Apparel dominated production sharing imports from the Dominican Republic, while office machines and semiconductors were the leading products from Singapore.

Duty Savings

The apparel industry has by far the greatest incentive of any industry sector to use the tariff advantages of provision 9802.00.80. 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 led to the largest duty savings received by any industry--\$592 million in 1993. 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, after chemical products,²⁸ 9802.00.80 imports

²⁶ U.S.-based firms that make aromatic drugs in the Bahamas from U.S.-origin stock increased their use of HTS provision 9802.00.50.10 in 1993 following expiration of a temporary duty suspension that had allowed specified aromatic drugs to enter the United States free of duty. Provision 9802.00.50.10, created pursuant to the Caribbean Basin Economic Recovery Expansion Act of 1990, allows products that are altered (but not assembled) in eligible Caribbean Basin countries and that contain only U.S.-origin content to be imported free of duty. There is no duty applied to the value added in eligible Caribbean countries. Statistics on imports under provision 9802.00.50 are reported together with imports under provision 9802.00.80. For more information about imports under the Caribbean Basin Economic Recovery Act, see USITC, *Impact of the Caribbean Basin Economic Recovery Act on U.S. Industries and Consumers: The First Ten Years of CBERA*, USITC publication 2813, Sept. 1994.

²⁷ 19 U.S.C. 3201, 105 Stat. 1236 et seq.

²⁸ Chiefly pharmaceutical processing and assembly of rubber and plastic articles.

Table 1-8

HTS provision 9802.00.80: Principal suppliers, total U.S. imports, 9802.00.80 imports, U.S. content of 9802.00.80 imports, share of total U.S. imports accounted for by 9802.00.80 imports, and share of 9802.00.80 imports accounted for by U.S. content, 1993

Source	Total U.S. imports	Total imports under provision 9802.00.80	U.S. content of 9802.00.80 imports	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-----			-----Percent-----		
Mexico	38,668	18,761	9,716	49	52
Japan	106,162	14,135	460	13	3
Germany	28,103	4,578	84	16	2
Canada	110,482	2,477	769	2	31
Malaysia	10,482	1,669	794	16	48
Korea	16,986	1,656	474	10	29
Dominican Republic . .	2,667	1,523	1,038	57	68
Singapore	12,744	1,461	353	11	24
Philippines	4,864	1,049	485	22	46
United Kingdom	21,303	1,006	91	5	9
All others	222,400	8,132	2,707	4	33
Total	574,863	56,448	16,970	10	30

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

Table 1-9

HTS provision 9802.00.80: Duty-free value of U.S. imports for consumption, by principal sources, 1990-93

Source	1990	1991	1992	1993	Change in value of duty-free content, 1993 from 1990	Share of total duty-free value	
						1990	1993
-----Million dollars-----					-----Percent-----		
Mexico	6,388	7,103	8,507	9,716	52	31	57
Dominican Republic	488	643	871	1,038	113	2	6
Malaysia	578	532	611	794	37	3	5
Canada	9,538	2,124	812	769	-92	46	5
Philippines	259	283	368	485	87	1	3
Korea	602	495	439	474	-21	3	3
Japan	582	472	496	460	-21	3	3
Costa Rica	214	264	354	398	86	1	2
Singapore	353	290	344	353	(¹)	2	2
Taiwan	235	220	298	336	43	1	2
All others	1,580	1,441	1,633	2,147	36	7	13
Total	20,819	13,865	14,733	16,970	-18	100	100

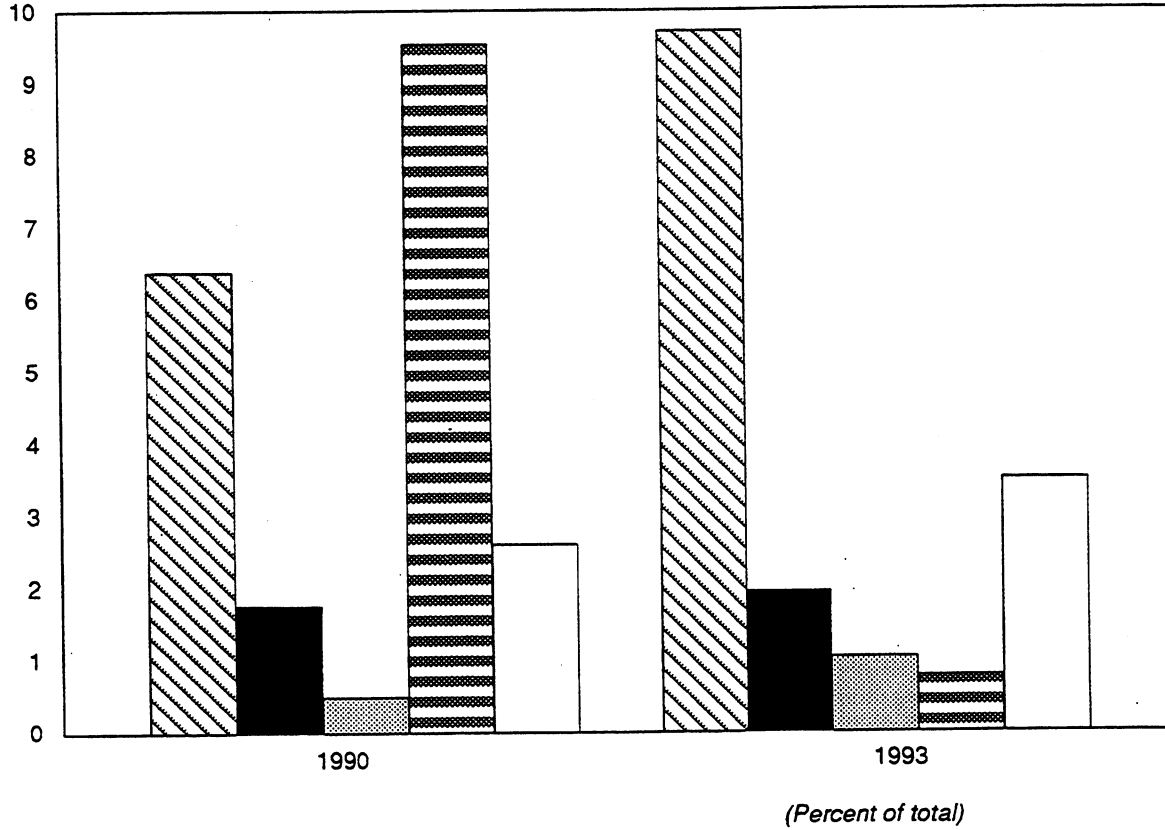
¹ Increase of less than 0.5 percent.

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

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

Figure 1-5
HTS provision 9802.00.80: U.S.-made components contained in imports from leading sources, by share of total and by value, 1990 and 1993

Billion dollars



<i>Countries</i>		1990	1993
	Mexico	31	57
	Four Asian NICs ¹	8	12
	Dominican Republic	2	6
	Canada	46	5
	All other	13	20

¹ Malaysia, Korea, Singapore, and Taiwan.

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

of garments, trousers, and shirts had the highest ratios of U.S. content to total value (67 percent, 63 percent, and 63 percent, respectively) in 1993, whereas motor vehicles had the lowest ratio (9 percent). Despite supplying only 11 percent of total imports under provision 9802.00.80 in 1993, the apparel industry received 59 percent of the duty savings. Conversely, motor vehicles accounted for 45 percent of total 9802.00.80 imports, but only for 8 percent (\$63 million) of the duty savings.

**CHAPTER 2. ANALYSIS BY INDUSTRY OF IMPORTS UNDER
PRODUCTION-SHARING PROVISION 9802.00.80**

Transportation Equipment¹

Motor vehicles and parts have dominated the use of the U.S production- sharing tariff provisions in recent years. The Big Three U.S. automakers and their top automotive parts suppliers are the largest users of production-sharing provisions. These uses include the assembly of vehicles in Canada (using both Canadian- and U.S.-made parts) to be marketed in both Canada and the United States and the assembly of motor vehicle parts in Mexico from U.S.-made components, with almost all of the parts returning to the United States for the further 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 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 (appendix A) went into effect. Even prior to implementation of the CFTA in 1989, nearly all motor vehicles and parts from Canada entered the United States free of duty under the Automotive Products Trade Act (APTA) of 1965. Since there was no duty to be saved, U.S. importers of motor vehicles and parts from Canada did not utilize the production-sharing provision, even though most imports under APTA contain U.S.-made parts. Because the duty-free portion (U.S. content) of imports under the production-sharing provisions is exempt from the customs user fee, the motor vehicle industry in November 1986 began using provision 9802.00.80 when importing already duty-free motor vehicles and parts from Canada. This practice continued 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 phased out under the CFTA.

Because of the importance of motor vehicles and parts in total U.S.-Canadian trade and 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 by 15 percent to \$108.4 billion during 1990-93 (table 2-1, figure 2-1), U.S. imports of these products entered under provision 9802.00.80 fell by 44 percent, dropping to \$30 billion in 1993 from \$53 billion in 1990. A \$20.0 billion 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 transportation equipment imports dropped by nearly two-thirds to \$3.8 billion during 1990-92, but rose by 10 percent in 1993.

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 value of the U.S.-made components of imports under the provision between 1985 (the year before the user fee went into effect) and 1993, as shown in the tabulation below (in millions of dollars):

<u>Source</u>	<u>1985</u>	<u>1990</u>	<u>1992</u>	<u>1993</u>
Canada.....	62	7,665	500	533
Mexico.....	643	1,874	2,826	3,192
All other.....	388	973	504	491

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

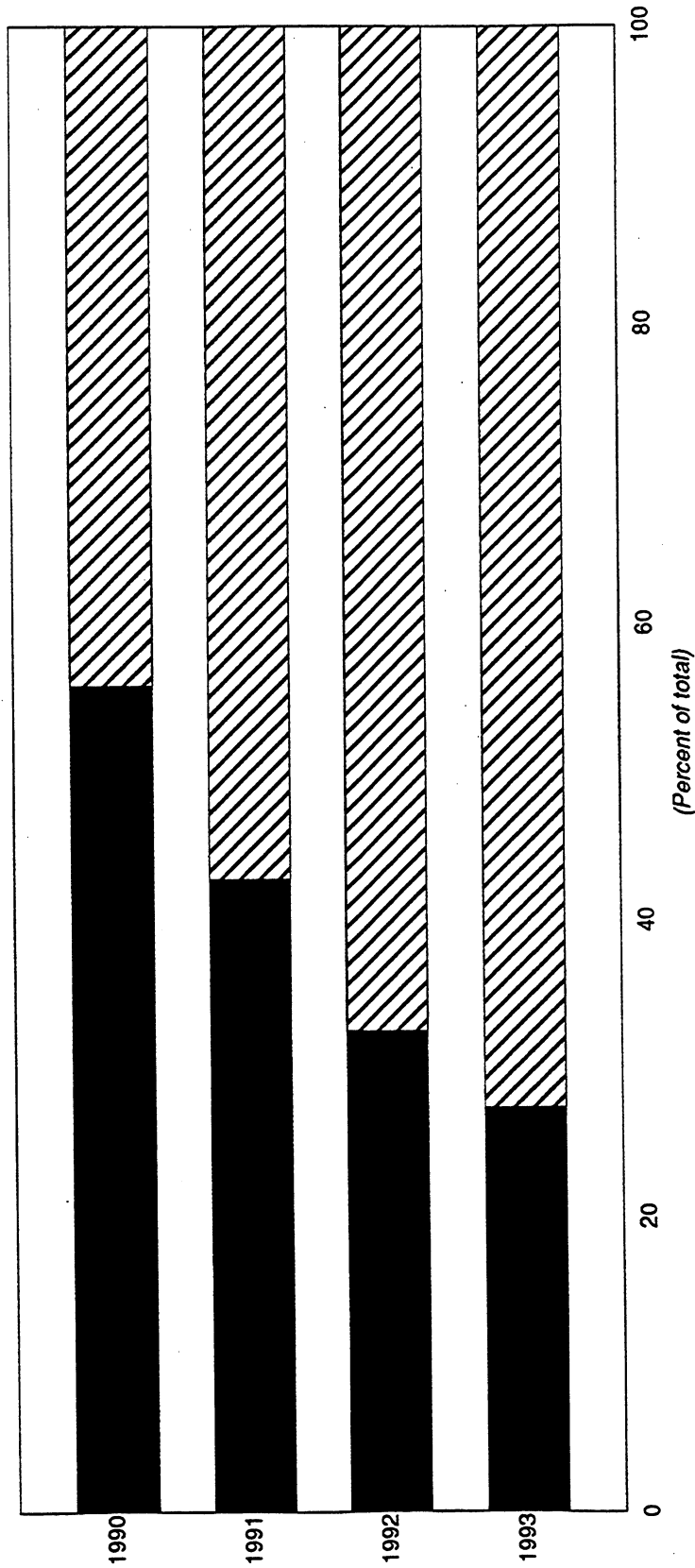
Table 2-1

Transportation equipment: U.S. imports for consumption, total, and provision 9802.00.80, 1990-93

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
Value (million dollars)			
1990.....	94,586	52,765	10,512
1991.....	92,526	35,348	4,525
1992.....	98,136	31,853	3,830
1993.....	108,354	29,588	4,216
Change (percent)			
1993 from 1990.....	15	-44	-60
Average annual 1993 from 1990.....	5	-18	-26

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

Figure 2-1
Transportation equipment: Share of total U.S. imports for consumption accounted for by provision 9802.00.80, 1990-93



(Billion dollars)

Items	1990	1991	1992	1993
Other imports	41.8	57.2	66.2	78.8
9802.00.80	52.8	35.3	31.9	29.6

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

The data contrast the erratic trend in imports from Canada (indicative of the changes in the user fee) with 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 of decreased imports of vehicles from Europe during 1990-93.

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 drop from \$21 billion in 1990 to \$2 billion in 1993, total U.S. imports of transportation equipment from Canada actually increased from \$27 billion to \$36 billion; this trend indicates that the reduced use of provision 9802.00.80 has not significantly altered the patterns of merchandise trade between the United States and Canada or the use of U.S.-made components in Canadian manufacturing and assembly operations.

In 1993, 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), representing the same portion as in 1992. Motor vehicles remained the single largest category of imported transportation products, although their share of the total duty-free value of transportation equipment declined from 79 to 55 percent during 1990-93. Conversely, the duty-free share accounted for by motor vehicle parts rose from 10 to 35 percent (\$1.5 billion). The ratio of provision 9802.00.80 imports to total imports of transportation equipment decreased steadily to 27 percent in 1993, and the share of provision 9802.00.80 imports accounted for by U.S.-made components fell to 14 percent (table 2-2). The declines in each reflect the reduced use of provision 9802.00.80 when companies import motor vehicles and parts from Canada. Duty savings on imports of transportation equipment resulting from the use of provision 9802.00.80 amounted to \$113 million in 1993 (table 2-2).

Japan remained the leading overall supplier of transportation equipment to the United States during 1990-93 and, together with Canada, accounted for an average of approximately 70 percent of such imports. Nearly one-half of all such imports from Japan entered under provision 9802.00.80 during 1990-93, while the share of U.S. imports of transportation equipment from Canada entering under provision 9802.00.80 declined steadily from 75 percent in 1990 to 4 percent in 1993.

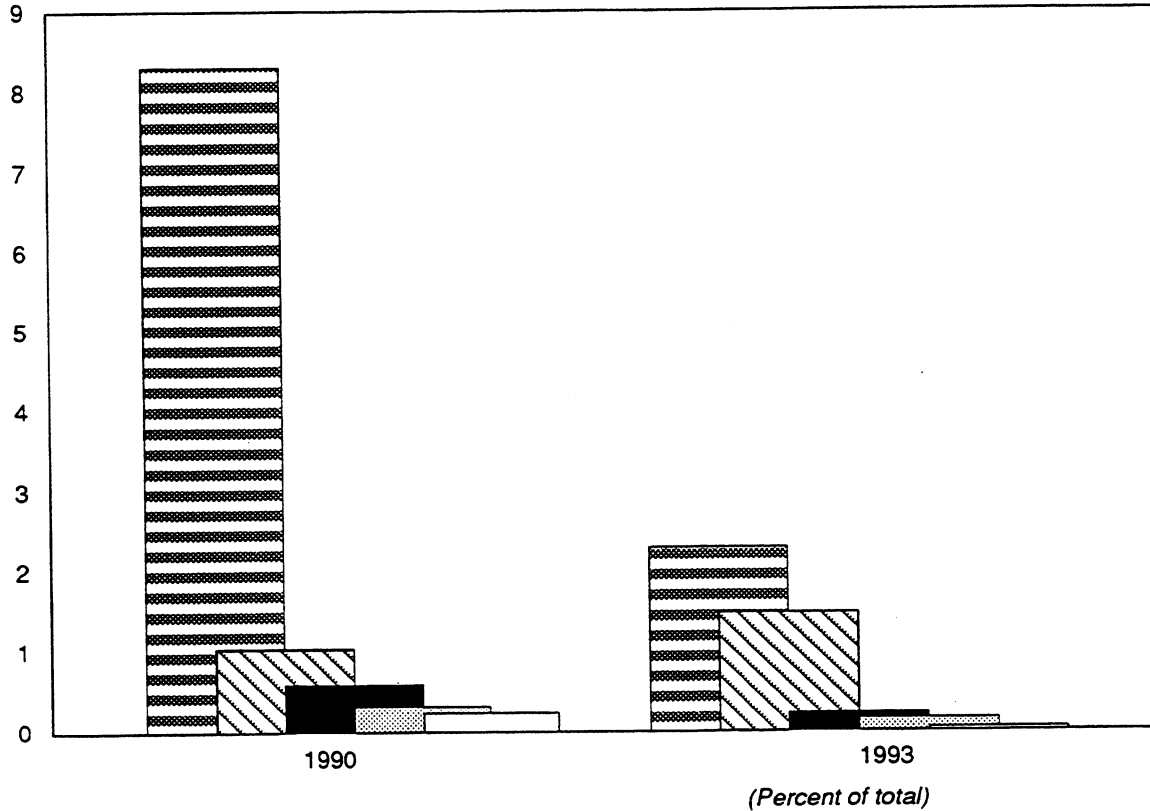
This decline in imports from Canada entering under provision 9802.00.80, combined with continued growth in the use of assembly facilities in Mexico by U.S. producers of motor vehicles and auto parts, again made Mexico the leading supplier of transportation equipment in 1993 in terms of the value of U.S.-made components contained in imports under 9802.00.80 (table 2-3, figure 2-3). Such imports from Mexico rose over 70 percent during the period to \$3.2 billion, accounting for 76 percent of total imports of transportation equipment under 9802.00.80 (U.S. content) in 1993. Imports under the production-sharing provisions accounted for 82 percent of total U.S. imports of transportation equipment from Mexico in 1993, 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, 33 percent from Canada, but only 2 percent from Japan.

Mexico accounted for 75 percent of the duty-free value of U.S. imports of motor vehicles under HTS provision 9802.00.80 in 1993. Mexico was the top supplier in 1993 of both internal combustion engines (60 percent) and other motor vehicle parts (92 percent). Canada's share of motor vehicles totaled 9 percent, the same as in 1992. However, Canada remained the leading source of nonmilitary aircraft and spacecraft under provision 9802.00.80, accounting for 80 percent (\$182 million) of the total value of the U.S.-made components contained in such imports.

Figure 2-2

Transportation equipment: Value of U.S.-made components contained in imports under provision 9802.00.80, by selected industries, 1990 and 1993

Billion dollars



<i>Items</i>	1990	1993
Motor vehicles	79	55
Motor vehicle parts	10	35
Airplanes and spacecraft	6	5
Internal combustion engines	3	4
All other	2	1

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

Table 2-2

Transportation equipment: Share of total imports, duty-free share, nominal and effective rates of duty, and duty savings under HTS provision 9802.00.80, 1990-93

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 Million dollars
			Nominal	Effective	
-----Percent-----					
1990.....	56	20	1.1	0.9	125
1991.....	38	13	1.8	1.6	84
1992.....	32	12	2.4	2.1	91
1993.....	27	14	2.7	2.3	113

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

Table 2-3

Transportation equipment: Duty-free value of U.S. imports for consumption under HTS provision 9802.00.80, by principal sources, 1990-93

Source	1990	1991	1992	1993	Change in value of duty-free content, 1993 from 1990	Share of total duty- free value	
						1990	1993
-----Million dollars-----					-----Percent-----		
Mexico	1,874	2,201	2,826	3,192	70	18	76
Canada	7,665	1,761	500	533	-93	73	13
Japan	346	270	284	246	-29	3	6
Germany	84	72	78	78	-7	1	2
France	105	53	47	55	-48	1	1
United Kingdom	122	17	17	32	-74	1	1
Sweden	47	24	13	26	-45	(¹)	1
All others	269	127	65	54	-80	3	1
Total	10,512	4,525	3,830	4,216	-60	100	100

¹ Less than 0.5 percent.

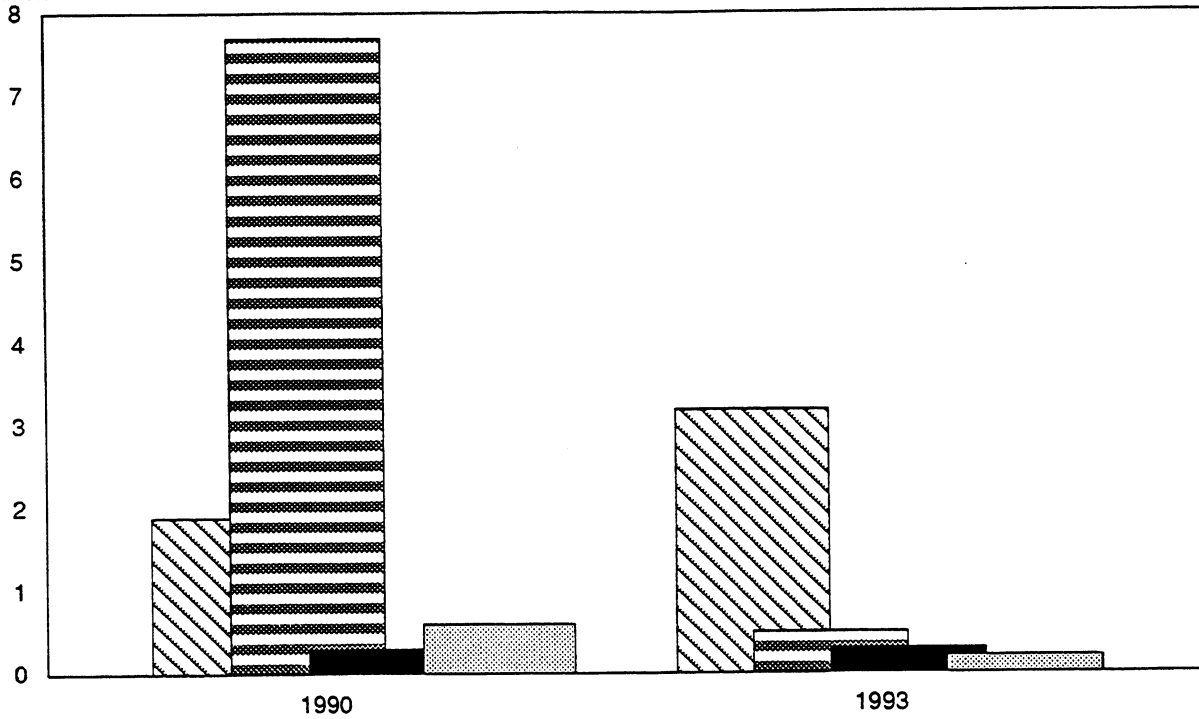
Note.—Because of rounding, figures may not add to the totals shown.

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

Figure 2-3

Transportation equipment: Value of U.S.-made components contained in imports under provision 9802.00.80, by leading countries of assembly, 1990 and 1993

Billion dollars



(Percent of total)

<i>Countries</i>	1990	1993
Mexico	18	76
Canada	73	13
Japan	3	6
All other	6	5

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

Electronic Products²

Total U.S. imports of electronic products rose by 43 percent during 1990-93 (table 2-4). However, the value of U.S. imports of these products under provision 9802.00.80 and the value of the U.S.-made components contained in these imports dropped by 1 and 6 percent to \$12.1 billion and \$5.3 billion, respectively. The use of the production-sharing provision increased by 12 percent in 1993 compared with 1992; however, imports under the provision were 1 percent below the peak year of 1990, reflecting phase out of the user fee and staged elimination of duties under the CFTA. Thus, total imports of electronic products from Canada under provision 9802.00.80 dropped from \$2.0 billion in 1990 to \$154 million in 1993. Although the use of 9802.00.80 provision decreased, production-sharing activities did not as indicated by the increase in total imports of electronic products from Canada which rose from \$5.6 billion to \$6.4 billion.

Japan was by far the leading supplier of electronic products to the U.S. market, accounting for 34 percent of total U.S. imports in 1993. Singapore and Taiwan were the next leading suppliers and accounted for 10 and 9 percent, respectively. However, only about 1 percent of electronic products imported from Japan entered under provision 9802.00.80 in 1993. Most imports under the provision are from foreign facilities with low cost labor that are either owned by or under contract with U.S. manufacturers. 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 other countries in Asia, such as Malaysia, the Philippines, Singapore, Taiwan, Thailand, and China.

Mexico remained the preferred location for such assembly, accounting for 43 percent, or \$5.2 billion, of U.S. imports of electronic products under provision 9802.00.80 in 1993. This represented a 29-percent rise from 1990. Malaysia accounted for 14 percent of imports under provision 9802.00.80 in 1993, followed by Singapore with 11 percent. In 1993, imports of electronic products from Mexico under this provision accounted for 77 percent of total U.S. imports of such equipment from Mexico, compared with 22 percent from Malaysia and 14 percent from Singapore, demonstrating the relative importance of the production-sharing operations 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 34 percent during 1990-93 to \$2.2 billion and accounted for 42 percent of all U.S.-made components assembled abroad and reimported as assembled electronic products in 1993 (figure 2-4, table 2-5). Meanwhile, responding to the change in the user fee, imports from

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

Table 2-4

Electronic products: U.S. imports for consumption, total, and provision 9802.00.80, 1990-93

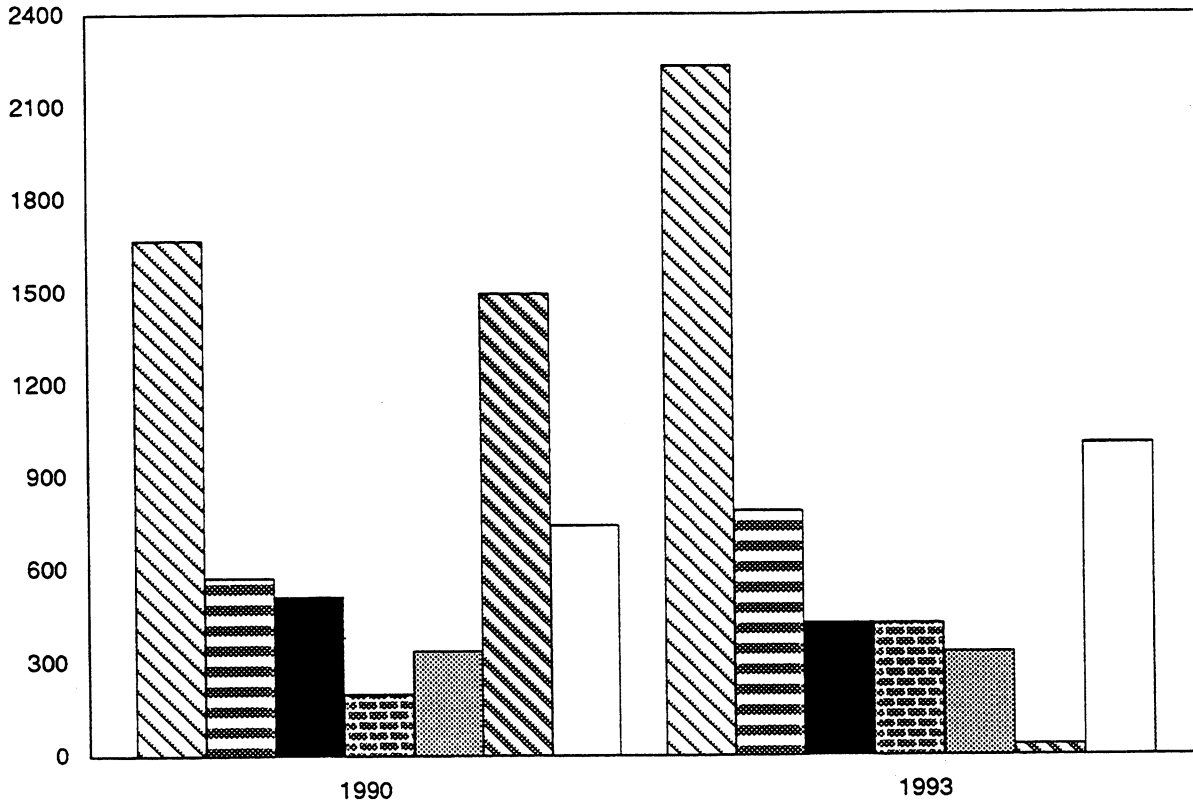
Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
Value (million dollars)			
1990.....	70,988	12,220	5,604
1991.....	76,267	10,088	4,066
1992.....	87,565	10,792	4,540
1993.....	101,567	12,102	5,258
Change (percent)			
1993 from 1990.....	43	-1	-6
Average annual 1993 from 1990.....	13	(¹)	-2

¹ Less than -0.5 percent.

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

Figure 2-4
Electronic products: Value of U.S.-made components contained in imports under provision 9802.00.80, by leading countries of assembly, 1990 and 1993

Million dollars



(Percent of total)

Countries		1990	1993
	Mexico	30	42
	Malaysia	6	15
	Korea	9	8
	Philippines	4	8
	Singapore	6	6
	Canada	27	1
	All other	13	19

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

Table 2-5

Electronic products: Duty-free value of U.S. imports for consumption under HTS provision 9802.00.80, by principal sources, 1990-93

Source	1990	1991	1992	1993	Change in value of duty-free content, 1993 from 1990	Share of total duty- free value	
						1990	1993
<i>Million dollars</i>					<i>Percent</i>		
Mexico	1,670	1,735	1,926	2,234	34	30	42
Malaysia	576	530	609	791	37	10	15
Korea	517	414	390	430	-17	9	8
Philippines	231	252	323	427	85	4	8
Singapore	339	277	326	334	-1	6	6
Taiwan	198	200	267	298	51	4	6
Thailand	166	127	126	201	21	3	4
Japan	201	179	191	184	-8	4	3
Hong Kong	84	98	120	121	44	1	2
Canada	1,497	101	59	35	-98	27	1
All others	125	153	203	203	62	2	4
Total	5,604	4,066	4,540	5,258	-6	100	100

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

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

Canada fell by 98 percent to \$35 million because companies lost 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 products imported from Malaysia, the Philippines, Korea, Taiwan, and Singapore.

The duty savings from importing electronic products under provision 9802.00.80 was \$133 million in 1993 (table 2-6). Articles for making and breaking electrical circuits, with a trade-weighted average nominal duty rate of 4.9 percent ad valorem, accounted for over one-fourth of the duty savings in 1993, a share slightly less than that recorded in 1992. The value of the U.S.-made components contained in imports of semiconductors accounted for about one-half of all duty-free imports of electronic products under provision 9802.00.80. However, because the average nominal duty on semiconductors in 1993 was only 0.06 percent ad valorem, the duty savings from importing semiconductors under provision 9802.00.80 amounted to only \$1.7 million, or 1 percent of the industry group total.

The value of the U.S.-made components contained in the imports of articles for making and breaking electrical circuits dropped by 46 percent during 1990-93, from \$1.4 billion to \$739 million (table B-6), as a result of substantially reduced imports from Canada. The decrease in the value of the U.S.-made components in such articles was a major factor in the decline in the value of U.S.-made components in the electronic products sector. U.S.-based computer makers sought to reduce production costs to remain price-competitive by purchasing lower cost components from suppliers in Asia, such as Singapore and Taiwan. Conversely, the overall decrease was mitigated by increases in imports of other products in the sector. The U.S.-content of imports of television receivers nearly doubled, from \$323 million to \$642 million (figure 2-5).

Table 2-6

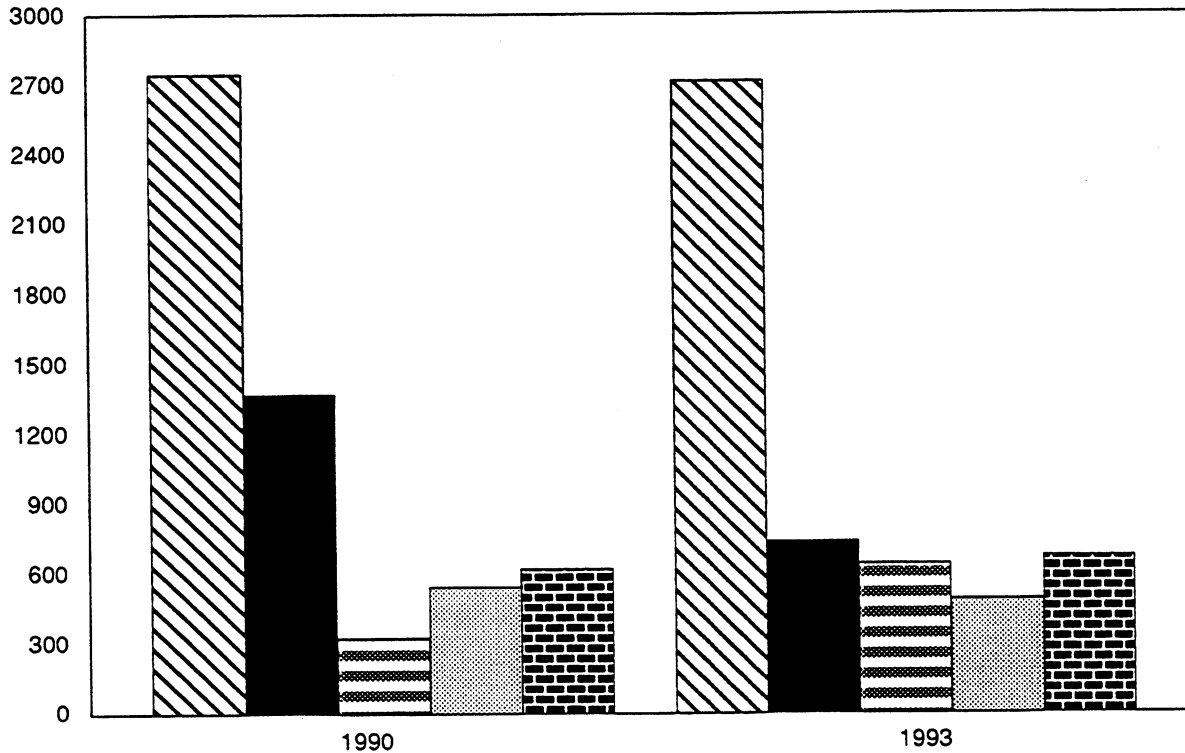
Electronic products: Share of total imports, duty-free share, nominal and effective rates of duty, and duty savings under HTS provision 9802.00.80, 1990-93

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 Million dollars
			Nominal	Effective	
		Percent			
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
1993.....	12	43	2.5	1.4	132.9

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

Figure 2-5
Electronic products: Value of U.S.-made components contained in imports under provision 9802.00.80, by selected industries, 1990 and 1993

Million dollars



(Percent of total)

Items	1990	1993
Semiconductors	49	52
Articles for making and breaking electrical circuits	24	14
Television receivers	6	12
Office machines	10	9
All other	11	13

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

Malaysia was the leading supplier of semiconductors under provision 9802.00.80 in 1993, accounting for 29 percent of the total U.S. content value. The Philippines supplied 16 percent of the value, becoming the second leading supplier ahead of Korea (15 percent). Mexico was the principal source of the duty-free value of U.S. imports of articles for making and breaking electrical circuits, accounting for 88 percent of the total in 1993. U.S. imports of television receivers from Mexico accounted for 99 percent of the total the duty-free value in the same year. By the same measure, Mexico and Japan were the leading suppliers of imports of office machines accounting for 38 and 26 percent, respectively, in 1993.

Machinery

Total U.S. imports of machinery rose erratically, from \$39.3 billion in 1990 to \$45.8 billion in 1993, an increase of 17 percent (table 2-7). Machinery imports under HTS provision 9802.00.80 grew to \$5.1 billion in 1993, up 28 percent from 1990. The principal categories of machinery imported from production-sharing operations are electrical conductors; motors and generators; electric household appliances; transformers; construction and mining equipment; taps, cocks, and valves; and equipment for lifting, handling, loading, and unloading. These products accounted for over 80 percent of the total value of U.S. imports of machinery under HTS provision 9802.00.80 in 1993. Imports under the production-sharing provision accounted for 11 percent of total U.S. imports of machinery in 1993 (table 2-8).

The U.S. component value in provision 9802.00.80 imports totaled \$2.5 billion in 1993. 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 2-6). The 1993 shares of U.S.-made components for electrical conductors and motors and generators were nearly identical to those in 1992. 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 Mexico labor intensive products assembled from U.S.-made components. A major portion of such imports from Mexico are between U.S. producers and their Mexican subsidiaries.

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 \$95 million in 1993, representing a 35-percent increase over the 1990 total. Importers of electrical conductors saved \$55 million in duties in 1993 by importing, in large part, wire harnesses under provision 9802.00.80. This amounted to 58 percent of total duty savings in the machinery category in 1993.

Japan was the leading supplier of total U.S. imports of machinery throughout 1990-93, accounting for nearly one-quarter of such imports in 1993. Germany supplied 14 percent in this year, and Mexico and Canada provided about 12 and 11 percent, respectively. However, a very small portion of machinery imported from Japan and Germany contained U.S.-made parts (no more than 1 percent of the total value of each country's exports of machinery to the United States entered under provision 9802.00.80), whereas most imports of machinery from Mexico were assembled from U.S.-made parts (70 percent entered under 9802.00.80). Similarly, U.S. firms exported such articles as batteries, catalytic converters, and airbags to Japan and Germany to be incorporated by Japanese and German motor vehicle producers into their respective motor vehicles. These articles account for a very small portion of the total value of a car. As a result, Japan and to a lesser extent Germany, accounted for major shares of the total value of 9802 imports of machinery in 1993 but only modest amounts of the duty-free value. Although total imports of machinery from all of the top four suppliers (Japan, Germany, Canada, and Mexico) increased during 1990-93, the growth in imports from Mexico was most pronounced, increasing by 52 percent, from \$3.5 to \$5.4 billion. Increased U.S. consumer demand for automobiles that contain wire harnesses assembled from U.S. parts helped spark the rise in the value of imports from Mexico.

Table 2-7

Machinery: U.S. imports for consumption, total, and provision 9802.00.80, 1990-93

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
			Value (million dollars)
1990.....	39,288	4,001	1,826
1991.....	37,802	4,103	1,900
1992.....	40,737	4,727	2,271
1993.....	45,841	5,130	2,485
Change (percent)			
1993 from 1990.....	17	28	36
Average annual 1993 from 1990.....	5	9	11

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

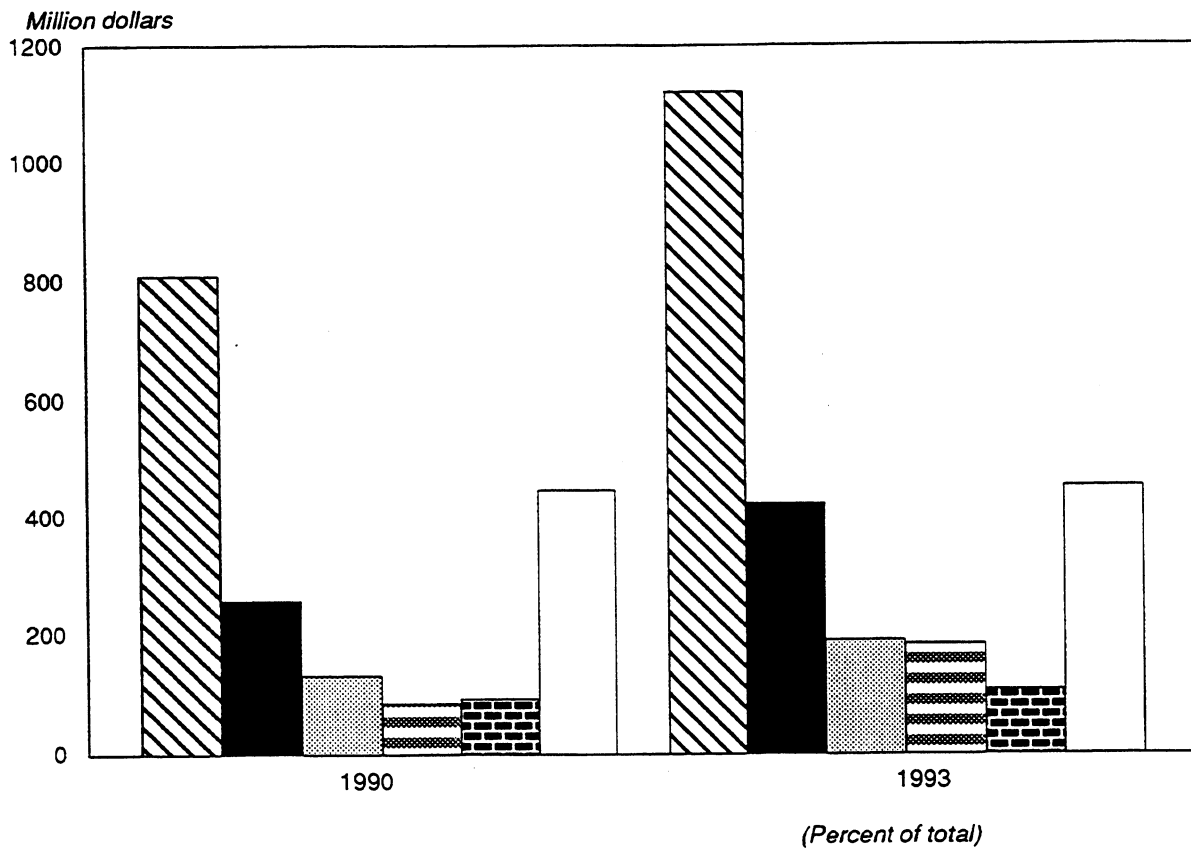
Table 2-8

Machinery: Share of total imports, duty-free share, nominal and effective rates of duty, and duty savings under HTS provision 9802.00.80, 1990-93

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 Million dollars
			Nominal	Effective	
Percent					
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
1993.....	11	48	3.8	2.0	94.6

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

Figure 2-6
Machinery: Value of U.S.-made components contained in imports under provision 9802.00.80,
by selected industries, 1990 and 1993



<i>Items</i>	1990	1993
Electrical conductors	44	45
Motors and generators	14	17
Electric household appliances	7	8
Taps, cocks, and valves	5	7
Transformers	5	4
Other	24	18

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

The following data are in terms of the value of U.S.-made components contained in the imports: 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 1993, compared with 25 percent of the value of imports from Canada and 15 percent of the value of imports from Japan. Imports from Mexico accounted for 89 percent of total imports of machinery under 9802.00.80 in 1993, and Canadian assembly accounted for 4 percent (table 2-9, figure 2-7). Mexico supplied 94 percent of U.S. imports of electrical conductors, 96 percent of the motors and generators, 94 percent of the electric household appliances, 91 percent of the taps, cocks, and valves, and 93 percent of the transformers.

Textiles, Apparel, and Footwear

Level of Trade and Duty Savings

Total U.S. imports of textiles, apparel, and footwear (hereafter textiles) rose by 28 percent during 1990-93, to \$53.8 billion (table 2-10). The rate of increase for U.S. imports under HTS provision 9802.00.80, which grew by 82 percent during 1990-93, to \$6.4 billion, was almost three times that of total sector imports. As a result, the 9802 trade expanded from 8 percent of sector imports in 1990 to 12 percent in 1993 (table 2-11). The textiles sector also increased its share of the total U.S.-origin content of all provision 9802.00.80 imports to 21 percent in 1993, trailing only electronics (31 percent) and transportation equipment (25 percent).

Textiles account for more duty savings from use of provision 9802.00.80 than any other sector. Textile duty savings in 1993 totaled \$592 million, or 59 percent of the total duty savings for all products under this provision. Aside from the growing use of the provision, the sizable duty savings for textiles reflect a large duty-free, U.S.-origin content and high nominal tariffs. Sector firms fabricate the main components or, in the case of garments, cut the fabric in the United States. Component materials are the major cost in apparel production, and their assembly offshore with low-cost labor reduces the relative share of the dutiable, foreign added value. During 1990-93, the duty-free content averaged 53 percent of the total value of 9802 textile imports, twice that for all other sectors combined. Given the large duty-free share, the effective trade-weighted tariff for 9802 textile imports averaged 7.8 percent ad valorem, compared with a nominal rate of 17.0 percent (table 2-11).

Leading Products and Sources

Apparel accounts for all but a small part of sector imports under the 9802.00.80 provision, based on the value of the qualifying U.S. content (figure 2-8). Textile articles and footwear together represent 10 percent of the total. Garments entered under the 9802 provision come almost entirely from Mexico and the Caribbean Basin Initiative (CBI) countries, led by the Dominican Republic (table 2-12, figure 2-9). These 9802-provision garments make up most of the apparel imports from the region. In 1993, 9802 trade accounted for just over 90 percent of the apparel imports from Mexico and almost 80 percent from the CBI countries.

The liberalization of quotas for Mexico and CBI countries (discussed in Chapter 3 below) has enabled the region to become the fastest growing supplier of imported apparel in recent years. Between 1990 and 1993, U.S. apparel imports covered by the Multifiber Arrangement (MFA) from the region grew by 107 percent to \$5.1 billion, whereas those from all other sources rose by just 19 percent to \$23.1 billion.³ As a result, the region's share of U.S. apparel imports rose by 7 percent during the period to 18 percent by value and 23 percent by volume. In contrast, the share

³ Under the GATT-sanctioned MFA established in 1974, importing developed countries negotiate bilateral textile and apparel agreements with exporting developing countries to set quotas and quota growth rates. The United States had quotas on MFA goods (i.e., those of cotton, other vegetable fibers, wool, manmade fibers, and silk blends) from some 40 countries that supply about 80 percent of these imports.

Table 2-9

Machinery: Duty-free value of U.S. imports for consumption under HTS provision 9802.00.80, by principal sources, 1990-93

Source	1990	1991	1992	1993	Change in value of duty-free content, 1993 from 1990	Share of total duty- free value	
	<i>Million dollars</i>					<i>Percent</i>	
						1990	1993
Mexico	1,520	1,637	1,972	2,207	45	83	89
Canada	198	171	166	111	-44	11	4
Philippines	3	5	19	32	967	(¹)	1
Japan	26	14	14	22	-15	1	1
Taiwan	12	3	16	19	58	1	1
All others	67	70	84	94	40	4	4
Total	1,826	1,900	2,271	2,485	36	100	100

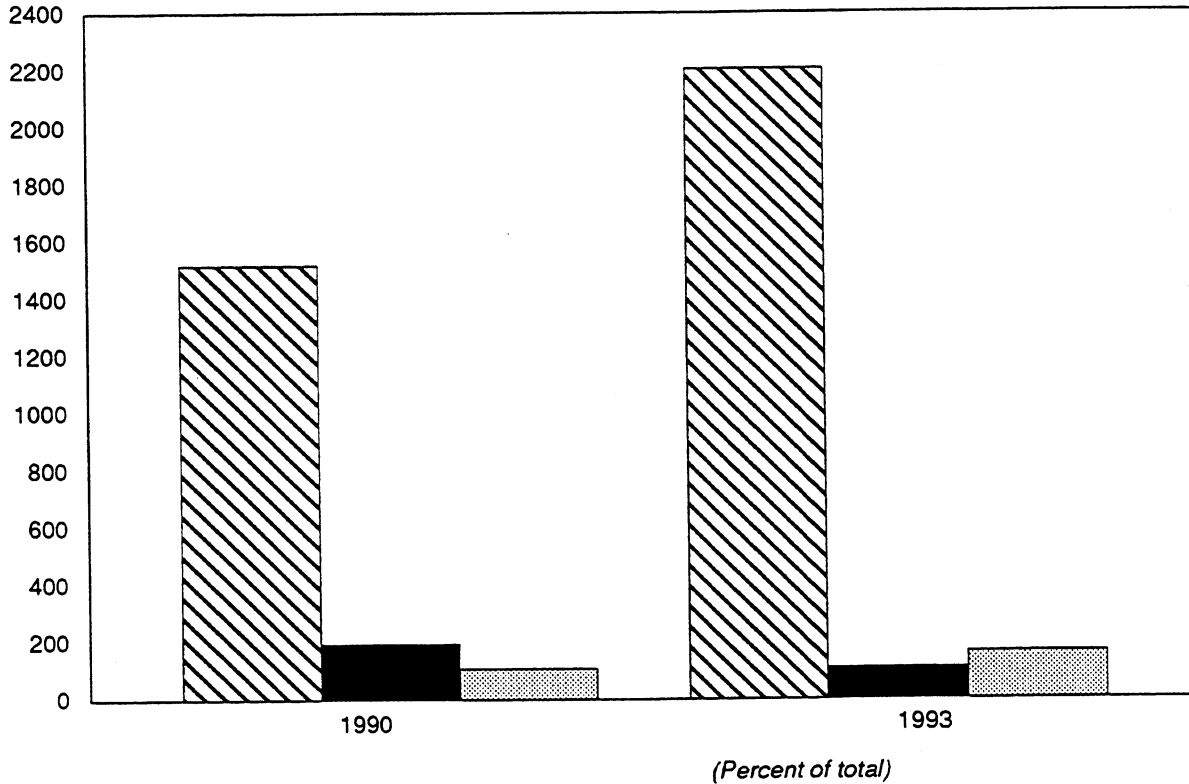
¹ Less than 0.5 percent.

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

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

Figure 2-7
Machinery: Value of U.S.-made components contained in imports under provision 9802.00.80,
by leading countries of assembly, 1990 and 1993

Million dollars



<i>Countries</i>		1990	1993
▨	Mexico	83	89
■	Canada	11	4
▤	All other	6	7

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 provision 9802.00.80, 1990-93

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
<u>Value (million dollars)</u>			
1990.....	42,034	3,526	1,761
1991.....	43,292	4,235	2,236
1992.....	49,505	5,363	2,871
1993.....	53,810	6,422	3,482
<u>Change (percent)</u>			
1993 from 1990.....	28	82	98
Average annual 1993 from 1990.....	9	22	26

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

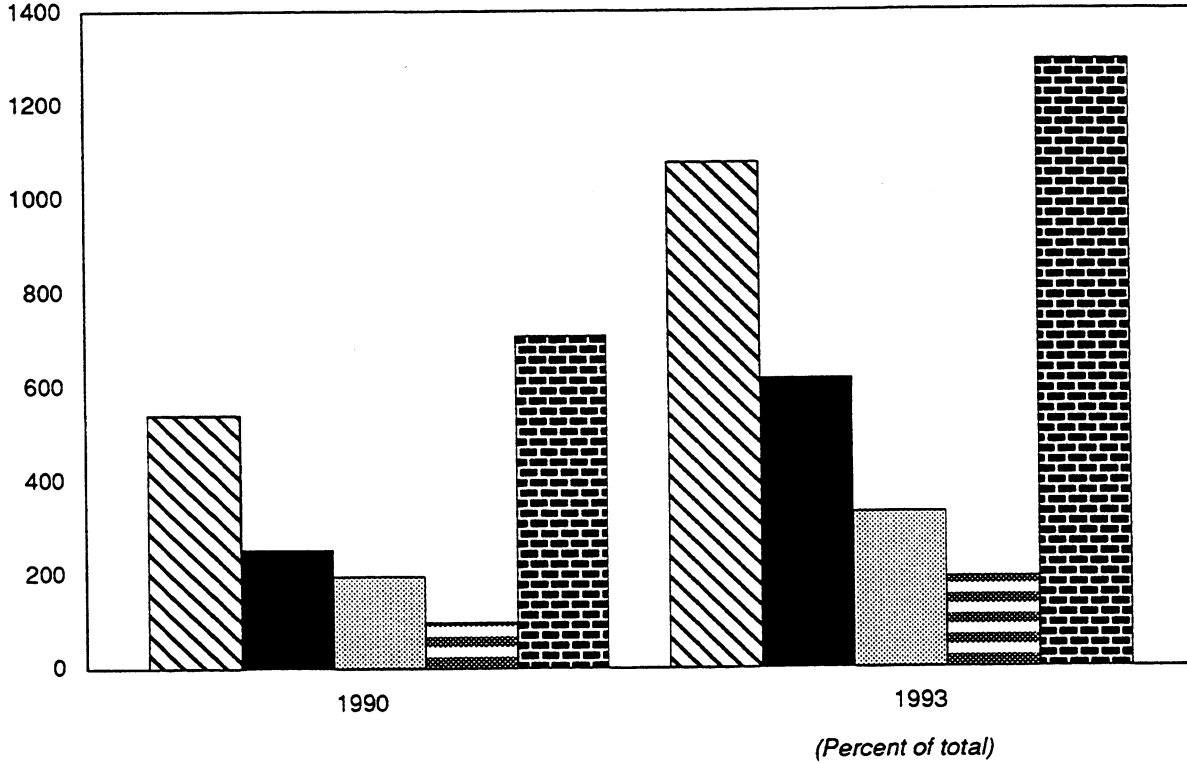
Table 2-11
Textiles, apparel, and footwear: Share of total imports, duty-free share, nominal and effective rates of duty, and duty savings under provision 9802.00.80, 1990-93

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 Million dollars
			Nominal	Effective	
----- <u>Percent</u> -----					
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
1993.....	12	54	17.0	7.8	591.8

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

Figure 2-8
Textiles, apparel, and footwear: Value of U.S.-made components contained in imports under provision 9802.00.80, by selected industries, 1990 and 1993

Million dollars



(Items)	1990	1993
Trousers, slacks, and shorts	31	31
Shirts and blouses	14	18
Body-supporting garments	11	10
Footwear	5	5
All other ¹	39	36

¹ Includes coats, jackets, footwear, dresses, skirts, and gloves.

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

Table 2-12
Textiles, apparel, and footwear: Duty-free value of U.S. imports for consumption under HTS provision 9802.00.80, by principal sources, 1990-93

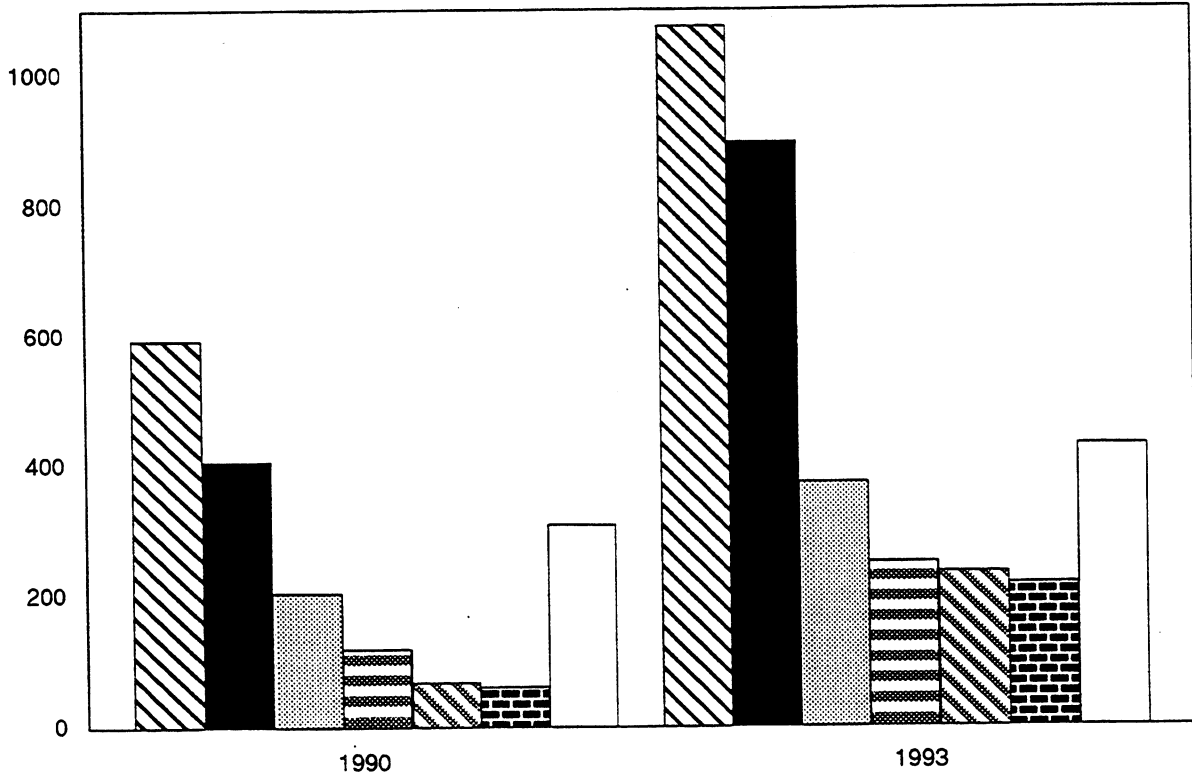
Source	1990	1991	1992	1993	Change in value of duty- free content 1993 from 1990	Share of total duty-free value	
	-----Million dollars-----					-----Percent-----	
Mexico.....	594	725	905	1,075	81	34	31
Dominican Republic.....	407	547	750	896	120	23	26
Costa Rica.....	205	254	339	374	82	12	11
Jamaica.....	119	131	168	251	110	7	7
Honduras.....	67	107	181	236	252	3	6
Guatemala.....	60	117	160	218	263	3	6
Colombia.....	63	82	107	113	79	4	3
El Salvador.....	25	44	80	103	312	1	3
Haiti.....	110	101	48	65	-41	6	2
China.....	9	14	18	24	167	1	1
All others.....	103	115	114	126	22	6	4
Total.....	1,761	2,236	2,871	3,482	98	100	100

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 2-9
Textiles, apparel, and footwear: Value of U.S.-made components contained in imports under provision 9802.00.80, by leading countries of assembly, 1990 and 1993

Million dollars



(Percent of total)

<i>Countries</i>	1990	1993
Mexico	34	31
Dominican Republic	23	26
Costa Rica	12	11
Jamaica	7	7
Honduras	4	7
Guatemala	3	6
All other	18	13

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

supplied by the major sources—China, Hong Kong, Taiwan, and Korea—fell by 9 to 10 percentage points as a group to 40 percent by value and to 37 percent by volume between 1990 and 1993. Moreover, the Dominican Republic surpassed Korea for the first time in 1993 to become the fourth largest volume supplier of apparel.

Other Manufactured Articles⁴

This sector covers a wide spectrum of products. Most of these product groups, such as agricultural, forestry, chemical, petroleum, and steel products, do not lend themselves to assembly. As a result, the principal products in this "other manufactured articles" category that are imported under the production-sharing tariff provision include such labor intensive products as scientific and medical instruments, photographic equipment, nonelectric heating and cooking apparatus, and furniture. The processing of certain pharmaceutical products⁵ is also included in this section.

While total U.S. imports of other manufactured articles increased by 8 percent during 1990-93 to \$247 billion, imports of such articles under HTS provisions 9802.00.80 rose by 23 percent to \$3.2 billion (table 2-13). The ratio of HTS provision 9802.00.80 imports to total imports for other manufactured articles was much smaller than for the other major product groups, averaging 1.2 percent annually during 1990-93 (table 2-14).

Table 2-13

Other manufactured articles: U.S. imports for consumption, total, and provision 9802.00.80, 1990-93

Year	Total imports	9802.00.80 imports	Duty-free value of 9802.00.80 imports
Value (million dollars)			
1990.....	228,447	2,610	1,117
1991.....	218,064	2,533	1,138
1992.....	231,838	2,630	1,220
1993.....	247,063	3,206	1,529
Change (percent)			
1993 from 1990.....	8	23	37
Average annual 1993 from 1990.....	3	7	11

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

⁴ All industry groups not discussed in earlier sections of this report are included in "Other Manufactured Articles." Specifically, the industry groups that are covered in this section include agricultural products, forest products, chemical products, minerals and metals products, and miscellaneous manufactures (see table B-16).

⁵ U.S. imports of certain pharmaceutical products enter under HTS provision 9802.00.50.10 rather than HTS provision 9802.00.80. As discussed in Chapter 1, HTS provision 9802.00.50.10 was established on January 1, 1991, as a result of the Caribbean Basin Economic Recovery Expansion Act of 1990. The provision allows for products made, processed, or otherwise altered in a CBERA beneficiary country, entirely from U.S.-origin materials, and for which the production processes would not qualify as assembly as defined in HTS provision 9802.00.80, to enter the United States free of duty. For reporting purposes, the U.S. Bureau of the Census combines imports entering under 9802.00.50.10 with those entering under 9802.00.80.40. Pharmaceutical products made in the Bahamas entirely from U.S.-origin chemical stocks account for the bulk of imports under 9802.00.50.10.

Table 2-14

Other manufactured articles: Share of total imports, duty-free share, nominal and effective rates of duty, and duty savings under HTS provision 9802.00.80, 1990-93

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 Million dollars
			Nominal	Effective	
-----Percent-----					
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
1993.....	1.3	48	4.6	2.4	70

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

Imports of products in this sector under provision 9802.00.80 in 1993, in terms of total value, consisted chiefly of scientific instruments at \$656 million; surgical and medical equipment at \$594 million; photographic equipment and supplies at \$246 million; nonelectric heating and cooking apparatus at \$203 million; chemical products at \$174 million; furniture at \$121 million; fabricated rubber and plastic products at \$105 million; blank recording media at \$100 million; and jewelry at \$69 million.

The share of provision 9802.00.80 imports of other manufactured articles accounted for by U.S.-made components averaged 46 percent annually during 1990-93. In 1993, provision 9802.00.80 imports of chemical products and jewelry had the highest levels of U.S. content among important production sharing categories, at 91 percent and 86 percent, respectively, whereas blank recording media and gas stoves (nonelectric heating and cooking apparatus) had the lowest level of U.S. content, at 33 percent each (table B-16).

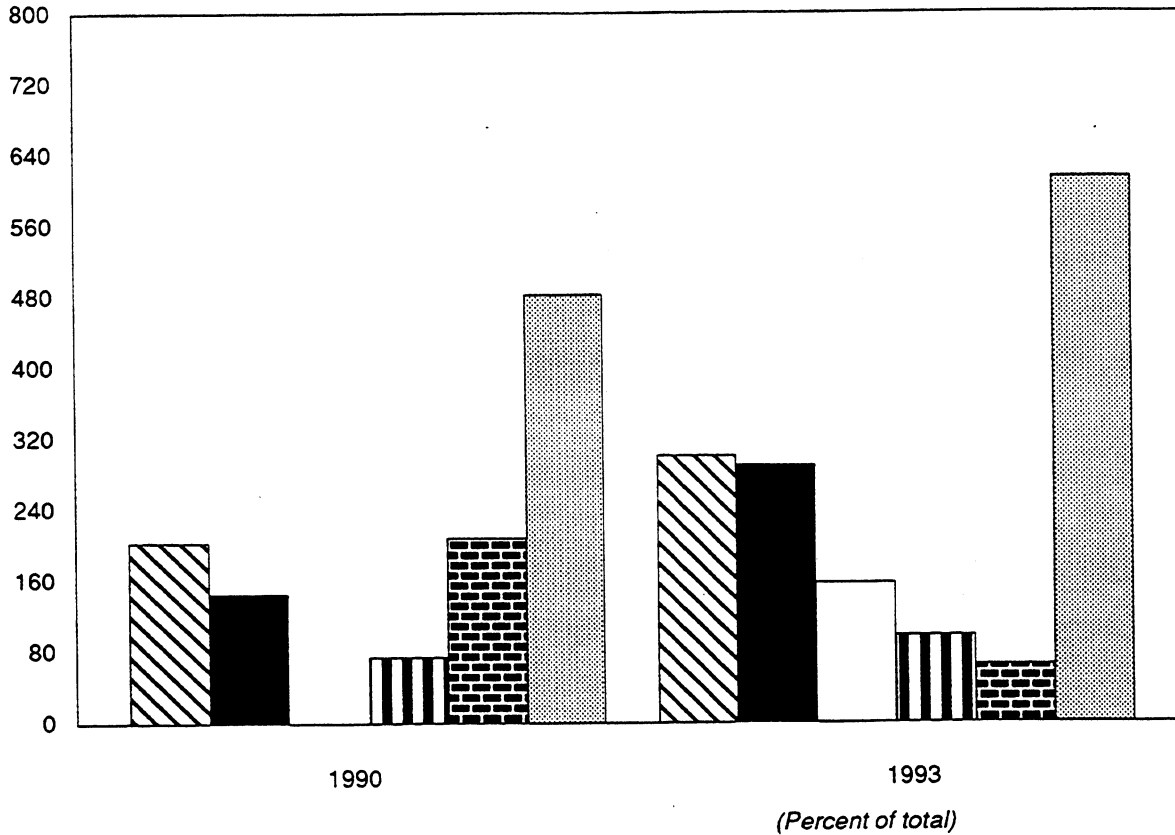
The duty savings (tariff incentive) from importing under provision 9802.00.80 amounted to \$70 million in 1993, 7 percent of total duty savings from the use of production-sharing provisions for all products (table 2-14). Importers of surgical and medical instruments accrued 16 percent of the other manufactured articles savings from use of provision 9802.00.80 in 1993 (\$11.3 million), and importers of scientific instruments received 15 percent (\$10.6 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, chemical products, and photographic equipment (figure 2-10). While such imports of scientific instruments nearly doubled during 1990-93, imports of furniture dropped by more than two-thirds (table B-16).

U.S. imports of surgical and medical instruments under HTS provision 9802.00.80 rose by 49 percent during 1990-93, in terms of U.S. content, from \$204 to \$303 million. Several U.S. surgical and medical instrument manufacturers have moved the production of goods that require labor-intensive assembly operations to Mexico or the Dominican Republic. The types of products imported into the United States under HTS provision 9802.00.80 are goods whose production resists mechanization, such as bougies, catheters, drains, X-ray equipment, and respiratory equipment. Mexico was the most significant supplier of U.S. imports of surgical and medical instruments under 9802.00.80 in 1993, accounting for 68 percent (\$207 million) of the duty-free value. The Dominican Republic followed at 21 percent (\$64 million).

Figure 2-10
Other manufactured articles: Value of U.S.-made components contained in imports under provision 9802.00.80, by selected industries, 1990 and 1993

Million dollars



Items	1990	1993
Surgical and medical	18	20
Scientific instruments	13	19
Certain chemical products ¹	0	10
Photographic equipment	7	6
Furniture	19	4
All other	43	41

¹ There were no imports of certain chemical products under HTS provision 9802.00.80 in 1990.

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

The U.S. content of imports of scientific instruments under HTS provision 9802.00.80 nearly doubled during 1990-93, from \$146 million to \$291 million. The leading types of scientific instruments imported under HTS provision 9802.00.80 were speedometers, tachometers, and thermostats for air conditioning, refrigeration, and heating equipment. Their production is labor intensive because the parts making up these products must be delicately soldered together and subsequently attached to wire harnesses. Mexico was the principal supplier of such imports in 1993, accounting for 92 percent (\$268 million) of the duty-free value.

The U.S. content of imports of chemical products under HTS provision 9802.00.80 jumped significantly from \$8.3 million to \$157 million during 1991-93. Virtually all U.S. imports of all chemical products under HTS provisions 9802.00.80 (other than rubber and plastics) were pharmaceuticals from the Bahamas. The increase in such imports was the result of producers shifting between the use of one duty-free provision and another. When a temporary duty suspension expired at the end of December 1992, Bahamian subsidiaries of U.S. pharmaceutical companies that had benefited from the suspension shifted to the use of HTS provision 9802.00.50.10.⁶ The Bahamas was the primary supplier of "other" chemical products, accounting for 95 percent (\$148 million) of the value of U.S. content in 1993.

The value of U.S. components in imports of photographic equipment under HTS provision 9802.00.80 rose by 33 percent during 1990-93, from \$74 million to \$98 million. These imports consisted mostly of instant print cameras, 35mm cameras, and film. U.S. producers import these articles in order to supplement their U.S. production. The Netherlands was the largest supplier in terms of duty-free value in 1993, accounting for 45 percent (\$44 million) of the duty free value. The United Kingdom followed with 39 percent (\$38 million).

U.S. imports of nonelectric heating and cooking apparatus under HTS provision 9802.00.80 (chiefly gas ovens and ranges) jumped from \$5.6 to \$67 million in U.S. content during 1990-93. Several U.S. producers of major appliances have moved the assembly of certain product lines to Mexico. Mexico accounted for 88 percent (\$59 million) of the duty-free value of total imports under HTS provision 9802.00.80 in 1993.

The value of the U.S. components assembled into furniture and imported under HTS provision 9802.00.80 fell by 69 percent during 1990-93, from \$209 million to \$65 million. By far the greatest share of U.S. imports of furniture under HTS provision 9802.00.80 is accounted for by car seats from Mexico and Canada. Top-of-the-line, electronically adjustable car seats come from Canada, and seat covers come from Mexico. The use of these provisions for car seat assembly reflects the highly rationalized nature of North American car production.⁷

The U.S. content of imports of motor vehicle seats from Mexico under HTS provision 9802.00.80 fell from \$67 million in 1990 to \$42 million in 1993, whereas that from Canada fell from \$124 million in 1990 to \$8 million in 1993. The decline in U.S. imports of motor vehicle seats from Mexico under HTS provision 9802.00.80 was the result of importers shifting to the use of the Generalized System of Preferences (GSP) when the value of the Mexican content reached

⁶ HTS provision 9802.00.50.10 was created pursuant to the Caribbean Basin Economic Recovery Expansion Act of 1990. It is similar to provision 9802.00.80.40 in that both allow duty-free treatment for goods imported from countries designated as beneficiaries of the Caribbean Basin Economic Recovery Act if the goods are made from U.S.-origin components and materials, except for most apparel, other textile articles, and petroleum products. The difference between these two provisions is that provision 9802.00.80.40 requires that the imported article be assembled entirely from U.S.-made components whereas provision 9802.00.50.10 is less restrictive, requiring only that the article consist entirely of U.S.-origin materials that have been advanced in value or improved in condition by any process of manufacture or other means. Under both provisions, no U.S. duty is applied to either the value of the U.S.-origin parts and materials or to the value added in the CBERA-beneficiary country. The trade data for products entering under provision 9802.00.50.10 are reported together with the data for products entering under 9802.00.80.

⁷ The production of car seats involves attaching a foam seat to a metal frame and covering the assembly with a sewn seat cover.

qualifying levels. U.S. imports of motor vehicle seats under the GSP from Mexico rose from \$7 million in 1990 to \$465 million in 1993. The decline in such imports from Canada reflected the phase out of the user fee and staged elimination of duties under the CFTA. Although HTS provision 9802.00.80 is no longer used to a significant extent when importing motor vehicle seats from Canada, the use of U.S.-made parts in the production of car seats in Canada remains high.⁸

Mexico accounted for two-thirds (\$1.0 billion) of the value of U.S.-made components sent abroad, assembled into other manufactured articles, and then returned to the United States under HTS provision 9802.00.80 in 1993 (table 2-15 and figure 2-11). The Bahamas was the second leading location for production sharing in terms of the value of U.S.-origin content in 1993, at \$149 million. The Dominican Republic and Canada followed and assembled U.S.-made components valued at \$77 and \$76 million, respectively.

Mexico accounted for 59 percent (\$1.9 billion) of the total value of U.S. imports of other manufactured articles under HTS provision 9802.00.80 in 1993. Canada was a distant second that year, accounting for 7 percent (\$226 million). However, Canada was the largest source of total imports of other manufactured articles (all dutiable, reduced duty, and duty-free provisions combined) in 1993, accounting for 22 percent (\$55 billion), followed by Japan with 9 percent (\$21 billion), and Mexico with 6 percent (\$15 billion).

In terms of U.S. content, the principal "other manufactured articles" imported from Mexico under heading 9802.00.80 in 1993 were scientific instruments, surgical and medical instruments, gas ovens and heaters, and motor vehicle seats (table B-18). Imports from the Bahamas were almost exclusively pharmaceuticals entering under 9802.00.50.10. Surgical and medical instruments accounted for 83 percent of the imports under 9802.00.80 from the Dominican Republic (table B-24); the major 9802.00.80 product from Canada in terms of U.S. content, accounting for 34 percent of such imports, was optical instruments (table B-21).

⁸ See discussion in chapter 1 regarding the effects of the user fee on use of the production sharing tariff provisions.

Table 2-15
Other manufactured articles: Duty-free value of U.S. imports for consumption under HTS provision 9802.00.80, by principal sources, 1990-93

Source	Million dollars				Change in value of duty-free content, 1993 from 1990	Percent	
	1990	1991	1992	1993		1990	1993
Mexico.....	730	804	879	1,008	38	65	66
Bahamas.....	0	(¹)	0	149	(²)	0	10
Dominican Republic.....	35	55	73	77	120	3	5
Canada.....	165	73	76	76	-54	15	5
Netherlands.....	39	50	53	57	46	3	4
United Kingdom.....	26	35	27	40	54	2	3
Thailand.....	30	29	36	32	7	3	2
Costa Rica.....	8	7	9	12	50	1	1
China.....	7	4	9	11	57	1	1
Singapore.....	2	3	9	11	450	(³)	1
All others.....	75	76	50	56	-25	7	4
Total.....	1,117	1,138	1,220	1,529	37	100	100

¹ Less than \$500,000.

² Not applicable.

³ Less than 0.5 percent.

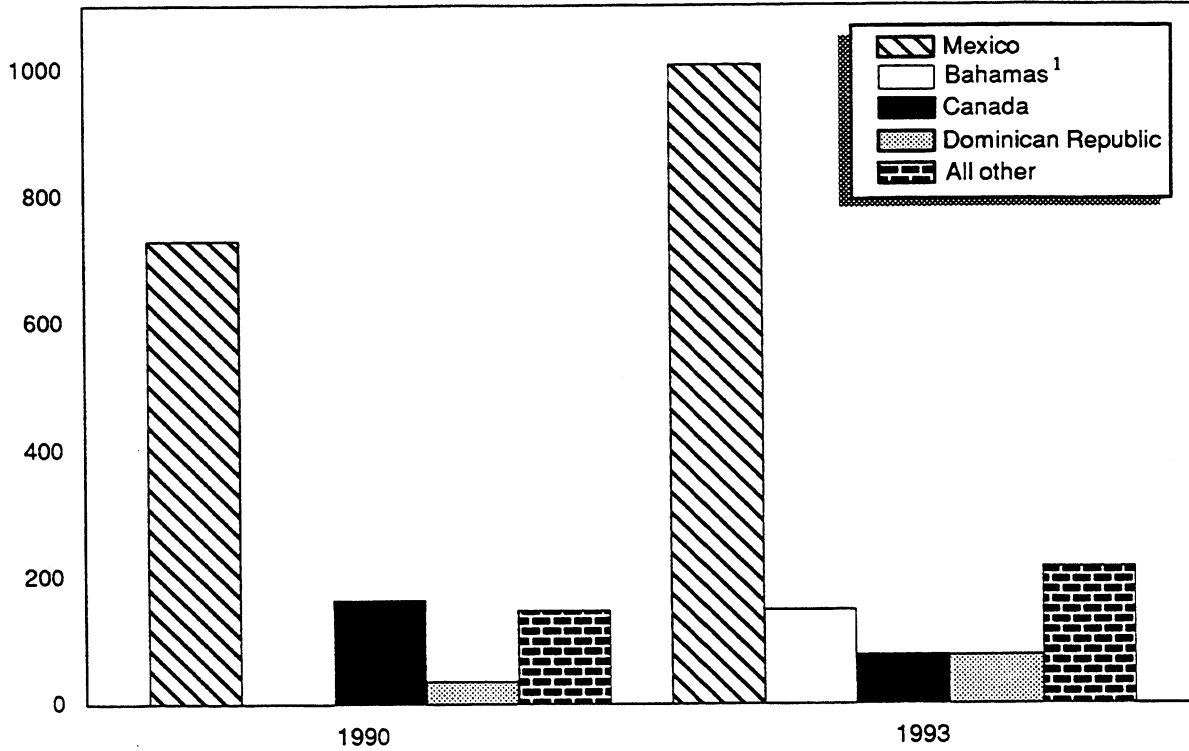
Note.--Because of rounding, figures may not add to the totals shown.

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

Figure 2-11

Other manufactured articles: Value of U.S.-made components contained in imports under provisions 9802.00.80, by leading countries of assembly, 1990 and 1993

Million dollars



(Percent of total)

<i>Countries</i>	1990	1993
Mexico	65	66
Bahamas ¹	0	10
Canada	15	5
Dominican Republic	3	5
All other	14	14

¹ There were no imports from the Bahamas under HTS provision 9802.00 in 1990.

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

CHAPTER 3. COMPARISON OF PRODUCTION-SHARING OPERATIONS IN THE CARIBBEAN BASIN WITH THOSE IN MEXICO AND SELECTED EAST ASIAN COUNTRIES

Most production-sharing operations in the Caribbean Basin involve sewing articles of apparel. In contrast, production-sharing operations in Mexico and the selected East Asian countries¹ assemble a wide variety of products, including motor vehicle parts and electrical articles. The development of production-sharing operations in a country often depends on such regional advantages as access to low-cost labor, proximity to major markets, infrastructure development, and eligibility for U.S. trade preferences. Countries that have a combination of such regional advantages are more attractive sites for production-sharing operations because they provide U.S. firms with low cost labor and greater access to foreign markets.

It is widely acknowledged that the industrial development and economic growth of a country are often encouraged by the existence of production-sharing operations.² Having a variety of industries involved in production sharing affords greater opportunities for production and management technology, as well as labor skills, to be transferred to the local business activity. This, in turn, stimulates development and modernization of local industries, especially those providing parts and supplies to the production-sharing operations. Some export-oriented companies eventually become integrated with the local industries and markets.³

This chapter begins with an outline of the competitive strategies used by U.S. firms with production-sharing operations in the Caribbean Basin, Mexico, and selected East Asian countries. The influence of regional advantages in the selection of sites for production-sharing operations will then be described. The development of production-sharing operations in the Caribbean Basin will then be compared with those in Mexico and the selected East Asian countries. Next, the effect of the NAFTA on the competitiveness of Caribbean Basin and Mexican production-sharing operations will be considered. The chapter will conclude with an outlook on production-sharing operations in the Caribbean Basin.

It is not possible to measure precisely the amount of production-sharing imports that enter under the GSP,⁴ the Caribbean Basin Economic Recovery Act (CBERA),⁵ or other U.S. tariff provisions or classifications that have a duty rate of free.⁶

Use of the CBERA is generally preferred over the GSP because the CBERA provides exporters with a more comprehensive range of eligible products, greater permanence of eligibility, no competitive need limits, and generally more stable regulatory environment. CBERA rules permit both the cummulation of cost and value added in other beneficiary countries and the inclusion of the value of U.S. materials; the GSP does not.⁷

U.S. imports under HTS provision 9802.00.80 are the best measure of U.S. production sharing even though trade entering under HTS provision 9802.00.80 is often recounted with imports under the GSP and the CBERA. Double counting is unavoidable because importers will often

¹ Hong Kong, Malaysia, Singapore, South Korea, Taiwan, and Thailand.

² Rolf Alter, *Lessons from the Export Processing Zone in Mauritius*, *Finance and Development*, Dec. 1991, p. 7.

³ Robert Haywood, Annual Conference of the World Export Processing Zones Association, Ciudad Juarez, Mexico, October 1993.

⁴ The U.S. GSP program is a temporary tariff preference scheme for products of developing countries that provides nonreciprocal duty-free entry for designated articles shipped directly from beneficiary countries, if at least 35 percent of the value of the product is added in the beneficiary country.

⁵ The CBERA affords nonreciprocal preferential or free rates of duty to most products of Caribbean Basin countries. To be eligible under the CBERA, the local content of a product must total 35 percent of its customs value.

⁶ For more information on the CBERA and the GSP, see USITC, *Report on the Impact of the Caribbean Basin Economic Recovery Act on U.S. Industries and Consumers*, Ninth Report 1993, USITC publication 2813, Sept. 1994.

⁷ U.S. International Trade Commission, *Assessment of Rules of Origin Under the Caribbean Basin Economic Recovery Act*, USITC publication 2381, May 1991, p. 5.

declare a product eligible for entry under the GSP or CBERA in order to receive duty-free treatment and simultaneously declare eligibility under HTS provision 9802.00.80 as a fallback position in case entry under the GSP or CBERA is denied by the U.S. Customs Service.

Industry Strategies for Use of Production Sharing

As described in Chapter 1, U.S. firms with production-sharing operations offshore are generally trying to achieve one of the following goals: (1) increase profitability by shifting the labor-intensive assembly of U.S.-made components to countries with low wage rates; (2) rationalize production; and (3) penetrate foreign markets. Companies that are unable to support the up-front investment required for automation of domestic facilities also find offshore assembly operations an economical alternative.⁸

In order to execute these strategies, firms establishing offshore production-sharing operations tend to locate in countries that have access to low-cost labor, proximity to major markets, and eligibility for U.S. trade preferences. Other important considerations are political stability, infrastructure development, level of education of the work force, comparative operation costs, and availability of natural resources.

Caribbean Basin countries accounted for 7 percent (\$3.7 billion) of total U.S. imports under HTS provision 9802.00.80 in 1993 (table 3-1). Mexico accounted for 32 percent (\$18.8 billion) of such imports in 1993, while the selected East Asian countries accounted for 11 percent (\$6.5 billion). Table 3-1 shows the importance of the use of production sharing relative to total imports and relative to imports under other trade incentives for each of these three geographic areas, both in terms of total imports and by product category.

Production-sharing operations in Mexico, the Caribbean, and East Asian countries are normally located in industrial parks that have Free-Trade Zone status. Firms operating in Free-Trade Zones⁹ may import the machinery, equipment, and materials used during the production process duty free, but under bond. Finished products are usually exported.¹⁰

Competitive Factors and Regional Advantages

Production-sharing operations in the Caribbean are principally involved in apparel assembly. The Caribbean countries are a highly competitive source of U.S. imports of apparel under HTS provision 9802.00.80 because of their low cost labor and proximity to U.S. apparel companies and markets. In addition, Caribbean countries are eligible for U.S. trade preferential quotas that have provided virtually unlimited access to the U.S. market for apparel assembled there from U.S.-produced and cut fabrics. The Caribbean Basin accounted for 63 percent (\$2.2 billion) of the total duty-free value of U.S. imports of apparel under HTS provision 9802.00.80 in 1993 (table 2-12 in

⁸ Gustavo A. Vargas, *An Analysis of Factors in Selecting a Maquiladora Operational Mode*, Production and Inventory Management Journal (fourth quarter, 1992), p. 46.

⁹ Each country in the Caribbean Basin has its own rules governing manufacturing or assembly activities in free-trade zones (FTZs), which are also called export processing zones (EPZs) and industrial free zones (or "zonas industrial de exportacion" (ZIPs)). In general, these FTZs (EPZs or ZIPs) are restricted-access areas for industrial, commercial, and service facilities that operate independently of commercial regulations otherwise applicable in the host country. In-bond operations in FTZs are allowed to import duty-free inputs used as components for further transformation or assembly within the zone. Such duty-free admission is temporary since the inputs are further processed and subsequently re-exported for final sale. Such operations in the Caribbean Basin mainly assemble apparel.

¹⁰ Production-sharing firms in most Caribbean Basin countries may sell an unlimited amount of production to local markets provided they pay the applicable customs duties. Under NAFTA, implemented on January 1, 1994, a maquila in Mexico may sell its output to local markets as follows: in 1994, an amount equivalent to 55 percent of its total 1993 production, increasing each year in increments of 5 percent until 2001 when there will be no limit. See U.S. International Trade Commission, *Production Sharing: U.S. Imports under Harmonized Tariff Schedule Provisions 9802.00.60 and 9802.00.80, 1989-1992*, USITC publication 2729, Feb. 1994.

Table 3-1
U.S. imports for consumption from the Caribbean Basin, Mexico, and selected East Asian countries under HTS provision 9802.00.80,¹ the CBERA, the GSP, other free, dutiable, and total, 1993²

Item	(Million dollars)														
	Caribbean Basin				Mexico				Selected East Asian countries						
	9802.00.80	CBERA and GSP	Other free	Duti-able	Total	9802.00.80	GSP	Other free	Duti-able	Total	9802.00.80	GSP	Other free	Duti-able	Total
Agricultural and forest products..	(³)	1,013	1,300	45	2,358	40	726	939	1,946	3,651	34	396	1,959	1,323	3,578
Shirts & blouses...	651	1	1	1,065	1,066	211	0	(³)	232	232	60	0	1	3,600	3,601
Trousers & shorts..	1,126	(³)	(³)	1,287	1,287	494	0	(³)	526	526	19	0	1	1,661	1,661
Foundation garments.....	284	1	(³)	283	285	103	0	(³)	104	104	4	0	(³)	50	51
Footwear.....	116	165	56	18	240	91	20	(³)	193	213	574	23	1	2,072	2,096
Other textiles & apparel.....	1,098	62	3	1,382	1,448	652	90	7	937	1,034	99	180	8	7,455	7,643
Energy, chemicals, minerals, & metals.....	168	396	550	1,297	2,423	526	1,368	843	6,127	8,349	20	493	871	7,345	8,709
Engines & motors...	8	14	1	2	18	1,214	271	114	1,403	1,789	26	100	169	728	997
Office machines....	6	8	8	1	17	392	48	730	310	1,089	796	432	11,362	6,483	18,277
Television, radio, and telephonic, articles.....	(³)	11	(³)	(³)	11	2,782	208	1	3,031	3,240	129	1,386	31	4,710	6,127
Semiconductors.....	(³)	1	1	1	2	366	(³)	447	38	484	3,822	37	8,954	186	9,176
Other electrical articles.....	123	164	64	46	274	3,416	371	53	3,579	4,002	176	573	2	3,743	4,318
Motor vehicles & parts.....	1	9	(³)	1	10	6,076	350	101	6,691	7,143	406	42	80	1,415	1,536
Other machinery & equipment.....	1	45	1	2	49	1,077	669	111	1,341	2,122	162	363	334	2,919	3,617
Miscellaneous manufacturers....	127	354	95	32	481	1,320	1,229	299	1,416	3,013	146	1,077	464	8,513	10,054
Total.....	3,710	2,246	2,081	5,461	9,788	18,761	5,430	3,645	27,913	36,989	6,476	5,103	24,236	52,203	81,542

¹Some imports under 9802.00.80 entered as CBERA, the GSP, and dutiable imports, resulting in significant double counting. Therefore, entries under the four categories of tariff treatment do not add, horizontally, to the total shown for the product groups for each country/region.

²Because of rounding, figures may not add to the total shown.

³Less than \$500,000.

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

section "Textiles, apparel and footwear"). Mexico was the next largest source of apparel imports under this provision in 1993, accounting for 31 percent (\$1.1 billion) of the total.

The growth in production-sharing operations in the Caribbean Basin and in Mexico is part of a broader trend of globalization in garment production. Faced with growing competition from imports, which supply about half the domestic apparel market, many U.S. apparel producers have set up assembly operations in the region to avail themselves of low-cost labor in close proximity to the United States. Official U.S. data show that hourly compensation costs for apparel workers in Mexico averaged \$1.43 in 1992, which was equivalent to only 16 percent of U.S. costs of \$9.00.¹¹ In most CBI countries, compensation costs are less than 10 percent of U.S. costs. Given the wage differential, U.S. firms ship cut pieces of apparel to the region for the labor-intensive assembly process according to the requirements of provision 9802.00.80. The value added to the U.S. components through assembly in the region represents about one-third of the total value of the finished garments entered under 9802.00.80. The U.S. content accounted for 66 of the total value for CBI countries and 69 for Mexico in 1993. Table B-30 shows the leading Caribbean suppliers of imports under 9802.00.80 in 1993 by selected product categories.

Caribbean Basin countries and Mexico not only offer low-cost labor, but their proximity to the United States also allows U.S. firms greater control over production and shorter delivery lead times than do Asian nations. The competitive position of U.S. producers increasingly relies on their ability to react quickly to changes in fashion and retailer demands. As such, liberal market access and reduced duties have enabled many U.S. apparel firms with assembly operations in Mexico and CBI countries to improve their competitiveness against cheaper imports from Asia.

The growing use of these assembly operations by U.S. apparel firms has also stimulated sales of U.S.-produced fabrics or, at least, helped offset reduced demand for fabric by domestic apparel producers. The offshore operations generally use U.S.-produced fabrics in order to qualify for quota preferences given to apparel assembled in the region from U.S.-origin fabric. The growth of offshore assembly is likely to expand the development of an integrated manufacturing system for time-sensitive replenishment programs. Under such a system, product design, fabric production, promotion, and distribution will take place in the United States and labor-intensive assembly operations will occur in Mexico and CBI countries.

Asian firms also make garments in CBI countries for export to the United States. A recent study indicated that Asian investors account for 18 percent of the firms in CBI export processing zones, and almost all of these firms assemble apparel.¹² Faced with tight U.S. quotas on their home-country exports, Asian firms ship fabrics to CBI countries and perform the so-called cut, make, and trim (CMT) operations there. It is believed that the Asian firms generate most of the U.S. apparel imports from CBI nations that do not enter under provision 9802.00.80. These imports rose by 80 percent during 1990-93 to \$827 million, representing 21 percent of total apparel imports from CBI countries in 1993.

Unlike U.S. apparel imports from the Far East, which represent a cross section of clothing demand in the domestic market, the 9802.00.80 apparel imports are concentrated in fewer products, especially in those with high labor content and low weight. The principal 9802-traded garments are trousers and shorts, shirts and blouses, foundation garments (mainly brassieres), underwear, and coats and jackets (mainly sport coats and blazers) (table 3-2). U.S. producers have achieved a high level of efficiency in Mexico and CBI countries in assembling high-volume commodity goods whose production involves standardized runs, low-skilled tasks, and few styling changes. Consequently, in 1993 the region was the largest volume supplier of brassieres, underwear, cotton pants and knit

¹¹ Unpublished data of the U.S. Bureau of Labor Statistics, Office of Productivity and Technology, "Hourly Compensation Costs for Production Workers in Manufacturing: 31 Countries or Areas, 1975 and 1983-93," Nov. 1994, pp. 13 and 14.

¹² United States General Accounting Office (GAO), *Foreign Assistance: U.S. Support for Caribbean Basin Assembly Industries*, (GAO/NSIAD-94-31), Dec. 1993, p. 77.

Table 3-2¹

Textiles, apparel, and footwear: Total U.S. imports and imports under 9802.00.80, by principal items, 1993

Item	Total imports	9802.00.80 imports--		Ratio of--	
		Total	Duty-free	total 9802.00.80 value to total imports	duty-free value to total 9802.00.80 value
-----1,000 dollars-----				-----Percent-----	
Apparel	33,903,824	5,235,317	3,136,408	15.4	59.9
Footwear	11,105,366	1,134,964	193,746	10.2	17.1
Textiles	8,724,886	267,943	149,962	3.1	56.0
Trousers and shorts	6,151,401	1,816,450	1,062,821	29.5	58.5
Shirts and blouses	10,041,821	901,095	542,384	9.0	60.2
Foundation garments	639,049	484,477	324,309	75.8	66.9
Underwear	915,647	438,285	321,131	47.9	73.3
Coats and jackets	3,927,369	505,359	257,493	12.9	51.0
Medical textiles ²	364,454	337,471	238,116	92.6	70.6
Pantyhose	112,629	97,746	91,708	86.8	93.8
Sleepwear	725,780	128,175	72,131	17.7	56.3
Babies' apparel	696,627	91,839	57,549	13.2	62.7
Skirts	856,952	136,429	55,011	15.9	40.3
Dresses	1,081,726	91,000	41,453	8.4	45.6
Suits	656,776	73,006	39,302	11.1	53.8
Gloves	1,349,071	43,158	22,771	3.2	52.8
Robes	266,634	40,742	22,073	15.3	54.2

¹ Data in this table may differ from those in other tables of this report for sector products because of the use of different product concordances.

² Includes surgical drapes (duty-free value of \$92.6 million), disposable garments of fabric formed or lined with paper (\$77.5 million), disposable nonwoven apparel for use in hospitals, clinics, or contaminated areas (\$55.9 million), disposable headwear (\$10.8 million), and disposable briefs and shoe covers (\$0.1 million each). Three large medical supply firms with production-sharing arrangements in Mexico account for most of these imports.

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

shirts, manmade-fiber sleepwear, and men's suits and sport coats. Although the Far East remains a major source for apparel requiring higher levels of production flexibility and management and sewing skills, production of these goods is gradually expanding in Mexico and CBI countries. Table B-31 shows the growth in imports under 9802.00.80 from Mexico and selected Caribbean countries in various textile and apparel categories between 1990 and 1993.

The recent growth of apparel assembly operations in Mexico and CBI countries came in response to incentives in U.S. trade programs. Although most U.S. imports of textiles and apparel were ineligible for duty-free entry under the CBERA program implemented in 1984, President Reagan had stated his intention to provide more liberal quota treatment for these imports. In 1986, the President announced a "special access program" that was intended both to foster economic development in CBI countries and to improve the ability of U.S. apparel producers to compete with imports from Asia.

Established within the framework of the "807.00" (now 9802.00.80) provision, the special access program permits CBI countries virtually unlimited access to the U.S. market for garments assembled there from fabric made and cut in the United States. Under the program, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Haiti, and Jamaica currently have agreements with the United States providing for guaranteed access levels (GALs) for their exports of qualifying apparel

goods.¹³ A similar "special regime" had been in effect with Mexico for the 5 years prior to 1994, at which time the North American Free-Trade Agreement (NAFTA) entered into force.

Quota and duty elimination under NAFTA will likely benefit U.S. apparel producers that use Mexico as a low-cost production base to compete with Asian goods in the North American market. U.S. firms with quick response systems in place in the United States will likely extend them to Mexico, an expansion which could then displace U.S. imports from the Far East. CBI countries also could lose apparel investment and market share to Mexico because of NAFTA. In response to concerns of CBI countries, the Clinton administration in May 1994 proposed an "Interim Trade Program for the Caribbean Basin" that would give the countries almost the same access to the U.S. apparel market as Mexico receives under NAFTA. Although the administration had expressed a desire to include this trade program in the Uruguay Round implementing legislation, the program was not included.¹⁴

The Uruguay Round Agreement is expected to reduce the competitive advantage that Mexico has under NAFTA and that CBI countries have under the GAL program. The Agreement provides for the liberalization of world trade in textiles and apparel through the phaseout of quotas now in place under the MFA over a period of 10 years. Quota removal is expected to spur further apparel investment in, and imports from, low-wage countries mainly in Asia whose shipments are now restricted. The expected growth in imports from Asia will add to the competitive pressures facing the apparel industry in the United States and its assembly operations in Mexico and the CBI nations.

The Caribbean Basin's regional advantages are more limited for production-sharing operations involved in products other than apparel. The infrastructure in most Caribbean countries is less developed than that in either Mexico or the selected East Asian countries, and cannot support many types of industries. For example, the assembly of electronic articles, motor vehicle parts, furniture, and surgical and medical instruments requires a steady and large supply of electricity. Electricity is expensive in the Caribbean and frequent power outages disrupt manufacturing operations, discouraging investment there in energy-intensive or sensitive production.¹⁵

Underdeveloped communications infrastructure also discourages foreign investment in some Caribbean Basin countries. The average number of persons per telephone line in Mexico was 16 in 1990 (table 3-3), while the comparable figure for Caribbean countries ranged from 11 persons per phone line in Costa Rica to 61 in Honduras. Further, qualified skilled maintenance personnel and support service industries for the communications infrastructure are scarce in the region.

Local markets in the Caribbean Basin are much smaller and more dispersed than those of Mexico and selected East Asian countries. As a result, U.S. companies seeking to supply both U.S. and foreign markets will be more strongly drawn to Mexico or the selected East Asian countries.

Mexico has a geographic advantage for the assembly of products such as electronic components and motor vehicle parts, whose principal markets are in California and the Midwest. Electronics-related companies in California's Silicon Valley and Orange County tend to choose between assembly in Mexico's Baja California (Tijuana, Tecate, and Mexicali) and sourcing in East Asia. The proximity of Baja California provides for greater operational oversight, quicker turnaround, and lower transportation costs, and enables plant managers to live in Southern California.

¹³ On October 21, 1994, the United States reinstated the GAL agreement with Haiti, which had been suspended as part of the economic sanctions imposed on that country (see *Federal Register*, Oct. 21, 1994 (59 F.R. 53139)). The GAL arrangement with El Salvador became effective on January 11, 1995 (see 60 F.R. 2740 (January 11, 1995)).

¹⁴ On January 18, 1995, Congressmen Crane, Shaw, Gibbons, et al. introduced H.R. 553, the Caribbean Basin Trade Security Act. The stated purpose of the bill is "to provide, temporarily, tariff and quota treatment equivalent to that accorded to members of the North American Free Trade Agreement (NAFTA) to Caribbean Basin countries." The bill is currently pending before the Committee on Ways and Means of the House of Representatives.

¹⁵ U.S. International Trade Commission, *Impact of the Caribbean Basin Economic Recovery Act on U.S. Industry and Consumers*, USITC publication 2813, Sept. 1994, p. 58.

Table 3-3
Basic indicators of infrastructure: Mexico and selected Caribbean and East Asian countries

Country	Population mid-1992 Million	Area sq. km Thousand	1992 GNP per capita Dollars	1990 Adult literacy Percent	1990 Telephone line connections Number	1990 Paved roads Kilometers	1990 Railroad tracks Kilometers	1990
								Electricity production kilowatt- hours Millions
Caribbean Basin								
Costa Rica.....	3.2	51	1,960	93	281,433	5,600	696	3,609
Dominican Republic..	7.3	49	4,050	83	341,201	14,126	1,655	5,325
Guatemala.....	9.7	109	980	55	191,938	3,485	1,139	2,325
Haiti ¹	6.5	28	(²)	53	47,470	629	250	475
Honduras.....	5.4	112	580	73	88,038	2,400	955	1,105
Jamaica.....	2.4	11	1,340	98	106,152	(²)	339	2,730
North America								
Mexico.....	85.0	1,958	370	87	5,354,500	82,022	26,334	122,482
East Asia								
Hong Kong.....	5.8	1	15,360	177	2,474,998	1,484	92	28,938
Malaysia.....	18.6	330	2,890	78	1,585,744	27,720	2,222	24,722
Singapore.....	2.8	1	15,730	188	1,040,187	2,757	38	15,620
South Korea.....	43.7	99	6,790	96	13,276,449	34,248	3,091	118,740
Taiwan ¹	21.0	36	7,067	91	(²)	(²)	(²)	71,641
Thailand.....	58.0	413	1,910	93	1,324,522	39,910	3,940	46,180

¹ PC Globe, 1992 (Tempe, AZ: PC Globe Inc.).

² Not available.

Source: World Development Report 1994, Infrastructure for Development, World Bank, except as noted.

Mexico's regional advantage is particularly strong for such products as motor vehicle parts that may require quick turnaround and benefit from good rail and highway conditions between parts factories in the central United States, Mexican assembly plants in the Rio Grande Valley (especially in Ciudad Juarez and Nuevo Laredo), and final auto assembly plants in the Central United States. Proximity allows U.S. manufacturers greater management and quality control over products than they would enjoy in East Asia. For the most part, U.S. production-sharing operations in Mexico are involved in electrical articles (37 percent) and motor vehicles and parts (34 percent).

Mexico's attractiveness relative to that of other countries as an assembly location is reinforced by higher relative wage costs in such competing countries as Taiwan, South Korea, Hong Kong, and Singapore during 1990-93. In 1993, average hourly compensation for production workers in Mexico was 40 percent below that in Hong Kong, 50 percent below that in Taiwan, and 53 percent below that in South Korea and Singapore (table 3-4).

Asia's regional advantages are its large local markets, educated work force, and well-developed infrastructure. U.S. firms often establish production-sharing operations in Asia in order to enter these markets and export a certain amount of production back to the United States. The selected East Asian countries have a combined market size of more than 175 million people. Comparatively, the market of the Caribbean Basin region, a population of roughly 35 million, is smaller and more dispersed than the markets in either selected East Asian countries or Mexico.¹⁶ Subsequently, while foreign direct investment by global investors surged from \$31 billion in 1990 to \$80 billion in 1993, almost 60 percent of it went to Asia.¹⁷ U.S. imports from the selected East Asian countries under HTS provision 9802.00.80 were mostly of electrical articles.

NAFTA and Special Trade Programs

NAFTA, which entered into force on January 1, 1994, gave Mexican producers, particularly those involved in apparel production, a competitive advantage over Caribbean producers in the U.S. market. U.S. imports of apparel from Mexico made from fabric that is both formed and cut in the United States enter duty-free.¹⁸ Apparel imports from the Caribbean made from such parts are charged the MFN rate of duty on the value added by the assembly operation. Articles other than apparel from Mexico are eligible for duty-free entry if the duty was reduced to zero effective January 1, 1994, under NAFTA. U.S. imports from the Caribbean Basin of articles other than apparel enter-duty free if they are eligible for the GSP or the CBERA. Caribbean Basin producers will maintain a temporary competitive advantage over producers in Mexico for articles that are eligible for duty-free treatment under the CBERA and for which there is a staged elimination of the U.S. duties on imports from Mexico under NAFTA. The Caribbean will lose this advantage once NAFTA staging is complete. Further, once NAFTA staging is complete, Mexico will have duty-free access to both the United States and Canada for all articles that qualify under NAFTA rules of origin. The Caribbean only has duty-free access to the United States, and only for products other than apparel and petroleum products.

¹⁶ For a discussion of the historical development of production sharing in these regions spurred by the globalization of automobile and electronics industries, see Chapter 2, *Analysis by Industry of Imports Under Production Sharing Provision 9802.00.80*, of this and previous USITC publications on *Production Sharing: U.S. Imports Under Harmonized Tariff Schedule Subheadings 9802.00.60 and 9802.00.80*. Also see Kenneth S. Flamm, Juan Jose Eschavarria, Joseph Grunwald, Leslie Delatour, and Karl Voltaire, *The Global Factory: Foreign Assembly in International Trade* (Washington; DC: Brookings Institution), 1985.

¹⁷ "The Global Economy Survey," *The Economist*, Oct. 1-7, 1994, p. 23 in survey.

¹⁸ U.S. International Trade Commission's report *Potential Impact on the U.S. Economy and Selected Industries of the North American Free-Trade Agreement*, states that NAFTA contains exceptions to the rules of origin under "tariff preference levels" (TPLs). TPLs permit the import of a fixed quantity of certain goods at the lower NAFTA duties, even though the imports otherwise would not qualify for the duty preferences under the NAFTA rules of origin. Once imports reach the levels established under the TPLs, they will be subject to the higher most-favored-nation (MFN) rates of duty.

NAFTA provides that parties may agree to modify the textile and apparel rules of origin. In addition, the NAFTA rules of origin will supersede the rules in force under the U.S.-Canada Free-Trade Agreement (CFTA).

Table 3-4

Average hourly compensation costs¹ for manufacturing employees, by selected regions and countries, 1990-93

(U.S. dollars)

Region/country	1990	1991	1992	1993	Percent change in 1993 from 1990 ²
<u>North America</u>					
United States	14.91	15.58	16.15	16.73	12
Canada	15.83	17.09	16.97	16.33	3
Mexico	1.64	1.93	2.29	2.59	58
<u>Asia</u>					
Japan	12.80	14.66	16.28	19.01	49
Singapore	3.78	4.35	4.95	5.25	39
South Korea	3.71	4.61	5.10	5.53	49
Taiwan	3.95	4.39	5.13	5.22	32
Hong Kong	3.20	3.58	3.92	4.29	34
<u>EU</u>					
Germany	21.96	22.69	25.41	25.71	17
Belgium	19.22	19.83	22.23	21.21	10
Netherlands	18.29	18.30	20.34	19.95	9
Denmark	17.96	18.26	20.02	19.12	6
Luxembourg	16.37	16.73	(³)	(³)	(³)
France	15.23	15.26	16.89	16.23	7
Italy	17.74	18.60	19.60	15.99	-10
Ireland	11.76	12.08	13.37	12.18	4
United Kingdom	12.71	13.77	14.44	12.76	(⁴)
Spain	11.33	12.20	13.37	11.50	2
Greece	6.71	6.82	7.46	(⁵)	(⁵)
Portugal	3.77	4.24	5.17	4.60	22

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.

⁵ Less than .5 percent.

Source: Compiled from statistics of the U.S. Bureau of Labor Statistics, Office of Productivity and Technology, *International Comparisons of Hourly Compensation Costs for Production Workers in Manufacturing, 1975-1993*, Nov. 1994.

Figure 3-1 compares the level of duty charged on U.S. imports of textiles and products other than textiles from the Caribbean and Mexico. The principal trade preference applying to U.S. imports from Mexico in 1994 is the NAFTA. Those for the Caribbean Basin are the CBERA and the GSP. To qualify for NAFTA benefits, textile and apparel goods must generally be made in North America from fabric that has been woven from yarn spun in North America. This requirement is called "yarn forward." A limited number of products must be made in North America from the fiber stage forward. "Fiber forward" products include yarns, knit fabrics, nonwoven fabrics, and most made-up textile articles of manmade fibers, and yarns of cotton.¹⁹ The fiber forward rule also applies to trade between the United States and Mexico in sweaters and felt and tufted carpet of manmade fibers.

Products other than textile articles qualify for NAFTA treatment if they meet one of the following four tests: (1) wholly produced in the NAFTA territory, (2) produced entirely from North American originating materials, (3) produced from non-originating material but went through a manufacturing process that gave it a qualifying change in tariff classification, and (4) contains the required regional value-content share.²⁰

U.S. imports from the Caribbean Basin of articles of apparel produced from wholly domestic content (case 1) will be charged the MFN rate of duty; comparable U.S. imports from Mexico of apparel made from Mexican fabric enter duty free. The effect on Caribbean Basin producers of this NAFTA benefit is limited because there is very little export-quality fabric made in Caribbean Basin countries. The Caribbean countries and Mexico are each charged the MFN rate of duty on U.S. imports of apparel made from foreign fabric (case 2). A major portion of the apparel imports from the Caribbean and Mexico are made from fabric formed and cut in the United States (case 3). For such U.S. imports from the Caribbean, duty is charged on the value added by the assembly operations. Under NAFTA, such U.S. imports from Mexico enter duty free.

U.S. imports of articles, other than textiles, that are wholly produced in either the Caribbean or Mexico will enter duty-free. Most non-apparel, non-petroleum related imports from the Caribbean currently enter free of duty under the GSP, the CBERA, or an MFN rate of free.²¹ Products from Mexico will enter the United States duty-free when NAFTA staging is complete (case 1X). U.S. imports of products from the Caribbean Basin that contain not less than 35 percent domestic content receive preferential treatment over comparable imports from Mexico (case 2X). Such U.S. imports from the Caribbean Basin qualify for duty-free treatment under the CBERA and the GSP, while those from Mexico do not qualify for preferential treatment under NAFTA. Under NAFTA, the foreign content must undergo a change in tariff classification; while under the GSP or the CBERA no such change is required. If the domestic content is less than 35 percent, U.S. imports from the Caribbean Basin and Mexico will each be charged the MFN rate of duty (case 3X). There is no advantage if U.S. imports from the Caribbean Basin or Mexico are of products made from a combination of U.S. components and domestic labor because such imports from the Caribbean Basin enter duty free under 9802.00.80.40, those from Mexico enter duty free under NAFTA (case 4X).

¹⁹ USITC, *Potential Impact on the U.S. Economy and Selected Industries of the North American Free-Trade Agreement*, USITC publication 2596, Jan. 1993, p. 8-2.

²⁰ *Ibid.*, p. 3-2.

²¹ Duty-free treatment is subject to the product limitations described under these trade preference programs. The original CBERA explicitly excluded textiles, apparel, footwear, luggage, handbags, flat goods, work gloves, canned tuna, petroleum products, and watches. A number of Presidential proclamations have expanded CBERA benefits. For more information on the CBERA and the GSP, see USITC, *Report on the Impact of the Caribbean Basin Economic Recovery Act on U.S. Industries and Consumers*, Ninth Report 1993, USITC publication 2813, Sept. 1994.

Figure 3-1
Comparison of tariff treatment (after NAFTA staging is complete) on products from CBERA-eligible countries and Mexico

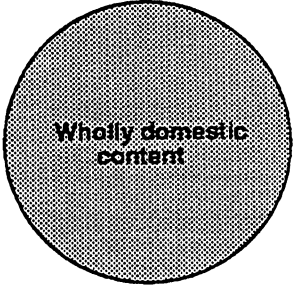
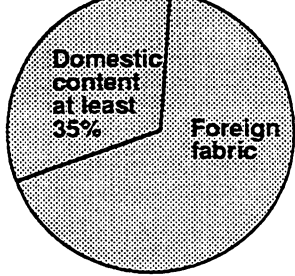
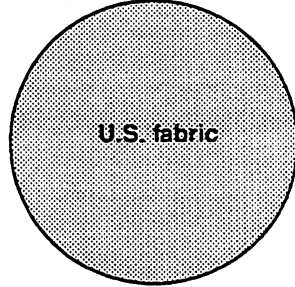
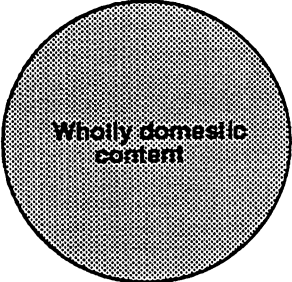
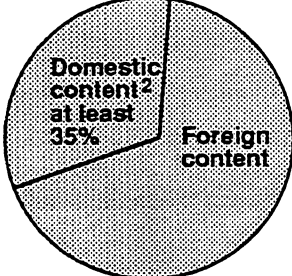
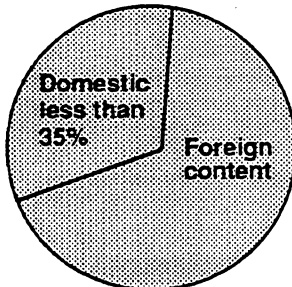
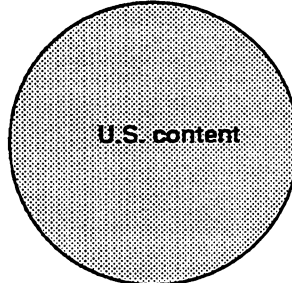
Percentage of domestic, U.S., and foreign components	CBERA beneficiaries	Mexico
TEXTILES, APPAREL, AND FOOTWEAR		
<p>Case 1</p>  <p>Wholly domestic content</p>	<ul style="list-style-type: none"> <input type="checkbox"/> MFN rate of duty <input type="checkbox"/> Ineligible for CBERA¹ <input type="checkbox"/> Ineligible for GSP 	<ul style="list-style-type: none"> <input type="checkbox"/> Free under NAFTA staging to yarn or fiber forward
<p>Case 2</p>  <p>Domestic content at least 35% Foreign fabric</p>	<ul style="list-style-type: none"> <input type="checkbox"/> MFN rate of duty <input type="checkbox"/> Ineligible for CBERA¹ <input type="checkbox"/> Ineligible for GSP 	<ul style="list-style-type: none"> <input type="checkbox"/> MFN rate of duty <input type="checkbox"/> Ineligible for NAFTA because of yarn and fiber forward
<p>Case 3</p>  <p>U.S. fabric</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Duty paid on value added <input type="checkbox"/> Ineligible for CBERA¹ <input type="checkbox"/> Ineligible for GSP 	<ul style="list-style-type: none"> <input type="checkbox"/> Free under NAFTA

Figure continues on next page.

Figure 3-1—Continued
Comparison of tariff treatment (after NAFTA staging is complete) on products from CBERA-eligible countries and Mexico

Percentage of domestic, U.S., and foreign components	CBERA beneficiaries	Mexico
<p>OTHER Case 1x</p>  <p>Wholly domestic content</p>	<p><input type="checkbox"/> Free under CBERA or GSP for eligible products</p> <p><input type="checkbox"/> MFN rate of duty if not eligible for GSP or CBERA</p>	<p><input type="checkbox"/> Free under NAFTA staging</p>
<p>Case 2x</p>  <p>Domestic content² at least 35% Foreign content</p>	<p><input type="checkbox"/> Free under CBERA</p> <p><input type="checkbox"/> Free under GSP</p> <p><input type="checkbox"/> MFN rate of duty if not eligible for GSP and CBERA</p>	<p><input type="checkbox"/> Free under NAFTA staging if foreign content has undergone CTC³</p> <p><input type="checkbox"/> MFN rate of duty if no CTC for foreign content</p>
<p>Case 3x</p>  <p>Domestic less than 35% Foreign content</p>	<p><input type="checkbox"/> MFN rate of duty</p>	<p><input type="checkbox"/> Same as case above</p>
<p>Case 4x</p>  <p>U.S. content</p>	<p><input type="checkbox"/> Free under 9802.00.80.40</p>	<p><input type="checkbox"/> Free under NAFTA staging</p>

¹ Since 1990, completed footwear assembled in CBERA countries entirely from U.S. components have been duty free under the CBERA. Textiles and apparel not covered by the MFA are eligible for the CBERA, as are handloomed folklore products.

² The scenario is the same if the domestic content is less than 35 percent.

³ Change in tariff classification.

Outlook for Caribbean Production-Sharing Operations

The competitiveness of Caribbean Basin production-sharing operations with respect to those in Mexico and selected East Asian countries may be weakened by the region's mostly unsuccessful efforts to attract assembly operations involving technology-oriented products and by NAFTA.²² The Caribbean's continued reliance on labor-intensive apparel assembly operations rather than graduating to such higher value-added and more technologically sophisticated assembly operations as electrical articles and motor vehicle parts may slow the pace of technology transfer and development of a local industrial base. Such technological developments as robotics and computer integrated manufacturing are moving industrial production towards small lot, flexible production and away from the standardized, high volume manufacturing that use production sharing. The Caribbean's low cost labor force will become less important to U.S. producers as automated production becomes more cost efficient.

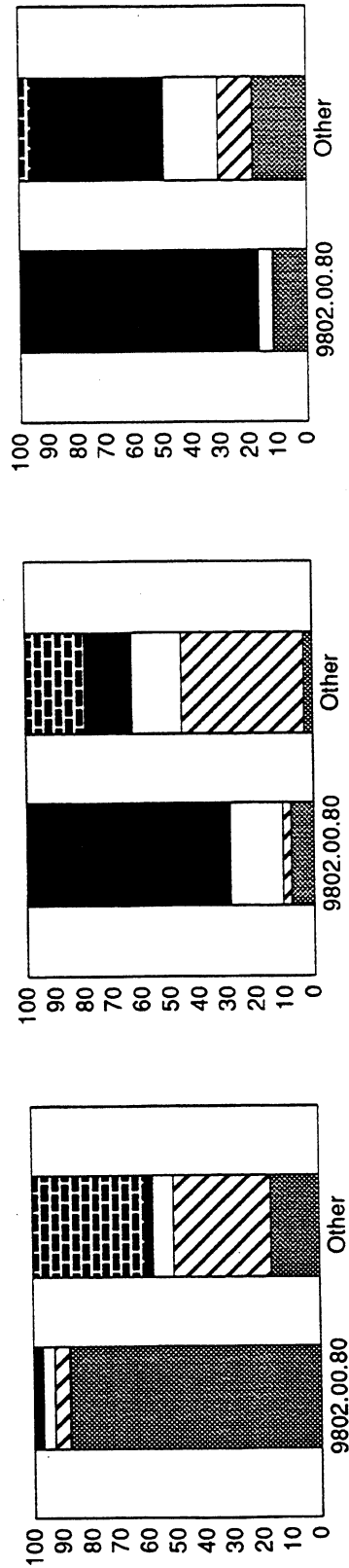
Comparing the product mix of U.S. imports from the Caribbean Basin entering the United States under HTS provision 9802.00.80 in 1993 with imports not entering under the provision that year shows the extent to which the Caribbean's trade with the United States is concentrated in such resource rich or labor intensive products as textiles for production sharing and agricultural and petroleum products for non-production sharing imports (figure 3-2). In contrast, U.S. imports from Mexico in 1993 included a varied basket of goods for production sharing imports; non-production sharing imports consisted of both petroleum products and manufactured goods. The product mix of U.S. imports from the selected East Asian countries is the most technology oriented with electrical articles accounting for 77 percent of U.S. imports under HTS provision 9802.00.80 and 44 percent of U.S. imports not entering under this provision in 1993.

NAFTA has increased the competitiveness of production-sharing operations located in Mexico over those in the Caribbean Basin. Caribbean governments expect that U.S. investment and trade will be diverted from the Caribbean to Mexico because of the beneficial tariff treatment that goods originating in NAFTA countries receive. Apparel from Mexico gains a tariff advantage over apparel from CBERA countries, and CBERA countries will lose the pre-NAFTA tariff advantage for articles that entered the United States duty-free under the CBERA or the GSP but which were not eligible for GSP treatment when imported from Mexico.

Producers within the NAFTA trade area have an incentive to purchase parts from fellow NAFTA beneficiaries to meet the NAFTA rules-of-origin requirements. U.S. firms wishing to establish production-sharing facilities in Latin America will be drawn to Mexico because products made in Mexico have preferential access both to NAFTA markets and to markets in several other Latin American countries.

²² Table B-32 shows the growth in imports under 9802.00.80 between 1990 and 1993 for leading Caribbean countries contrasting textile and apparel products with selected higher-technology product categories.

Figure 3-2
 U.S. imports from the Caribbean Basin, Mexico, and selected East Asian countries under HTS provision 9802.00.80 and U.S. imports not entering under this provision, 1993



Caribbean Basin Mexico Selected East Asian Countries

(Percent of total)

Items	Caribbean Basin		Mexico		Selected East Asia Countries	
	9802.00.80	Other	9802.00.80	Other	9802.00.80	Other
Agricultural	0	39	0	20	0	5
Electrical articles, vehicles, and parts	3	3	71	17	83	46
Other	4	7	18	17	5	19
Chemicals, petroleum, minerals, & metals	5	34	3	43	0	12
Apparel	88	17	8	3	12	19

Note.—The product category: "Electrical articles" include office equipment; telephone and telegraphic equipment; radios, televisions, and tape recorders; semiconductors; and other electrical articles. "Other" includes scientific instruments; furniture; other miscellaneous manufactured articles; other machinery and equipment; and motors and generators.

APPENDIX A
THE CUSTOMS TREATMENT OF
CERTAIN AMERICAN GOODS RETURNED
(HTS 9802.00.60 AND 9802.00.80)

Subheading 9802.00.60 and heading 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 describe current provisions applicable to goods resulting from qualifying Caribbean Basin assembly and processing, the trade agreement status of the two chapter 98 provisions, their relation to preferential tariff programs, and the special access program.

Caribbean Basin Assembly or Processing

U.S. note 2(b), subchapter II, chapter 98 of the HTS was enacted in section 222 of the Customs and Trade Act of 1990.¹ 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 no substantial transformation in the beneficiary country is deemed to have occurred or because inadequate value is added in, or attributable to, the beneficiary country. In general terms, this note specifies two key aspects of the customs treatment of these goods. First, by specifying that such CBERA-assembled goods shall not be considered foreign articles, the note effectively requires that they be considered to have domestic origin. Second, the note provides that these goods are not subject to duty upon entry into the U.S. customs territory.² An Administration proposal drafted for possible inclusion in implementing legislation for the Uruguay Round of multilateral trade negotiations would create a separate tariff category for these goods to clarify the criteria involved and simplify administration.³

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.⁴ 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 respect to almost all goods in trade, Congress could 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 two U.S. free-trade agreements, in one with Israel and in the other the North American Free Trade Agreement (NAFTA), which do require the United States to continue this duty treatment for eligible 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 NAFTA, and the U.S.-Israel Free Trade Area Implementation Act of 1985, as provided

¹ Customs and Trade Act of 1990, Public Law 101-382, Title VII, 104 Stat. 629, 19 U.S.C. 2101 note.

² The blanket exemption from duty for any qualifying shipment under the note (regardless of the otherwise applicable general or special duty rates provided in the HTS), even for goods of U.S. origin and even if imported by or for most U.S. Government agencies, is not commonly afforded elsewhere in the HTS. See general note 1 to the HTS.

³ Goods described in heading 9802.00.80 are dutiable, to the extent that their tariff classification in chapters 1 through 97 provides a duty other than "free"; no duty is payable on the U.S. content. By contrast, for goods under note 2(b), a full exemption from the otherwise applicable duty is accorded.

⁴ With the exception of the duty-free entry under these provisions of goods certified for use in civil aircraft, as discussed below and reflected in the U.S. Schedule XX to the Marrakesh Protocol to the GATT 1994 (reflecting U.S. tariff concessions, including bound duty rates).

in the general notes to the HTS. For shipments deemed covered by these two chapter 98 provisions, the special duty rate from the appropriate tariff category in HTS, chapters 1-97, is ascertained for the program concerned. If the goods qualify under that program's rules of preference, the corresponding special duty rate, if any, would be applied to the non-U.S.-origin part of their value. In other cases, the general duty rate from the applicable tariff category is assessed.

Special Access Program

Statistical-reporting number 9802.00.8015 covers "articles eligible pursuant to bilateral textile agreements for entry under a Special Access Program and entered in compliance with procedures established by the Committee for the Implementation of Textile Agreements (CITA)."⁵ Importers are required to report 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;⁶ the former Special Regime (SR), which had applied to textile and to apparel products of Mexico, was replaced by other preference provisions in the NAFTA as of January 1, 1994.⁷

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,⁸ a specific limit (SL) or a designated consultation level (DCL) for regular quotas and a GAL are 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."⁹ Special CBI¹⁰ 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.

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 was claimed under the conditionally duty-free provisions of HTS chapter 98. Initially, the

⁵ See chapter 98 of the HTS for the legal text of the provisions and applicable notes.

⁶ Announced by President Reagan on Feb. 20, 1986, and implemented June 11, 1986 (51 FR 21208).

⁷ See HTS heading 9802.00.90 and notes to section XI. The special regime was discussed in earlier Commission reports on the production sharing provisions.

⁸ U.S. Department of Commerce, Office of Textiles and Apparel, Special Access Program Information Brochure, Dec. 1990.

⁹ *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.

¹⁰ Caribbean Basin Initiative.

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) of 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.¹¹ A \$3 surcharge is added to entries processed manually. Certain additional fees were set by section 521 of the NAFTA Implementation Act to offset revenues lost due to the phaseout of duties under NAFTA; fees that had been due to expire in 1998 were continued through 2003.

Section 612 of the Uruguay Round Agreements Act, Public Law 103-465, the act implementing for the United States the results of the Uruguay Round trade negotiations, amended section 13031 of the Consolidated Budget Reconciliation Act of 1985 (19 U.S.C. 58c) to raise the user fee from 0.17 to 0.21 percent; raise the cap to \$485 and the floor to \$25, and raise the surcharge for manually processed entries from \$3 to \$4, effective on January 1, 1995 (the date of entry into force of the Agreement Establishing the World Trade Organization).

Under article 403 of the U.S.-Canada Free-Trade Agreement, since suspended, and section 24.23 of the Customs regulations, goods originating in the territory of Canada are assessed the merchandise-processing fee under a negotiated phaseout scheme. During 1992, the applicable fee was 40 percent of the fee otherwise applicable, in 1993 a 20-percent fee level was charged, and there was to be no fee beginning on January 1, 1994. This treatment was continued when the NAFTA was implemented on January 1, 1994, so that no fees are collected on goods of Canada under the terms of general note 12 to the HTS. Goods of Mexico can be assessed the ordinary fee until June 30, 1999, as of which date no fee at all can be charged, under article 310 and annex 310.1 of the NAFTA and section 204 of the NAFTA Implementation Act. In both cases, the marking rules adopted pursuant to annex 311 of the NAFTA determine the status of the goods with respect to the user fee; that is, the treatment of composite goods (containing content from 2 or 3 NAFTA countries) is determined by the marking rules, based upon the country of the relevant operations. Goods from other countries entered under HTS, chapter 98, are to be subject to the imposition of the fee, with limited exceptions for products of preference-eligible countries.

¹¹ 19 C.F.R. sec. 24.23.

APPENDIX B

STATISTICAL TABLES

Table B-1
U.S. Imports for consumption under HTS provisions 9802.00.60 and 9802.00.80, 1970-93
(In millions of dollars)

Year	Total value			Dutiable value			Value of U.S. products		
	9802.00.60	9802.00.80	Total	9802.00.60	9802.00.80	Total	9802.00.60	9802.00.80	Total
	1970	204.0	2,004.2	2,208.2	101.3	1,570.5	1,671.8	102.6	433.7
1971	199.4	2,566.4	2,765.8	75.1	2,030.8	2,105.9	124.3	535.6	659.9
1972	318.3	3,090.5	3,408.8	130.3	2,410.1	2,540.4	187.9	680.4	868.3
1973	462.6	3,784.5	4,247.1	212.9	3,025.4	3,238.3	249.7	759.1	1,008.8
1974	543.7	4,828.1	5,371.8	240.4	3,818.6	4,059.0	303.3	1,009.5	1,312.8
1975 ¹	454.6	4,707.8	5,162.4	192.6	3,703.9	3,896.5	262.0	1,003.9	1,265.9
1976	474.0	5,247.5	5,721.5	199.2	3,976.2	4,175.4	274.8	1,271.3	1,546.1
1977	465.1	6,723.4	7,188.5	190.7	5,021.4	5,212.1	274.4	1,702.0	1,976.4
1978	398.1	9,337.1	9,735.2	154.8	6,988.9	7,143.7	243.2	2,348.3	2,591.5
1979 ¹	407.7	11,559.3	11,967.0	172.8	8,468.3	8,641.1	234.9	3,091.0	3,325.9
1980 ¹	254.1	13,762.2	14,016.5	83.5	10,178.2	10,261.8	170.5	3,584.0	3,754.7
1981	256.5	15,924.0	16,180.8	80.3	11,653.9	11,734.2	176.2	4,270.3	4,446.6
1982	358.0	17,950.8	18,308.8	116.0	13,473.2	13,589.2	242.0	4,477.5	4,719.5
1983	341.5	21,234.4	21,575.9	112.5	16,076.8	16,189.3	229.0	5,157.6	5,386.6
1984	450.2	28,122.4	28,572.6	140.9	21,221.2	21,362.1	309.3	6,901.2	7,210.5
1985	419.7	30,115.4	30,535.1	144.6	24,565.7	24,710.3	275.0	5,549.7	5,824.7
1986	465.5	36,031.5	36,496.9	157.1	30,059.3	30,216.4	308.4	5,972.1	6,280.5
1987	953.9	67,595.1	68,549.0	538.4	55,067.9	55,606.2	415.6	12,527.2	12,942.8
1988	929.1	72,803.5	73,732.6	459.2	56,449.4	56,908.5	469.8	16,354.1	16,823.9
1989	1,141.3	73,031.8	74,173.1	444.2	54,110.5	54,554.7	697.1	18,921.3	19,618.4
1990	1,379.8	75,122.2	76,502.0	561.4	54,302.9	54,864.3	818.4	20,819.2	21,637.6
1991	1,147.7	56,308.0	57,455.7	517.8	42,442.8	42,960.6	629.9	13,865.1	14,495.0
1992	1,020.9	55,365.0	56,385.9	418.2	40,632.5	41,050.7	602.7	14,732.5	15,335.2
1993	848.2	56,447.7	57,295.9	286.2	39,477.6	39,763.9	561.9	16,970.1	17,532.0

¹ Imports under subheading 9802.00.60 were slightly understated for 1975, 1976, 1979, and 1980 in previous versions of this tabulation.

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

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted. Minor adjustments to official statistics were made to correct cases of misreporting. Statistics previously reported for certain commodity groupings have been revised to reflect changes in assignment made by the Commission's international trade analysts.

Since 1980, the staff of the Commission has made substantial revisions to the Census-reported figures. These revisions, for the most part, were attributable to the exclusion of duty-free civil aircraft subheadings. The civil aircraft subheadings also reflect reimposition of American products, either further processed or assembled overseas.

Table B-2
U.S. imports for consumption under HTS provision 9802.00.60: Value and share of total, by principal sources, 1990-93

Source	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
	1991					
	<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

See notes at end of table.

Table B-2—Continued
U.S. imports for consumption under HTS provision 9802.00.60: Value and share of total, by principal sources, 1990-93

Source	1992					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
	Million dollars			Percent		
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	.3
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
	1993					
	Million dollars			Percent		
Canada	551.0	354.7	196.3	65.0	63.1	68.6
Japan	49.2	28.9	20.4	5.8	5.1	7.1
France	13.3	7.4	5.9	1.6	1.3	2.1
Germany	7.8	3.5	4.3	.9	.6	1.5
United Kingdom	2.7	1.8	1.0	.3	.3	.3
Switzerland	2.6	1.0	1.6	.3	.2	.6
Netherlands	2.0	.7	1.4	.2	.1	.5
Australia	1.3	.8	.4	.2	.1	.1
All other6	.2	.2	.1	(¹)	.1
Total, developed countries	630.5	399.0	231.5	74.3	71.0	80.9
Mexico	206.3	156.1	50.2	24.3	27.8	17.5
South Korea	5.1	3.9	1.2	.0	.0	.4
Taiwan	2.7	.8	1.9	.0	.0	.6
Russia	1.7	1.1	.6	.0	.0	.2
Argentina5	.4	.1	.1	(¹)	(¹)
All other	1.3	.7	.6	.1	.1	(¹)
Total, less developed countries	217.6	163.0	54.7	25.7	29.0	19.1
Grand total	848.2	561.9	286.2	100.0	100.0	100.0

¹ Less than 0.5 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-3
U.S. imports for consumption under HTS provision 9802.00.60, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1990			1991		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable vegetable products	4,016	543	3,473	0	0	0
Forest products	42	32	10	35	35	(1)
Textiles, apparel, and footwear	5	4	1	23	21	2
Chemicals, coal, petroleum, natural gas, and related products:						
Certain inorganic chemical compounds	17,072	9,572	7,499	5,896	4,046	1,850
All other articles	54	16	38	34	31	4
Total	17,126	9,588	7,538	5,930	4,077	1,854
Minerals and metals:						
Iron and steel mill products, all grades	131,386	88,840	42,547	126,055	92,142	33,913
Shapes and plates of iron or steel all grades	382	209	173	798	630	168
Pipe and tubing of iron or steel, all grades	8,914	6,613	2,301	7,087	5,147	1,940
Wire and wire products of iron or steel, all grades	1,588	897	691	1,926	1,393	533
Sheets and strip of iron or steel, all grades, including tin mill products	105,837	76,689	29,148	107,592	80,272	27,320
Other	14,665	4,431	10,233	8,652	4,700	3,952
Copper, wrought	22,865	13,939	8,926	23,280	15,471	7,809
Aluminum	398,422	312,404	86,018	269,245	218,639	50,606
Aluminum, wrought other than foil	377,080	301,458	75,622	254,700	211,080	43,620
Aluminum foil	21,343	10,946	10,397	14,544	7,558	6,986
Nickel, wrought	75		8	5,566	4,052	1,513
Lead, unwrought	238	172	66	196	128	69
Tantalum, unwrought, unalloyed	924	524	400	125	63	62
Titanium, wrought	13,286	10,820	2,466	6,575	5,514	1,061
Tungsten, unwrought	376	46	330	133	28	105
Hinges, fittings and mountings, n.s.p.f.	4,695	2,282	2,413	3,171	1,557	1,614
Interchangeable tools for hand-tools or for machine tools	2,376	1,105	1,270	6,399	3,490	2,909
All other articles	14,833	10,433	4,400	11,576	7,987	3,589
Total	589,476	440,632	148,844	452,321	349,070	103,251

See notes at end of table.

Table B-3—Continued

U.S. imports for consumption under HTS provision 9802.00.60, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1990			1991		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment:						
Parts of steam generating boilers	0	0	0	5	4	1
Parts of steam turbines	0	0	0	204	160	44
Internal combustion engines and parts thereof	16,505	11,199	5,307	54,829	31,521	23,308
Pumps and compressors, and parts thereof	547	308	239	349	183	166
Lifting, handling, loading, and unloading machinery and parts thereof	64	59	6	70	25	44
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	761	424	337	481	216	265
Office machines and parts thereof	825	445	380	138	111	26
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	4,414	3,123	1,291	8,934	7,836	1,098
Miscellaneous machinery parts	23,586	15,341	8,244	12,473	5,874	6,598
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	20,434	14,948	5,486	21,133	15,726	5,407
Microphones, loudspeakers, and related equipment; and radio telegraphic and radiotelephonic apparatus and related equipment ...	280	149	131	9	3	6
Articles for making and breaking electrical circuits	155,407	115,267	40,140	2,315	1,627	688
Semiconductors	2,126	1,015	1,112	118	60	58
Miscellaneous electrical articles	905	637	268	3,180	2,402	778
Parts for rail locomotives and rolling stock	402	90	312	1,578	340	1,237
Bodies and chassis for motor vehicles, and other motor vehicle parts	23,336	18,090	5,245	21,333	16,619	4,714
Parts of aircraft and space-craft	456,866	133,498	323,368	556,801	181,217	375,583
All other articles	5,648	3,650	1,999	2,790	1,918	872
Total	712,108	318,245	393,863	651,846	247,173	404,673
Miscellaneous manufactures	57,050	49,360	7,690	37,551	29,544	8,007
Grand total	1,379,823	818,404	561,419	1,147,706	629,920	517,786

See notes at end of table.

Table B-3—Continued
U.S. imports for consumption under HTS provision 9802.00.60, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1992			1993		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products	168	152	16	0	0	0
Forest products	5	2	3	0	0	0
Textiles, apparel, and footwear	251	168	83	0	0	0
Chemicals, coal, petroleum, natural gas, and related products:						
Certain inorganic chemical compounds	5,716	2,780	2,936	5,737	2,715	3,022
All other articles	21	17	4	65	44	21
Total	5,737	2,797	2,940	5,802	2,758	3,043
Minerals and metals:						
Iron and steel mill products, all grades	111,476	77,153	34,323	164,921	108,778	56,143
Shapes and plates of iron or steel, all grades	355	213	142	344	173	171
Pipe and tubing of iron or steel, all grades	3,276	2,236	1,041	4,451	3,345	1,106
Wire and wire products of iron or steel, all grades	1,724	1,371	353	360	287	73
Sheets and strip of iron or steel, all grades, including tin mill products	103,611	72,258	31,353	142,238	99,992	42,246
Other	2,510	1,076	1,434	17,529	4,981	12,548
Copper, wrought	44,385	31,515	12,871	58,268	45,472	12,796
Aluminum	256,620	213,256	43,364	246,042	201,433	44,609
Aluminum, wrought other than foil	245,837	208,393	37,444	232,826	195,252	37,574
Aluminum foil	10,784	4,863	5,920	13,216	6,181	7,035
Nickel, wrought	79	52	27	193	99	94
Lead, unwrought	252	166	86	253	154	98
Tantalum, unwrought, unalloyed	153	46	107	780	324	456
Titanium, wrought	2,684	2,217	467	364	282	81
Tungsten, unwrought	208	64	144	221	68	153
Hinges, fittings and mountings, n.s.p.f.	2,904	1,329	1,575	3,173	1,652	1,520
Interchangeable tools for hand-tools or for machine tools	2,451	1,957	494	1,826	1,205	622
All other articles	12,029	8,076	3,953	11,917	7,061	4,856
Total	433,241	335,831	97,410	487,958	366,528	121,429

See notes at end of table.

Table B-3—Continued

U.S. imports for consumption under HTS provision 9802.00.60, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1992			1993		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment:						
Parts of steam generating boilers	5	4	1	206	32	174
Parts of steam turbines	204	160	44	7,186	4,698	2,487
Internal combustion engines and parts thereof	54,829	31,521	23,308	24,147	15,381	8,766
Pumps and compressors, and parts thereof	349	183	166	61	13	48
Lifting, handling, loading, and unloading machinery and parts thereof	70	25	44	12	7	5
Machines for working metal, gas-operated metalworking appliances	481	216	265	1,630	809	821
Office machines and parts thereof	11	8	3	131	89	42
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	8,934	7,836	1,098	10,133	9,045	1,088
Miscellaneous machinery parts	12,473	5,874	6,598	8,245	4,673	3,572
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	21,133	15,726	5,407	14,654	12,113	2,541
Articles for making and breaking electrical circuits	3,967	3,311	656	1,566	1,060	507
Miscellaneous electrical articles	1,192	813	378	982	209	772
Parts for rail locomotives and rolling stock	5,234	1,695	3,540	0	0	0
Bodies and chassis for motor vehicles, and other motor vehicle parts	26,095	19,789	6,305	34,740	28,387	6,353
Parts of aircraft and spacecraft	393,662	134,970	258,692	191,553	70,483	121,070
All other articles	2,986	2,530	456	3,676	2,076	1,600
Total	531,624	224,662	306,962	298,922	149,076	149,846
Miscellaneous manufactures	49,831	39,081	10,750	55,494	43,582	11,912
Grand total	1,020,857	602,693	418,164	848,175	561,945	286,231

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-4

U.S. imports for consumption under HTS provision 9802.00.60, by principal sources, 1993

Source	Total value		Duty-free value	
	Value	Percent of total	Value	Percent of total
	<i>Million dollars</i>		<i>Million dollars</i>	
Grand total	848.2	100.0	561.9	100.0
Top 10 sources, total	842.7	99.4	558.7	99.4
Canada	551.0	65.0	354.7	63.1
Mexico	206.3	24.3	156.1	27.8
Japan	49.2	5.8	28.9	5.1
France	13.3	1.6	7.4	1.3
Germany	7.8	.9	3.5	.6
South Korea	5.1	.6	3.9	.7
United Kingdom	2.7	.3	1.8	.3
Taiwan	2.7	.3	0.8	.1
Switzerland	2.6	.3	1.0	.2
Netherlands	2.0	.2	0.7	.1
All other	5.5	.6	3.3	.6

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, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Chemicals, coal, petroleum, natural gas, and related products:			
All other articles	26	13	14
Minerals and metals:			
Iron and steel mill products, all grades	86,888	56,678	30,211
Shapes and plates of iron or steel, all grades	344	173	171
Pipe and tubing of iron or steel, all grades	4,155	3,170	985
Wire and wire products of iron or steel, all grades	323	272	51
Sheets and strip of iron or steel, all grades, including tin mill products	67,300	50,224	17,076
Other	14,767	2,838	11,928
Copper, wrought	31,438	29,656	1,782
Aluminum	210,460	180,677	29,783
Aluminum, wrought other than foil	209,879	180,433	29,446
Aluminum foil	581	245	336
Lead, unwrought	213	119	94
Titanium, wrought	357	276	81
Hinges, fittings and mountings, n.s.p.f.	590	173	416
Interchangeable tools for hand-tools or for machine tools	407	115	291
All other articles	1,226	672	554
Total	331,579	268,367	63,212
Machinery and equipment:			
Parts of steam generating boilers	206	32	174
Parts of steam turbines	7,186	4,698	2,487
Internal combustion engines and parts thereof	9,301	4,331	4,970
Pumps and compressors, and parts thereof	60	12	48
Lifting, handling, loading, and unloading machinery and parts thereof	12	7	5
Machines for working metal, stone, and other materials, except gas-operated metal-working appliances	744	382	362
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	381	323	58
Miscellaneous machinery parts	7,934	4,547	3,387
Articles for making and breaking electrical circuits	412	151	260
Miscellaneous electrical articles	377	96	281
Bodies and chassis for motor vehicles, and other motor vehicle parts	767	461	307
Parts of aircraft and spacecraft	189,986	69,547	120,439
All other articles	1,956	1,669	287
Total	219,323	86,258	133,065
Miscellaneous manufactures	91	79	12
Grand total	551,019	354,717	196,302

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, 1993

(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	1	(¹)	1
Minerals and metals:			
Iron and steel mill products, all grades	66,310	44,904	21,406
Pipe and tubing of iron or steel, all grades	83	22	61
Sheets and strip of iron or steel, all grades, including tin mill products	63,917	43,021	20,896
Other	2,310	1,861	448
Aluminum	1,216	1,047	169
Aluminum, wrought other than foil	1,216	1,047	169
Hinges, fittings and mountings, n.s.p.f	2,579	1,476	1,104
All other articles	7,424	4,687	2,737
Total	77,529	52,113	25,416
Machinery and equipment:			
Internal combustion engines and parts thereof	12,759	10,558	2,201
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	1	1	(¹)
Office machines and parts thereof	86	65	22
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	9,742	8,716	1,025
Miscellaneous machinery parts	2	(¹)	2
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	14,654	12,113	2,541
Articles for making and breaking electrical circuits	1,149	903	246
Miscellaneous electrical articles	604	113	491
Bodies and chassis for motor vehicles, and other motor vehicle parts	33,973	27,926	6,046
All other articles	450	183	266
Total	73,420	60,580	12,840
Miscellaneous manufactures	55,318	43,421	11,897
Grand total	206,268	156,114	50,154

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-7
U.S. imports for consumption from Japan under HTS provision 9802.00.60, by commodity groups, 1993

(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	32	27	6
Minerals and metals:			
Wire and wire products of iron or steel, all grades	6	5	1
Copper, wrought	26,248	15,468	10,780
Aluminum	22,647	13,235	9,412
Aluminum, wrought other than foil	12,419	8,149	4,270
Aluminum foil	10,228	5,086	5,142
Total	48,901	28,708	20,193
Machinery and equipment:			
Parts of aircraft and spacecraft	313	116	197
Grand total	49,246	28,851	20,396

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 France under HTS provision 9802.00.60, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Iron and steel mill products, all grades	3,842	1,707	2,135
Sheets and strip of iron or steel, all grades, including tin mill products	3,842	1,707	2,135
Aluminum	9,459	5,697	3,762
Aluminum, wrought other than foil	9,276	5,590	3,686
Aluminum foil	183	106	76
Total	13,301	7,404	5,897
Machinery and equipment:			
Office machines and parts thereof	9	8	1
Grand total	13,310	7,412	5,899

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, 1993

(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	5,670	2,667	3,004
Minerals and metals:			
Copper, wrought	200	113	88
Aluminum	171	66	105
Aluminum foil	171	66	105
Tantalum, unwrought, unalloyed	716	274	442
Tungsten, unwrought	221	68	153
Hinges, fittings and mountings, n.s.p.f	4	4	(¹)
All other articles	66	21	45
Total	1,378	546	833
Machinery and equipment:			
Internal combustion engines and parts thereof	490	111	379
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	63	49	14
Office machines and parts thereof	2	1	(¹)
Miscellaneous machinery parts	179	119	59
Total	733	281	452
Grand total	7,782	3,493	4,289

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-10
U.S. imports for consumption from South Korea under HTS provision 9802.00.60, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Sheets and strip of iron or steel, all grades, including tin mill products	5,030	3,885	1,146
Machinery and equipment:			
Miscellaneous machinery parts	92	(¹)	92
Grand total	5,123	3,885	1,238

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-11

U.S. imports for consumption from the United Kingdom under HTS provision 9802.00.60, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Iron and steel mill products, all grades	459	278	182
Wire and wire products of iron or steel, all grades	23	3	21
Other	436	275	161
Copper, wrought	7	1	6
Nickel, wrought	193	99	94
Interchangeable tools for handtools or for machinery tools	1,331	1,075	256
All other articles	16	13	3
Total	2,007	1,467	540
Machinery and equipment:			
Pumps and compressors, and parts thereof	1	1	(¹)
Machines for working metal, stone, and other materials, except gas-operated metal working appliances	512	101	411
Miscellaneous machinery parts	4	3	1
Articles for making and breaking electrical circuits	3	3	(¹)
All other articles	216	192	24
Total	738	301	437
Grand total	2,745	1,767	978

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-12

U.S. imports for consumption from Taiwan under HTS provision 9802.00.60, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Sheets and strip of iron or steel, all grades, including tin mill products	1,614	773	841
Machinery and equipment:			
Office machines and parts thereof	24	6	18
All other articles	1,054	32	1,022
Total	1,078	38	1,040
Grand total	2,692	811	1,881

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 Switzerland under HTS provision 9802.00.60, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Other, iron and steel mill products, all grades	16	6	11
Aluminum foil	1,810	581	1,228
All other articles	459	99	360
Total	2,284	686	1,598
Machinery and equipment:			
Machines for working metal, stone, and other materials, except gas-operated metalworking appliances	299	267	32
Grand total	2,583	953	1,630

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 the Netherlands under HTS provision 9802.00.60, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Minerals and metals:			
Copper, wrought	374	234	140
All other articles	63	45	18
Total	437	279	158
Machinery and equipment:			
Internal combustion engines and parts thereof	1,594	380	1,214
Grand total	2,032	659	1,372

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 HTS provision 9802.00.80: Value and share of total, by
principal sources, 1990-93

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
	1991					
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, 1990-93

Source	1992					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
	Million dollars			Percent		
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)	.4
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	51.8	11.5	66.2
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	46.9	85.8	32.9
Grand total	55,365.0	14,732.5	40,632.5	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, 1990-93

Source	1993					
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Japan	14,135.4	460.3	13,675.1	25.0	2.7	34.6
Germany	4,577.5	83.6	4,493.9	8.1	.5	11.4
Canada	2,477.4	768.6	1,708.7	4.4	4.5	4.3
United Kingdom	1,005.8	90.8	915.0	1.8	.5	2.3
Sweden	953.0	27.3	925.7	1.7	.2	2.3
France	796.4	76.4	720.0	1.4	.5	1.8
Belgium	654.0	11.3	642.7	1.2	.1	1.6
Netherlands	258.9	64.4	194.5	.5	.4	.5
Italy	129.1	33.9	95.2	.2	.2	.2
Ireland	82.0	23.6	58.3	.1	.1	.1
Australia	66.8	3.7	63.0	.1	(¹)	.2
Austria	40.2	15.0	25.2	.1	.1	.1
All other	30.5	5.8	24.9	.1	(¹)	.1
Total, developed countries	25,206.9	1,664.8	23,542.1	44.6	9.8	59.6
Mexico	18,761.4	9,715.8	9,045.6	33.2	57.3	22.9
Malaysia	1,669.3	794.3	874.9	3.0	4.7	2.2
South Korea	1,656.3	473.7	1,182.5	2.9	2.8	3.0
Dominican Republic	1,522.7	1,037.7	485.0	2.7	6.1	1.2
Singapore	1,461.1	353.3	1,107.8	2.6	2.1	2.8
Philippines	1,049.3	485.0	564.2	1.9	2.9	1.4
Taiwan	958.0	336.2	621.8	1.7	2.0	1.6
Costa Rica	573.6	397.5	176.2	1.0	2.3	.4
Guatemala	416.4	218.4	198.0	.7	1.3	.5
China	404.8	51.9	352.9	.7	.3	.9
Thailand	396.6	237.8	158.8	.7	1.4	.4
Honduras	336.5	236.3	100.1	.6	1.4	.3
Hong Kong	334.3	130.1	204.2	.6	.8	.5
Jamaica	321.3	254.4	66.8	.6	1.5	.2
Brazil	271.1	15.5	255.6	.5	.6	.6
All other	1,108.2	567.0	541.2	2.0	3.3	1.4
Total, less developed countries	31,240.7	15,305.2	15,935.5	53.4	87.0	38.9
Grand total	56,447.7	16,970.1	39,477.6	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, 1990-93
(In thousands of dollars)

Commodity group	1990			1991		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:						
Mushrooms and truffles	6,633	429	6,204	17,868	1,406	16,463
All other articles	1,072	561	510	1,374	1,028	346
Total	7,705	991	6,715	19,242	2,433	16,809
Forest products:						
Industrial papers, packaging and miscellaneous papers ..	35,392	23,412	11,981	16,866	12,021	4,845
All other articles	33,952	12,193	21,759	36,704	18,356	18,348
Total	69,345	35,604	33,740	53,570	30,377	23,193
Textiles, apparel, and footwear:						
Women's, girls', and infants' shirts and blouses	190,452	115,815	74,637	217,668	124,841	92,827
Women's, girls', and infants' coats and jackets	119,286	63,228	56,058	206,785	102,852	103,933
Women's, girls', and infants' trousers, slacks, and shorts ..	301,173	181,368	119,805	428,751	255,229	173,523
Men's and boys' shirts	230,153	136,960	93,193	257,059	155,046	102,013
Men's and boys' coats and jackets	66,125	37,497	28,628	86,759	47,524	39,235
Men's and boys' trousers, slacks, and shorts	495,620	336,558	159,062	697,356	480,064	217,292
Body-supporting garments	277,495	184,949	92,546	317,321	219,037	98,284
Gloves	38,882	24,595	14,288	33,479	21,441	12,038
Footwear	908,145	96,984	811,161	868,916	109,094	759,822
All other articles	898,957	583,038	315,919	1,121,377	721,105	400,272
Total	3,526,288	1,760,992	1,765,296	4,235,471	2,236,233	1,999,238
Chemicals, coal, petroleum, natural gas, and related products:						
Fabricated rubber and plastic products	89,168	51,256	37,912	106,649	59,443	47,206
All other articles	20,373	8,256	12,116	43,322	13,064	30,258
Total	109,540	59,512	50,028	149,971	72,508	77,463
Minerals and metals:						
Metallic containers	5,516	807	4,708	9,905	1,760	8,145
Locks and padlocks	102,201	69,749	32,452	81,930	57,157	24,773
Handtools	24,238	10,747	13,491	23,357	9,377	13,981
Structures of base metal	16,330	4,798	11,532	7,720	2,628	5,092
Nonelectric heating and cooking apparatus other than cast iron stoves	21,159	5,619	15,540	18,711	4,534	14,177
Miscellaneous metal products and articles	149,525	43,507	106,018	88,478	44,007	44,470
All other articles	89,454	48,157	41,296	71,522	35,637	35,886
Total	408,421	183,384	225,037	301,622	155,099	146,523
Machinery and equipment:						
Steam engines, turbines, and boilers; and gas generators and parts thereof	3,172	1,177	1,994	3,418	1,110	2,309

See notes at end of table.

Table B-16—Continued
U.S. imports for consumption under HTS provision 9802.00.80, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1990			1991		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment—Continued						
Internal combustion engines, piston-type, and parts thereof	2,047,544	247,251	1,800,293	1,148,474	159,142	989,331
Internal combustion engines, non-piston type, and parts thereof	327,774	67,475	260,299	232,422	33,127	199,295
Pumps for liquids and parts thereof	38,475	16,955	21,520	40,538	16,259	24,280
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	39,791	21,737	18,054	27,641	14,024	13,617
Compressors and parts thereof	125,513	27,356	98,157	126,757	27,294	99,464
Air-conditioning machines and parts thereof	68,991	19,696	49,294	75,467	25,426	50,041
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	18,911	3,804	15,107	24,051	8,299	15,753
Centrifuges and filtering and purifying machinery and parts thereof	56,069	17,732	38,338	47,616	16,495	31,120
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	6,666	1,197	5,469	18,791	7,017	11,773
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	343,319	91,573	251,745	214,859	65,888	148,970
Lifting, handling, loading, unloading machinery and parts thereof	178,996	57,467	121,529	174,586	53,874	120,712
Pulp and paper machinery; and bookbinding and printing machinery	64,988	13,660	51,327	66,170	11,093	55,077
Sewing machines and parts thereof including furniture specially designed for such machines	14,459	127	14,332	15,954	80	15,874
Machines for working metal, stone, and other materials ..	181,960	41,379	140,581	154,868	33,987	120,881
Office machines and parts thereof	2,104,447	543,859	1,560,588	967,205	515,400	1,451,805
Automatic vending machines and parts thereof	1,021	707	314	505	398	107

See notes at end of table.

Table B-16—Continued

U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1990			1991		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment—Continued.						
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	138,790	84,541	54,250	183,008	104,032	78,977
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	27,166	6,908	20,258	16,770	5,595	11,175
Other miscellaneous machinery and mechanical equipment and parts thereof	231,524	62,792	168,732	272,550	66,323	206,226
Transformers	170,666	93,379	77,288	219,254	114,931	104,324
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	495,207	258,994	236,213	523,684	273,569	250,115
Portable electric hand tools	15,789	7,533	8,256	8,917	2,354	6,563
Electric household appliances	286,330	132,162	154,168	312,273	138,969	173,304
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	12,525	4,743	7,782	14,584	5,984	8,599
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus parts thereof	149,680	53,456	96,224	123,320	52,902	70,418
Microphones, loudspeakers, and related equipment	78,290	25,728	52,562	81,544	27,273	54,271
Television receivers	1,480,667	323,155	1,157,512	1,587,498	414,005	1,173,493
Television apparatus and parts, other than cameras, receivers, and picture tubes	173,629	46,292	127,336	119,065	27,989	91,075
Radio receivers and transceivers and parts thereof	481,700	73,639	408,060	366,091	64,568	301,524
Record players, phonographs, record changers, and turntables, and parts thereof	2,813	1,173	1,640	1,968	824	1,144
Tape recorders, tape players, and dictation machines	73,785	13,921	59,864	100,695	21,612	79,083
Miscellaneous radiotelegraphic and radiotelephonic apparatus	61,242	21,373	39,869	55,263	29,632	25,632
Other miscellaneous electrical products and parts	344,210	110,769	233,440	304,165	125,151	179,015
Electrical capacitors	166,070	108,187	57,883	173,255	112,361	60,894
Articles for making and breaking electrical circuits	1,773,286	1,370,559	402,727	935,990	595,692	340,299
Voltage regulators	55,196	26,644	28,552	53,933	26,289	27,644
Electrical resistors	71,595	41,322	30,274	61,999	33,544	28,455
Electric lamps	100,304	48,625	51,679	100,183	48,627	51,556
Electronic tubes (except X-ray)	110,411	46,685	63,726	117,483	40,457	77,027

See notes at end of table.

Table B-16—Continued

U.S. Imports for consumption under HTS provision 9802.00.80, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1990			1991		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment—Continued						
Semiconductors	4,961,283	2,745,050	2,216,232	3,939,207	1,934,912	2,004,294
Electrical conductors	1,367,932	810,383	557,549	1,450,541	857,359	593,182
Miscellaneous electrical articles	132,183	52,303	79,880	99,581	43,392	56,189
Rail locomotives and rolling stock	340,654	187,881	152,773	82,926	14,563	68,363
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles ..	45,184,703	8,317,895	36,866,808	30,870,364	3,118,750	27,751,613
Motor vehicle parts, industrial vehicles, non-self-propelled vehicles, and motorcycles	2,923,616	1,047,801	1,875,815	2,437,696	979,429	1,458,268
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	1,799,671	595,397	1,204,274	487,179	182,263	304,917
Pleasure boats; floating structures	140,844	47,835	93,009	89,274	37,601	51,673
All other articles	12,189	1,398	10,791	9,790	1,150	8,640
Total	68,986,044	17,941,678	51,044,365	49,539,373	10,491,015	39,048,358
Miscellaneous manufactures:						
Handbags	4,206	2,845	1,361	6,640	4,586	2,054
Luggage	34,668	20,144	14,524	49,146	23,607	25,539
Flat goods	3,984	3,005	979	3,497	2,443	1,054
Optical instruments, components and lenses	16,202	5,475	10,727	18,729	7,422	11,307
Surgical and medical instruments and apparatus ..	393,548	204,062	189,486	554,984	261,116	293,868
Scientific instruments	370,684	146,034	224,651	389,895	170,612	219,283
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	1,468	816	652	3,021	691	2,330
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	73,008	15,233	57,775	63,830	20,065	43,765
Photographic equipment and supplies	161,058	73,855	87,203	195,328	76,691	118,637
Magnetic recording media not having any material recorded thereon	113,775	33,096	80,679	99,238	36,514	62,724
Musical instruments, parts and accessories	24,389	6,939	17,450	28,257	8,901	19,356
Furniture, mattresses, and pillows, cushions, and small furnishings	574,432	209,176	365,257	341,753	136,974	204,778
Small arms (bore diameter 30mm and under)	8,252	529	7,724	8,457	2,050	6,406
Ammunition and munitions	1,838	382	1,456	3,763	2,460	1,303
Game machines, except coin or disc operated	6,591	3,278	3,313	11	(1)	.11

See notes at end of table.

Table B-16—Continued
U.S. imports for consumption under HTS provision 9802.00.80, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1990			1991		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Miscellaneous manufactures—Continued						
Fishing tackle	4,765	1,971	2,795	8,043	2,989	5,054
Baseball and softball equipment	5,890	4,636	1,254	6,873	5,562	1,312
Dolls and stuffed toy figures of animate objects	14,626	3,147	11,479	6,063	1,843	4,220
Toys (except games), models, tricks, and party favors	48,178	19,271	28,906	43,179	17,973	25,206
Jewelry	52,243	48,127	4,116	65,426	60,214	5,212
All other articles	100,915	35,016	65,899	112,594	34,753	77,841
Total	2,014,810	837,076	1,177,734	2,008,727	877,468	1,131,258
Grand total	75,122,153	20,819,237	54,302,915	56,307,977	13,865,134	42,442,843

See notes at end of table.

Table B-16—Continued

U.S. imports for consumption under HTS provision 9802.00.80, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1992			1993		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:						
Mushrooms and truffles	11,916	1,001	10,916	2,685	285	2,400
All other articles	3,044	901	2,144	34,417	1,015	33,403
Total	14,961	1,901	13,059	37,102	1,300	35,802
Forest products:						
Industrial papers, packaging and miscellaneous papers	21,287	13,398	7,888	32,561	16,680	15,881
All other articles	51,936	31,130	20,806	33,052	15,262	17,790
Total	73,223	44,529	28,694	65,613	31,942	33,671
Textiles, apparel, and footwear:						
Women's, girls', and infants' shirts and blouses	293,291	175,022	118,269	374,472	229,157	145,315
Women's, girls', and infants' coats and jackets	277,597	139,575	138,022	337,780	184,158	153,623
Women's, girls', and infants' trousers, slacks, and shorts ..	541,441	327,271	214,170	618,189	343,617	274,572
Men's and boys' shirts	448,993	280,977	168,016	605,991	388,374	217,616
Men's and boys' coats and jackets	109,054	62,554	46,501	133,890	68,201	65,689
Men's and boys' trousers, slacks, and shorts	905,664	619,850	285,815	1,075,346	715,609	359,736
Body-supporting garments	414,883	275,489	139,394	475,403	317,281	158,122
Gloves	32,677	20,604	12,073	43,141	22,771	20,371
Footwear	1,001,722	144,223	857,499	1,133,459	192,941	940,518
All other articles	1,337,737	825,676	512,062	1,624,033	1,019,513	604,520
Total	5,363,060	2,871,239	2,491,820	6,421,704	3,481,622	2,940,082
Chemicals, coal, petroleum, natural gas, and related products:						
Fabricated rubber and plastic products	114,757	68,845	45,912	105,216	68,239	36,977
All other articles	44,411	13,339	31,072	173,925	157,431	16,494
Total	159,168	82,184	76,984	279,141	225,670	53,471
Minerals and metals:						
Metallic containers	9,716	1,615	8,101	12,647	1,975	10,672
Locks and padlocks	67,736	44,589	23,147	51,877	34,549	17,328
Handtools	21,107	9,372	11,735	28,011	10,440	17,570
Structures of base metal	5,413	2,174	3,239	6,965	3,423	3,542
Nonelectric heating and cooking apparatus other than cast iron stoves	106,653	34,361	72,293	202,810	66,718	136,092

See notes at end of table.

Table B-16—Continued

U.S. imports for consumption under HTS provision 9802.00.80, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1992			1993		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Minerals and metals—Continued:						
Miscellaneous metal products and articles	116,518	70,129	46,389	123,991	80,384	43,607
All other articles	85,019	41,690	43,329	105,842	55,831	50,011
Total	412,162	203,930	208,233	532,143	253,321	278,822
Machinery and equipment:						
Steam engines, turbines, and boilers; and gas generators and parts thereof	14,251	2,138	12,113	4,556	1,513	3,043
Internal combustion engines, piston type, and parts thereof	788,421	137,631	650,790	605,515	117,422	488,094
Internal combustion engines, non-piston type, and parts thereof	239,418	32,668	206,749	258,413	37,368	221,045
Pumps for liquids and parts thereof	54,381	21,185	33,196	51,616	24,721	26,894
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	14,726	6,963	7,763	32,607	12,635	19,971
Compressors and parts thereof	79,080	44,980	34,101	66,007	36,917	29,090
Air conditioning machines and parts thereof	111,887	40,653	71,234	113,976	47,514	66,462
Furnace burners and nonelectric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	23,775	7,426	16,349	24,109	7,733	16,376
Centrifuges and filtering and purifying machinery and parts thereof	59,436	20,013	39,423	36,836	18,330	18,506
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, packaging machinery, dishwashing machines and parts thereof	22,793	5,968	16,825	23,450	6,971	16,479
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	206,054	40,533	165,521	314,386	52,178	262,208
Lifting, handling, loading, unloading machinery and parts thereof	142,893	48,412	94,481	143,455	46,822	96,632
Pulp and paper machinery; and bookbinding and printing machinery	37,921	8,073	29,848	15,027	3,080	11,946
Sewing machines and parts thereof including furniture specially designed for such machines	16,756	64	16,692	17,330	77	17,253
Machines for working metal, stone, and other materials	130,764	24,512	106,253	136,820	27,316	109,504
Office machines and parts thereof	2,015,062	576,914	1,438,148	1,857,242	487,216	1,370,026
Automatic vending machines and parts thereof	111	39	72	282	73	209

See notes at end of table.

Table B-16—Continued

U.S. imports for consumption under HTS provision 9802.00.80, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1992			1993		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment—Continued						
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	217,361	130,958	86,403	275,149	185,604	89,545
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	18,023	6,798	11,225	18,509	8,921	9,588
Other miscellaneous machinery and mechanical equipment and parts thereof	252,856	78,217	174,640	249,999	77,905	172,094
Transformers	273,268	134,192	139,076	294,821	108,205	186,616
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	656,138	350,570	305,567	788,663	424,984	363,679
Portable electric hand tools	18,327	3,233	15,094	23,792	4,663	19,130
Electric household appliances	373,624	167,960	205,663	364,582	190,617	173,965
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	13,940	6,563	7,377	8,113	1,584	6,529
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	136,661	56,957	79,704	137,685	55,465	82,220
Microphones, loudspeakers, and related equipment	95,493	32,165	63,328	115,540	38,207	77,333
Television receivers	1,827,197	522,116	1,305,081	2,099,248	641,760	1,457,487
Television apparatus and parts, other than cameras, receivers, and picture tubes	117,494	34,829	82,665	200,653	54,365	146,289
Radio receivers and transceivers and parts thereof	344,057	61,188	282,869	428,541	88,975	339,567
Record players, phonographs, record changers, and turntables, and parts thereof	1,966	846	1,120	1,402	606	796
Tape recorders, tape players, and dictation machines	65,959	11,164	54,795	64,820	5,932	58,888
Miscellaneous radiotelegraphic and radiotelephonic apparatus	46,127	21,486	24,642	78,115	30,487	47,628
Other miscellaneous electrical products and parts	272,099	115,749	156,350	318,395	124,200	194,196
Electrical capacitors	196,727	126,075	70,652	174,604	110,777	63,827
Articles for making and breaking electrical circuits	983,177	625,384	357,793	1,180,687	739,356	441,330
Voltage regulators	69,617	22,547	47,070	72,505	32,107	40,398
Electrical resistors	63,223	29,278	33,945	78,988	39,067	39,921
Electric lamps	123,455	65,575	57,880	114,612	69,192	45,420
Electronic tubes (except X-ray)	115,525	36,302	79,223	166,413	61,171	105,241
Semiconductors	4,353,788	2,234,368	2,119,420	5,050,585	2,715,496	2,335,089
Electrical conductors	1,834,755	1,051,760	782,995	1,978,836	1,122,425	856,412
Miscellaneous electrical articles	88,154	32,742	55,412	76,565	32,470	44,095
Rail locomotives and rolling stock	61,006	17,122	43,884	63,621	27,401	36,221
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	27,377,215	2,155,857	25,221,358	25,169,808	2,305,622	22,864,186

See notes at end of table.

Table B-16—Continued

U.S. imports for consumption under HTS provision 9802.00.80, by commodity groups, 1990-93
(In thousands of dollars)

Commodity group	1992			1993		
	Total value	Duty-free value	Dutiable value	Total value	Duty-free value	Dutiable value
Machinery and equipment—Continued						
Motor vehicle parts, industrial vehicles, nonself-propelled vehicles, and motorcycles . . .	2,931,531	1,311,814	1,619,717	2,885,862	1,489,572	1,396,290
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	423,224	168,658	254,566	520,593	228,727	291,866
Pleasure boats; floating structures	32,134	6,485	25,649	84,386	10,116	74,271
All other articles	30,073	4,400	25,673	32,382	5,422	26,960
Total	47,371,925	10,641,530	36,730,395	46,820,102	11,959,286	34,860,817
Miscellaneous manufactures:						
Handbags	4,840	3,533	1,307	5,873	3,927	1,947
Luggage	60,564	32,732	27,832	58,588	28,326	30,263
Flat goods	3,394	1,802	1,592	3,589	2,031	1,559
Optical instruments, components and lenses	51,464	25,936	25,528	45,423	29,898	15,526
Surgical and medical instruments and apparatus . .	583,156	285,177	297,980	594,370	302,665	291,705
Scientific instruments	451,936	211,033	240,903	655,569	291,209	364,360
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f	5,218	866	4,352	45,807	5,744	40,064
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	78,579	28,534	50,045	97,572	30,330	67,242
Photographic equipment and supplies	201,891	75,253	126,638	246,106	98,180	147,926
Magnetic recording media not having any material recorded thereon	92,070	31,455	60,615	100,221	33,748	66,473
Musical instruments, parts and accessories	34,810	10,522	24,288	38,341	12,759	25,581
Furniture, mattresses, and pillows, cushions, and similar furnishings	141,366	61,984	79,382	120,552	64,898	55,655
Small arms (bore diameter 30mm and under)	8,992	557	8,435	8,957	531	8,426
Ammunition and munitions	12,128	5,445	6,683	5,934	2,569	3,366
Game machines, except coin or disc operated	7,097	2,514	4,584	14,549	2,946	11,603
Fishing tackle	10,067	3,712	6,355	9,399	3,480	5,919
Baseball and softball equipment	4,076	3,008	1,068	6,113	3,423	2,689
Dolls and stuffed toy figures of animate objects	1,620	516	1,104	368	31	336
Toys (except games), models, tricks, and party favors	44,917	14,280	30,636	39,063	12,468	26,595
Jewelry	67,748	61,475	6,273	69,261	59,743	9,519
All other articles	104,597	26,890	77,707	126,221	28,011	98,210
Total	1,970,531	887,223	1,083,307	2,291,878	1,016,915	1,274,963
Grand total	55,365,029	14,732,537	40,632,493	56,447,683	16,970,055	39,477,628

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, 1993

Source	Total value		Duty-free value	
	Value	Percent of total	Value	Percent of total
	<i>Million dollars</i>		<i>Million dollars</i>	
Grand total	56,447.7	100.0	16,970.1	100.0
Top 10 sources, total	48,316.2	85.6	14,263.1	84.0
Mexico	18,761.4	33.2	9,715.8	57.3
Japan	14,135.4	25.0	460.3	2.7
Germany	4,577.5	8.1	83.6	.5
Canada	2,477.4	4.4	768.6	4.5
Malaysia	1,669.3	3.0	794.3	4.7
South Korea	1,656.3	2.9	473.7	2.8
Dominican Republic	1,522.7	2.7	1,037.7	6.1
Singapore	1,461.1	2.6	353.3	2.1
Philippines	1,049.3	1.9	485.0	2.9
United Kingdom	1,005.8	1.8	90.8	.5
All other	8,131.5	14.4	2,707.0	16.0

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 Mexico under HTS provision 9802.00.80, by commodity
groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:			
All other articles	1,003	613	390
Forest products:			
Industrial papers, packaging and miscellaneous papers	25,803	14,342	11,461
All other articles	12,808	7,114	5,694
Total	38,612	21,457	17,155
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	109,706	84,187	25,518
Women's, girls', and infants' coats and jackets	32,928	23,856	9,072
Women's, girls', and infants' trousers, slacks, and shorts	169,114	115,366	53,747
Men's and boys' shirts	101,983	81,449	20,535
Men's and boys' coats and jackets	17,586	10,848	6,738
Men's and boys' trousers, slacks, and shorts	324,742	208,717	116,025
Body-supporting garments	103,209	72,815	30,395
Gloves	11,145	9,211	1,934
Footwear	90,705	63,861	26,844
All other articles	590,218	404,883	185,335
Total	1,551,336	1,075,193	476,143
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	82,193	57,150	25,043
All other articles	10,611	6,759	3,852
Total	92,804	63,910	28,895
Minerals and metals:			
Metallic containers	348	249	98
Locks and padlocks	51,355	34,516	16,839
Handtools	9,719	6,990	2,729
Structures of base metal	4,392	3,130	1,262
Nonelectric heating and cooking apparatus other than cast iron stoves	172,300	58,516	113,784
Miscellaneous metal products and articles	105,390	75,078	30,312
All other articles	89,757	51,400	38,356
Total	433,260	229,879	203,380
Machinery and equipment:			
Internal combustion engines, piston-type, and parts thereof	282,907	89,572	193,335
Internal combustion engines, non-piston type, and parts thereof ..	5,854	3,877	1,976
Pumps for liquids and parts thereof	17,126	13,042	4,084
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	10,716	8,357	2,358
Compressors and parts thereof	58,783	36,342	22,441
Air-conditioning machines and parts thereof	97,081	41,773	55,309
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	17,654	6,616	11,038
Centrifuges and filtering and purifying machinery and parts thereof	23,777	16,173	7,604
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	13,026	5,233	7,794
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	1,729	1,325	404
Lifting, handling, loading, unloading machinery and parts thereof ..	79,086	28,340	50,746
Pulp and paper machinery; and bookbinding and printing machinery	2,656	1,648	1,008

See note at end of table.

Table B-18—Continued

U.S. imports for consumption from Mexico under HTS provision 9802.00.80, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Machinery and equipment—Continued:			
Machines for working metal, stone, and other materials	14,589	8,476	6,113
Office machines and parts thereof	391,921	187,009	204,912
Automatic vending machines and parts thereof	277	69	208
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	230,368	168,454	61,914
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	7,631	5,929	1,702
Other miscellaneous machinery and mechanical equipment and parts thereof	108,304	50,715	57,589
Transformers	235,948	100,766	135,182
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	689,622	407,561	282,061
Portable electric hand-tools	21,664	4,329	17,335
Electric household appliances	257,894	179,956	77,938
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	424	368	56
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	38,353	17,864	20,489
Microphones, loudspeakers, and related equipment	92,922	34,476	58,447
Television receivers	2,079,558	640,213	1,439,345
Television apparatus and parts, other than cameras, receivers, and picture tubes	162,218	52,511	109,707
Radio receivers and transceivers and parts thereof	277,293	72,564	204,729
Record players, phonographs, record changers, and turntables, and parts thereof	1,402	606	796
Tape recorders, tape players, and dictation machines	63,321	5,826	57,494
Miscellaneous radiotelegraphic and radiotelephonic apparatus	67,057	24,888	42,170
Other miscellaneous electrical products and parts	202,976	98,898	104,078
Electrical capacitors	156,379	95,838	60,541
Articles for making and breaking electrical circuits	992,077	652,994	339,082
Voltage regulators	57,404	24,293	33,111
Electrical resistors	73,945	36,990	36,955
Electric lamps	92,725	63,310	29,415
Electronic tubes (except X-ray)	111,574	37,874	73,701
Semiconductors	365,557	224,429	141,128
Electrical conductors	1,764,668	1,054,817	709,851
Miscellaneous electrical articles	57,440	26,529	30,911
Rail locomotives and rolling stock	12	11	1
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	4,082,952	1,721,592	2,361,360
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	1,993,369	1,375,275	618,094
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	10,400	2,001	8,399
All other articles	11,349	3,115	8,235
Total	15,323,991	7,632,845	7,691,146
Miscellaneous manufactures:			
Handbags	4,999	3,344	1,654
Luggage	43,899	24,506	19,393
Flat goods	3,356	1,907	1,448
Optical instruments, components and lenses	3,930	2,804	1,126
Surgical and medical instruments and apparatus	330,121	207,433	122,688
Scientific instruments	532,184	268,389	263,795
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f.	35	11	25

See note at end of table.

Table B-18—Continued

U.S. imports for consumption from Mexico under HTS provision 9802.00.80, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Miscellaneous manufactures—Continued:			
Watches, clocks, and clock work operated devices (including time clocks and time stamps) and parts	34,833	23,679	11,154
Photographic equipment and supplies	44,167	9,336	34,831
Magnetic recording media not having any material recorded thereon	99,039	33,271	65,768
Musical instruments, parts and accessories	31,407	12,200	19,207
Furniture, mattresses, and pillows, cushions, and similar furnishings	91,754	57,499	34,255
Small arms (bore diameter 30mm and under)	187	66	121
Ammunition and munitions	5,484	2,510	2,974
Game machines, except coin or disc operated	8,013	630	7,382
Fishing tackle	3,570	894	2,676
Baseball and softball equipment	732	437	295
Dolls and stuffed toy figures of animate objects	53	2	52
Toys (except games), models, tricks, and party favors	32,248	11,897	20,351
Jewelry	12,723	11,886	837
All other articles	37,632	19,219	18,413
Total	1,320,365	691,920	628,445
Grand total	18,761,371	9,715,816	9,045,554

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 Japan under HTS provision 9802.00.80, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Forest products:			
All other articles	9	6	3
Textiles, apparel, and footwear:			
Footwear	38	1	38
All other articles	19	6	12
Total	57	7	50
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	22	4	17
All other articles	26	18	8
Total	48	22	26
Minerals and metals:			
Handtools	3	1	1
Miscellaneous metal products and articles	900	189	711
All other articles	38	3	35
Total	940	193	747
Machinery and equipment:			
Internal combustion engines, piston type, and parts thereof	39,974	4,991	34,983
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	5,287	372	4,914
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	129,971	20,557	109,415
Machines for working metal, stone, and other materials	2,608	76	2,532
Office machines and parts thereof	463,016	126,316	336,700
Other miscellaneous machinery and mechanical equipment and parts thereof	7,146	712	6,433
Transformers	2	1	1
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	195	20	175
Electric household appliances	67	1	66
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	578	237	340
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	68,079	20,967	47,112
Microphones, loudspeakers, and related equipment	236	92	144
Television receivers	13,382	1,053	12,329
Radio receivers and transceivers and parts thereof	32	13	19
Other miscellaneous electrical products and parts	827	31	796
Articles for making and breaking electrical circuits	47	21	26
Voltage regulators	428	228	200
Electronic tubes (except X-ray)	5,187	248	4,939
Semiconductors	66,562	35,216	31,346
Electrical conductors	7	1	6
Miscellaneous electrical articles	2,551	204	2,348
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	13,124,458	237,447	12,887,011
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	126,466	3,528	122,938
All other articles	1,255	157	1,098
Total	14,058,362	452,489	13,605,872

See note at end of table.

Table B-19—Continued

U.S. imports for consumption from Japan under HTS provision 9802.00.80, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Miscellaneous manufactures			
Optical instruments, components and lenses	38	9	29
Surgical and medical instruments and apparatus	24,528	1,619	22,909
Scientific instruments	37,270	4,368	32,903
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	174	78	96
Photographic equipment and supplies	2,023	433	1,590
Musical instruments, parts and accessories	756	60	696
Small arms (bore diameter 30mm and under)	8,423	430	7,994
All other articles	2,820	600	2,220
Total	76,033	7,596	68,437
Grand total	14,135,449	460,315	13,675,135.

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, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Textiles, apparel, and footwear:			
Men's and boys' shirts	9	(1)	9
Men's and boys' coats and jackets	66	(1)	66
Footwear	192	14	178
All other articles	438	51	387
Total	705	65	640
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	157	54	102
All other articles	14	13	1
Total	170	67	103
Minerals and metals:			
Metallic containers	10	5	5
Miscellaneous metal products and articles	1,034	172	862
Total	1,044	177	867
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	311	38	273
Internal combustion engines, piston-type, and parts thereof	255,273	19,217	236,056
Pumps for liquids and parts thereof	5	(1)	4
Compressors and parts thereof	2,758	92	2,666
Centrifuges and filtering and purifying machinery and parts thereof	264	22	242
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	6	4	1
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	1,471	136	1,335
Pulp and paper machinery; and bookbinding and printing machinery	2,181	359	1,822
Machines for working metal, stone, and other materials	9,577	730	8,846
Office machines and parts thereof	423	251	171
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	1,046	274	772
Other miscellaneous machinery and mechanical equipment and parts thereof	3,963	388	3,574
Transformers	1,856	22	1,834
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	12	3	9
Electric household appliances	2,086	529	1,557
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	2	(1)	2
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	74	72	2
Miscellaneous radio-telegraphic and radio-telephonic apparatus ..	7	4	3
Other miscellaneous electrical products and parts	233	37	196
Articles for making and breaking electrical circuits	1,417	460	957
Voltage regulators	1,003	729	274
Semiconductors	345	287	58
Miscellaneous electrical articles	11	3	9
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	4,286,570	58,839	4,227,731
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	820	241	579

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, 1993

(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	95	75	20
Total	4,571,808	82,815	4,488,993
Miscellaneous manufactures:			
Optical instruments, components and lenses	77	69	9
Surgical and medical instruments and apparatus	655	91	564
Scientific instruments	130	35	95
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f.	41	4	37
Photographic equipment and supplies	2,869	324	2,545
All other articles	3	(¹)	3
Total	3,776	523	3,253
Grand total	4,577,503	83,647	4,493,856

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, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:			
All other articles	201	169	31
Forest products:			
Industrial papers, packaging and miscellaneous papers	6,697	2,305	4,393
All other articles	18,973	7,744	11,229
Total	25,670	10,049	15,621
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	64	35	28
Women's, girls', and infants' coats and jackets	101	28	73
Women's, girls', and infants' trousers, slacks, and shorts	1	(1)	(1)
Men's and boys' shirts	3,378	2,099	1,279
Men's and boys' coats and jackets	(1)	(1)	(1)
Men's and boys' trousers, slacks, and shorts	105	55	50
Gloves	120	24	96
Footwear	420	221	200
All other articles	29,724	10,731	18,993
Total	33,912	13,194	20,719
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	12,838	4,008	8,830
All other articles	6,658	1,041	5,616
Total	19,496	5,050	14,446
Minerals and metals:			
Metallic containers	12,286	1,720	10,566
Locks and padlocks	60	17	43
Handtools	1,470	190	1,280
Structures of base metal	2,573	293	2,280
Nonelectric heating and cooking apparatus other than cast iron stoves	30,002	8,116	21,886
Miscellaneous metal products and articles	12,109	1,893	10,215
All other articles	6,838	2,404	4,434
Total	65,338	14,634	50,704
Machinery and equipment:			
Steam engines, turbines, and boilers; and gas generators and parts thereof	4,216	1,455	2,760
Internal combustion engines, piston type, and parts thereof	1,400	370	1,030
Internal combustion engines, non-piston type, and parts thereof ..	250,220	32,914	217,306
Pumps for liquids and parts thereof	8,944	3,565	5,379
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	7,283	1,278	6,005
Compressors and parts thereof	461	355	105
Air-conditioning machines and parts thereof	16,895	5,741	11,153
Furnace burners and nonelectric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	6,444	1,115	5,329
Centrifuges and filtering and purifying machinery and parts thereof ..	8,109	1,664	6,445
Wrapping and packaging machinery, machinery for cleaning or drying containers, machinery for aerating beverages, dishwashing machines, and parts thereof	10,418	1,734	8,684
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	65,080	18,697	46,383
Lifting, handling, loading, unloading machinery and parts thereof ..	36,945	11,671	25,273
Pulp and paper machinery; and bookbinding and printing machinery	8,155	517	7,639

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, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Machinery and equipment—Continued:			
Machines for working metal, stone, and other materials	62,178	12,944	49,234
Office machines and parts thereof	52,936	6,600	46,336
Automatic vending machines and parts thereof	4	4	1
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	2,699	1,467	1,232
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; universal joints; and parts thereof	6,061	2,333	3,728
Other miscellaneous machinery and mechanical equipment and parts thereof	101,411	22,320	79,091
Transformers	17,224	1,593	15,631
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	38,094	5,879	32,215
Portable electric handtools	412	160	251
Electric household appliances	13,527	2,615	10,912
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	6,721	868	5,853
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	6,710	4,665	2,045
Microphones, loudspeakers, and related equipment	14,999	2,169	12,830
Television receivers	5,007	448	4,560
Radio receivers and transceivers and parts thereof	3,362	525	2,837
Tape recorders, tape players, and dictation machines	5	2	3
Miscellaneous radiotelegraphic and radiotelephonic apparatus	542	271	271
Other miscellaneous electrical products and parts	17,417	5,875	11,542
Articles for making and breaking electrical circuits	37,541	8,673	28,868
Voltage regulators	7,594	3,391	4,203
Electrical resistors	2	1	2
Electric lamps	16,628	4,926	11,702
Electronic tubes (except X-ray)	2,129	674	1,455
Semiconductors	7	6	1
Electrical conductors	12,859	7,943	4,916
Miscellaneous electrical articles	5,483	1,989	3,493
Rail locomotives and rolling stock	47,668	21,901	25,768
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	592,130	207,648	384,482
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	405,676	86,629	319,047
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	303,907	181,664	122,243
Pleasure boats; floating structures	11,492	2,004	9,488
All other articles	196	135	61
Total	2,217,191	679,400	1,537,790
Miscellaneous manufactures:			
Luggage	4,292	222	4,071
Optical instruments, components and lenses	38,361	25,910	12,451
Surgical and medical instruments and apparatus	14,139	6,570	7,568
Scientific instruments	17,318	4,132	13,186
Balancing machines, and parts, and other drawing, measuring, and mathematical calculating instruments, and machines, n.s.p.f.	2,336	409	1,927
Watches, clocks, and clockwork operated devices (including time clocks and time stamps) and parts	1,002	333	668
Photographic equipment and supplies	177	31	146
Musical instruments, parts and accessories	3,301	191	3,110
Furniture, mattresses, and pillows, cushions, and similar furnishings	28,557	7,294	21,263
Small arms (bore diameter 30mm and under)	346	35	312

See note at end of table.

Table B-21—Continued
U.S. imports for consumption from Canada under HTS provision 9802.00.80, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
<i>Miscellaneous manufactures—Continued:</i>			
Game machines, except coin or disc operated	64	4	61
Fishing tackle	22	1	21
Toys (except games), models, tricks, and party favors	871	108	763
Jewelry	291	28	263
All other articles	4,464	882	3,581
Total	115,542	46,151	69,391
Grand total	2,477,350	768,647	1,708,704

¹ Less than \$500.

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

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

Table B-22
U.S. imports for consumption from Malaysia under HTS provision 9802.00.80, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Forest products:			
All other articles	4	4	(1)
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	183	6	177
Women's, girls', and infants' coats and jackets	63	2	61
Women's, girls', and infants' trousers, slacks, and shorts	10	(1)	10
Men's and boys' shirts	5,397	266	5,131
Footwear	156	20	136
All other articles	213	12	201
Total	6,021	306	5,715
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	1	1	(1)
Machinery and equipment:			
Office machines and parts thereof	44	9	35
Other miscellaneous machinery and mechanical equipment and parts thereof	1,185	889	296
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	88	56	33
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	2,290	782	1,509
Radio receivers and transceivers and parts thereof	2,892	75	2,816
Tape recorders, tape players, and dictation machines	987	55	932
Other miscellaneous electrical products and parts	25,779	3,751	22,028
Articles for making and breaking electrical circuits	11,798	1,880	9,918
Electrical resistors	1,503	1,102	402
Semiconductors	1,603,156	783,405	819,751
Miscellaneous electrical articles	108	70	37
Total	1,649,831	792,074	857,756
Miscellaneous manufactures:			
Surgical and medical instruments and apparatus	531	177	354
Scientific instruments	12,183	1,551	10,632
Game machines, except coin or disc operated	472	204	268
Dolls and stuffed toy figures of animate objects	208	7	201
Total	13,394	1,939	11,455
Grand total	1,669,252	794,325	874,927

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 South Korea under HTS provision 9802.00.80, by commodity groups, 1993

(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	1,617	21	1,596
Women's, girls', and infants' coats and jackets	12,165	1,146	11,019
Women's, girls', and infants' trousers, slacks, and shorts	2,652	14	2,638
Men's and boys' shirts	709	10	699
Men's and boys' coats and jackets	2,715	77	2,638
Men's and boys' trousers, slacks, and shorts	673	11	661
Gloves	54	5	49
Footwear	363,741	16,658	347,083
All other articles	20,915	1,200	19,715
Total	405,240	19,141	386,099
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	221	193	28
All other articles	41	35	7
Total	262	228	35
Machinery and equipment:			
Pumps for liquids and parts thereof	16,912	5,970	10,942
Lifting, handling, loading, unloading machinery and parts thereof	18,437	4,322	14,115
Machines for working metal, stone, and other materials	27	(1)	27
Office machines and parts thereof	114,195	32,013	82,183
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	55	50	5
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	21	5	16
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	2,693	418	2,275
Microphones, loudspeakers, and related equipment	360	11	348
Radio receivers and transceivers and parts thereof	22	19	3
Tape recorders, tape players, and dictation machines	2	2	(1)
Other miscellaneous electrical products and parts	5,236	1,388	3,848
Articles for making and breaking electrical circuits	736	494	242
Electric lamps	5,188	954	4,235
Electronic tubes (except X-ray)	131	10	121
Semiconductors	685,968	396,071	289,897
Electrical conductors	118	61	57
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	379,837	8,444	371,393
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	11,041	1,798	9,243
Pleasure boats; floating structures	142	66	76
Total	1,241,121	452,097	789,024

See notes at end of table.

Table B-23—Continued

U.S. imports for consumption from South Korea under HTS provision 9802.00.80, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Miscellaneous manufactures:			
Handbags	21	6	15
Luggage	1,696	121	1,576
Flat goods	76	10	66
Surgical and medical instruments and apparatus	1,768	316	1,452
Scientific instruments	1,958	1,294	664
Musical instruments, parts and accessories	2,822	268	2,554
Fishing tackle	334	146	188
Toys (except games), models, tricks, and party favors	14	9	5
Jewelry	877	74	803
All other articles	70	15	54
Total	9,635	2,259	7,377
Grand total	1,656,259	473,725	1,182,534

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 the Dominican Republic under HTS provision 9802.00.80, by commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Agricultural, animal, and vegetable products:			
All other articles	104	51	53
Textiles, apparel, and footwear:			
Women's, girls', and infants' shirts and blouses	44,533	31,806	12,727
Women's, girls', and infants' coats and jackets	132,423	88,558	43,865
Women's, girls', and infants' trousers, slacks, and shorts	173,862	104,674	69,187
Men's and boys' shirts	91,060	55,992	35,068
Men's and boys' coats and jackets	41,716	30,121	11,596
Men's and boys' trousers, slacks, and shorts	362,390	247,852	114,538
Body-supporting garments	114,223	86,041	28,181
Footwear	114,806	86,359	28,447
All other articles	247,873	164,904	82,969
Total	1,322,885	896,307	426,578
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	146	90	56
All other articles	33	25	8
Total	179	115	64
Minerals and metals:			
Miscellaneous metal products and articles	3,052	2,399	653
Machinery and equipment:			
Office machines and parts thereof	9	7	2
Other miscellaneous machinery and mechanical equipment and parts thereof	37	31	6
Transformers	2,902	1,515	1,387
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	221	34	187
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	5	4	1
Radio receivers and transceivers and parts thereof	6	3	2
Miscellaneous radiotelegraphic and radiotelephonic apparatus	40	32	8
Other miscellaneous electrical products and parts	2,738	2,038	700
Electrical capacitors	17	14	3
Articles for making and breaking electrical circuits	65,565	49,310	16,255
Voltage regulators	538	356	181
Electrical resistors	107	52	55
Electrical conductors	11,460	8,874	2,586
Miscellaneous electrical articles	2,458	1,887	571
Motor vehicle parts, industrial vehicles, non-self-propelled vehicles, and motorcycles	255	219	36
Total	86,356	64,376	21,980
Miscellaneous manufactures:			
Handbags	578	502	77
Luggage	7,123	3,119	4,004
Flat goods	138	103	35
Surgical and medical instruments and apparatus	88,208	63,892	24,316
Scientific instruments	4,545	1,009	3,535
Baseball and softball equipment	882	603	279
Jewelry	6,202	4,459	1,744
All other articles	2,491	807	1,684
Total	110,167	74,493	35,674
Grand total	1,522,743	1,037,742	485,002

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, 1993

(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	312	8	304
Women's, girls', and infants' coats and jackets	136	(1)	136
Women's, girls', and infants' trousers, slacks, and shorts	2,388	25	2,363
Men's and boys' shirts	9,139	679	8,460
All other articles	155	5	149
Total	12,129	718	11,412
Minerals and metals:			
Handtools	15,633	2,284	13,349
All other articles	2,750	858	1,892
Total	18,383	3,142	15,242
Machinery and equipment:			
Internal combustion engines, piston-type, and parts thereof	9,931	815	9,116
Machines for working metal, stone, and other materials	583	482	102
Office machines and parts thereof	645,932	89,269	556,663
Taps, cocks, valves, and similar devices and parts thereof used to control the flow of liquids, gases or solids	1,804	325	1,478
Gear boxes and other speed changers with fixed, multiple, or variable ratios; pulleys and sheaves; shaft couplings; torque converters; chain sprockets; clutches; and related machinery and parts thereof	33	19	15
Other miscellaneous machinery and mechanical equipment and parts thereof	1,078	781	297
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	854	352	501
Electric household appliances	55,563	3,480	52,083
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	2,751	1,521	1,231
Microphones, loudspeakers, and related equipment	5,240	1,255	3,986
Radio receivers and transceivers and parts thereof	61,735	10,347	51,388
Tape recorders, tape players, and dictation machines	38	32	5
Miscellaneous radio-telegraphic and radio-telephonic apparatus	803	258	545
Other miscellaneous electrical products and parts	7,330	316	7,014
Articles for making and breaking electrical circuits	5,361	894	4,467
Semiconductors	595,484	229,918	365,567
Electrical conductors	412	363	49
Miscellaneous electrical articles	221	33	188
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	16	7	9
Pleasure boats; floating structures	8,304	1,486	6,818
All other articles	702	74	629
Total	1,404,176	342,026	1,062,150
Miscellaneous manufactures:			
Optical instruments, components and lenses	1	(1)	1
Surgical and medical instruments and apparatus	3,151	1,044	2,107
Scientific instruments	22,633	6,125	16,508
Jewelry	162	159	2
All other articles	437	92	346
Total	26,385	7,420	18,965
Grand total	1,461,074	353,306	1,107,768

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 the Philippines under HTS provision 9802.00.80, by commodity groups, 1993

(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	125	3	122
Women's, girls', and infants' coats and jackets	2,079	89	1,990
Women's, girls', and infants' trousers, slacks, and shorts	218	10	208
Men's and boys' shirts	1,782	22	1,760
Men's and boys' coats and jackets	295	3	293
Men's and boys' trousers, slacks, and shorts	78	3	75
Body-supporting garments	49,050	15,961	33,089
Gloves	12,539	622	11,917
Footwear	10,075	462	9,613
All other articles	32,837	2,540	30,297
Total	109,077	19,714	89,363
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	106	76	29
Minerals and metals:			
Miscellaneous metal products and articles	233	208	25
Machinery and equipment:			
Office machines and parts thereof	5,769	907	4,862
Transformers	2,564	105	2,459
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	11	(¹)	11
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	16	14	1
Radio receivers and transceivers and parts thereof	57	53	4
Miscellaneous radio-telegraphic and radio-telephonic apparatus	3,506	3,298	208
Other miscellaneous electrical products and parts	4,144	939	3,205
Articles for making and breaking electrical circuits	127	107	20
Voltage regulators	816	570	246
Semiconductors	755,961	421,157	334,804
Electrical conductors	107,788	32,179	75,609
Miscellaneous electrical articles	41	24	17
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	18	10	8
Total	880,818	459,363	421,455
Miscellaneous manufactures:			
Handbags	12	1	11
Optical instruments, components and lenses	26	16	11
Scientific instruments	155	88	67
Watches, clocks, and clock-work operated devices (including time clocks and time stamps) and parts	58,824	5,577	53,246
All other articles	2	0	2
Total	59,019	5,682	53,337
Grand total	1,049,252	485,043	564,209

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 the United Kingdom under HTS provision 9802.00.80, by
commodity groups, 1993

(In thousands of dollars)

Commodity group	Total value	Duty-free value	Dutiable value
Textiles, apparel, and footwear:			
All other articles	54	19	35
Chemicals, coal, petroleum, natural gas, and related products:			
Fabricated rubber and plastic products	547	30	517
Minerals and metals:			
Metallic containers	4	2	2
Handtools	34	28	5
Miscellaneous metal products and articles	150	7	143
Total	188	37	151
Machinery and equipment:			
Internal combustion engines, piston-type, and parts thereof	13	(1)	13
Internal combustion engines, non-piston type, and parts thereof ..	534	202	332
Pumps for liquids and parts thereof	6,073	1,366	4,707
Fans and blowers and parts thereof; and air pumps, vacuum pumps, and parts thereof	4,715	672	4,043
Furnace burners and non-electric industrial furnaces and ovens and parts thereof; and refrigerators and refrigeration equipment, and parts thereof	12	2	10
Centrifuges and filtering and purifying machinery and parts thereof	151	34	117
Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and excavating, levelling, boring, and extracting machinery other than elevators, winches, cranes, and related machinery and parts thereof	4,539	731	3,808
Lifting, handling, loading, unloading machinery and parts thereof ..	4,580	837	3,744
Pulp and paper machinery; and bookbinding and printing machinery	35	9	26
Sewing machines and parts thereof including furniture specially designed for such machines	17	6	12
Machines for working metal, stone, and other materials	18,703	2,871	15,832
Office machines and parts thereof	43,215	3,812	39,402
Other miscellaneous machinery and mechanical equipment and parts thereof	1,764	117	1,647
Transformers	35	24	11
Motors and generators; and miscellaneous equipment related to motors, generators, and transformers	1,827	991	836
Electric furnaces and ovens, welding, brazing, induction and dielectric heating equipment	247	22	225
Telephone and telegraph apparatus; and radio navigational, radar, and radio remote control apparatus and parts thereof	645	585	60
Miscellaneous radio-telegraphic and radio-telephonic apparatus	40	14	25
Other miscellaneous electrical products and parts	31,753	3,938	27,814
Articles for making and breaking electrical circuits	40	27	13
Voltage regulators	2,414	1,541	874
Semiconductors	1,891	1,200	692
Electrical conductors	3	2	1
Miscellaneous electrical articles	2,551	530	2,022
Motor vehicles including automobile trucks and truck tractors, motor buses, passenger automobiles, special purpose motor vehicles, and snowmobiles	767,938	30,427	737,512
Motor vehicle parts, industrial vehicles, non self-propelled vehicles, and motorcycles	6,106	906	5,200
Nonmilitary airplanes (all types); parts of aircraft and spacecraft; and parachutes, including parts	5	2	3
All other articles	811	191	620
Total	900,657	51,057	849,600

See notes at end of table.

Table B-27—Continued**U.S. Imports for consumption from the United Kingdom under HTS provision 9802.00.80, by commodity groups, 1993***(In thousands of dollars)*

Commodity group	Total value	Duty-free value	Dutiable value
Miscellaneous manufactures:			
Optical instruments, components and lenses	196	93	104
Surgical and medical instruments and apparatus	8,121	805	7,317
Scientific instruments	1,770	671	1,099
Photographic equipment and supplies	94,265	38,110	56,155
Jewelry	9	3	5
Total	104,361	39,681	64,680
Grand total	1,005,807	90,825	914,983

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

Tariff item 9802.00.80: HTS items deleted from Census statistics, 1993

(In dollars)

HS-NO	Country	Total value	Duty-free value	Dutiable Value
3917.32.00.10	Belgium	7,713	1,604	6,109
3917.32.00.50	Mexico	6,922,651	5,145,737	1,776,914
3917.33.00.00	Canada	271,474	49,072	222,402
	Mexico	2,327,234	1,806,040	521,194
	Sweden	3,649	2,412	1,237
3917.39.00.10	Canada	21,371	3,659	17,712
	Mexico	299,487	168,864	130,623
3917.39.00.50	Canada	371,568	63,558	308,010
	Mexico	682,060	496,351	185,709
3920.20.00.00	Canada	45,510	9,927	35,583
	Mexico	100,875	63,519	37,356
3920.42.50.00	Canada	164,773	52,421	112,352
	Mexico	296	144	152
3920.99.10.00	Mexico	141,007	36,474	104,533
3921.13.50.00	Canada	5,945	1,377	4,568
	Mexico	79,768	52,312	27,456
3921.90.15.00	Canada	719,082	190,486	528,596
5402.10.30.40	Sweden	2,097,818	1,670,235	427,583
	Denmark	82,113	59,598	22,515
	United Kingdom	52,510	15,177	37,333
5508.10.00.00	Taiwan	18,425	7,558	10,867
5602.21.00.00	Canada	202,258	41,794	160,464
5806.10.20.00	Mexico	5,894	5,579	315
5806.32.10.90	Mexico	18,195	10,941	7,254
	St Lucia Island	51,724	15,200	36,524
5903.10.10.00	Canada	1,004,170	189,781	814,389
5903.90.25.00	Canada	252,262	103,423	148,839
	Mexico	321	283	38
	Germany	328,597	226,958	101,639
5909.00.20.00	Canada	3,494,481	415,886	3,078,595
5911.10.10.00	Mexico	1,519,524	708,782	810,742
	Brazil	422,188	110,749	311,439
5911.10.20.00	Mexico	9,266,439	4,595,082	4,671,357
5911.90.00.00	Mexico	1,987,940	1,291,373	696,567
6002.20.10.00	Colombia	30,643	9,460	21,183
6002.43.00.10	Haiti	65,470	24,136	41,334
	Colombia	226,893	105,599	121,294
6804.22.60.00	Mexico	899,661	490,358	409,303
6805.30.10.00	Singapore	2,035	728	1,307
6810.99.00.00	Canada	99,695	9,107	90,588
	Mexico	11,878	1,218	10,660
7103.99.10.00	China	2,289	11	2,278
	Hong Kong	11,760	11,560	200
7112.10.00.00	Dominican Republic	64,187	64,187	0
7323.10.00.00	Mexico	1,595	877	718
8211.92.40.60	Canada	5,932	1,180	4,752
9801.00.10.99	Mexico	85,550	65,475	20,075
	India	14,085	4,499	9,586
9802.00.50.60	Mexico	32,119	32,032	87
	Austria	1,847	863	984
	Total	34,524,961	18,433,646	16,091,315

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

Table B-29

Tariff item 9802.00.80: HTS items transferred and reported under 9802.00.60, 1993

(In dollars)

HS-NO	Country	Total value	Duty-free value	Dutiable Value
2849.90.50.00	Mexico	1,428	357	1,071
7210.49.00.90	Mexico	9,635	4,205	5,430
7219.32.00.30	Mexico	4,393	3,251	1,142
7219.33.00.30	Mexico	12,680	9,104	3,576
7219.34.00.10	Mexico	6,480	4,638	1,842
7303.00.00.90	Canada	8,911	4,033	4,878
7305.11.10.30	Canada	116,201	62,655	53,546
7318.24.00.00	Canada	4,842	2,190	2,652
7604.29.50.60	Canada	1,326	460	866
7606.12.30.90	Canada	89,936	75,990	13,946
7608.10.00.90	Mexico	3,000	15	2,985
7609.00.00.00	Mexico	968,444	828,420	140,024
7801.99.90.30	United Arab Emirates	39,974	35,805	4,169
8108.90.30.60	Canada	331,038	252,000	79,038
	Ukraine	6,370	6,070	300
8109.90.00.00	Canada	141,748	77,771	63,977
8207.12.60.90	United Kingdom	1,331,424	1,075,446	255,978
	Singapore	88,052	13,821	74,231
8455.30.00.85	Canada	50,410	50,000	410
	Total	3,216,292	2,506,231	710,061

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

Table B-30
U.S. Imports under HTS provision 9802.00.80 from CBERA beneficiary countries, by industry groups and by leading sources, 1993

Industry group	CB sources arranged by value				
	Country 1	Country 2	Country 3	Country 4	Other CB Total
Agricultural and forest products	Dominican R				
Value (1,000 dollars)	104				104
Percent of total value	100.0				100.0
Shirts and blouses	Dominican R				
Value (1,000 dollars)	135,593				650,731
Percent of total value	20.8				100.0
Trousers, slacks, and shorts	Dominican R				
Value (1,000 dollars)	536,251				1,126,276
Percent of total value	47.6				100.0
Body-supporting garments	Dominican R				
Value (1,000 dollars)	114,223				284,024
Percent of total value	40.2				100.0
Footwear	Dominican R				
Value (1,000 dollars)	114,806				116,243
Percent of total value	98.8				100.0
Other textiles and apparel	Dominican R				
Value (1,000 dollars)	422,013				1,098,579
Percent of total value	38.4				100.0
Chemicals products	Bahamas				
Value (1,000 dollars)	161,993				164,268
Percent of total value	98.6				100.0
Minerals and metals	Dominican R				
Value (1,000 dollars)	3,656				3,904
Percent of total value	93.7				100.0
Office machines and parts	Jamaica				
Value (1,000 dollars)	4,171				5,517
Percent of total value	75.6				100.0
Motors, generators, transformers, and related equipment	Dominican R				
Value (1,000 dollars)	3,123				8,418
Percent of total value	37.1				100.0

Table B-30—Continued
U.S. imports under HTS provision 9802.00.80 from CBERA beneficiary countries, by industry groups and by leading sources, 1993

Industry group	CB sources arranged by value				Total
	Country 1	Country 2	Country 3	Country 4	
Radio and telephone equipment and parts	Dominican R	64			
Value (1,000 dollars)	64				
Percent of total value	100.0				100.0
Semiconductors	Kitts-Nevis	43			
Value (1,000 dollars)	44				
Percent of total value	100.0				100.0
Other electrical articles		29,352	4,888		123,325
Value (1,000 dollars)		23.8	4.0	3,555	2,647
Percent of total value		67.2	4.0	2.9	2.1
Motor-vehicle parts, industrial vehicles, nonself-propelled vehicles, motorcycles, rail locomotives, and rolling stock	Dominican R				
Value (1,000 dollars)	338				
Percent of total value	89.3				100.0
Other machinery and equipment	Guatemala				
Value (1,000 dollars)	854				
Percent of total value	72.0				100.0
Scientific instruments and apparatus	Dominican R				
Value (1,000 dollars)	93,069				
Percent of total value	93.3				99,799
Other miscellaneous manufactures					
Value (1,000 dollars)	17,414				
Percent of total value	64.7				100.0
Total	Dominican R	Costa Rica	Guatemala	Honduras	Guatemala
Value (1,000 dollars)	1,522,743	573,645	416,373	336,456	854,574
Percent of total value	41.1	15.5	11.2	9.1	23.1

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

Table B-31
U.S. imports under HTS provision 9802.00.80 of textiles and apparel from CBERA beneficiary countries, Mexico, and top five CBERA beneficiary suppliers, 1990 and 1993

1990 Product	CBERA	Mexico	Dominican Republic	Costa Rica	Honduras	Guatemala	Jamaica
(1,000 dollars)							
Women's and girls' blouses	115,654	42,947	29,441	12,247	2,178	11,144	31,844
Women's and girls' coats	62,049	12,706	34,879	12,858	3,037	9,602	146
Women's and girls' slacks and shorts	181,586	87,034	64,778	29,476	3,079	31,349	25,956
Men's and boy's shirts	192,683	13,139	53,958	35,344	26,106	20,104	28,988
Men's and boy's coats	36,544	11,307	16,073	16,289	142	263	3,578
Men's and boy's trousers	345,423	142,964	190,923	72,035	17,797	15,971	20,234
Gloves	172,539	48,706	58,278	53,290	18,031	3,324	15,612
Body supporting garments	11,722	12,240	0	6	63	3,957	646
Footwear	16,279	71,382	15,301	0	154	0	12
Other	365,158	387,715	135,756	64,435	17,727	23,244	32,961
Total	1,499,637	830,140	599,387	295,980	88,314	118,958	159,977
Percent							
Women's and girls' blouses	8	5	5	4	2	9	20
Women's and girls' coats	4	2	6	4	3	8	0
Women's and girls' slacks	12	10	11	10	3	26	16
Men's and boy's shirts	13	2	9	12	30	17	18
Men's and boy's coats	2	1	3	6	0	0	2
Men's and boy's trousers	23	17	32	24	20	13	13
Gloves	12	6	10	18	20	3	10
Body supporting garments	1	1	0	(1)	(1)	3	(1)
Footwear	1	9	3	0	(1)	0	(1)
Other	24	47	23	22	20	20	21
Total	100	100	100	100	100	100	100

See note at end of table.

Table B-32

U.S. imports from the Caribbean Basin under 9802.00.80 of electrical components, surgical and medical instruments, textiles and apparel, all other, and total, 1990-93

Product	1990	1993	Increase
	Million dollars		Percent
Electrical components			
Dominican Republic	61,423	80,145	30
Costa Rica	1,237	5,157	317
Guatemala	0	0	0
Honduras	0	0	0
All other	22,604	28,973	28
Total	85,264	114,275	34
Surgical and medical instruments			
Dominican Republic	25,408	88,208	247
Costa Rica	2,445	4,566	87
Guatemala	0	0	0
Honduras	0	0	0
All other	626	1,950	211
Total	28,479	94,724	233
Textiles and apparel			
Dominican Republic	599,385	1,322,885	120
Costa Rica	295,980	541,574	83
Guatemala	118,958	415,448	249
Honduras	88,314	335,451	280
All other	396,999	670,490	70
Total	1,499,636	3,285,848	119
All other			
Dominican Republic	18,093	31,505	72
Costa Rica	10,879	22,348	105
Guatemala	103	925	800
Honduras	243	1,005	313
All other	28,252	159,161	468
Total	57,570	214,944	275
All products			
Dominican Republic	704,309	1,522,743	116
Costa Rica	310,541	573,645	85
Guatemala	119,061	416,373	250
Honduras	88,557	336,456	278
All other	448,481	860,574	92
Total	1,670,949	3,709,791	122

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

APPENDIX C
UNITED STATES TARIFF SCHEDULE HEADINGS FOR
PRODUCTION SHARING IMPORTS, 1987-1994

United States Tariff Schedule Headings for Production Sharing Imports, 1987-1994

Tariff Schedule of the United States (1987)¹

<u>Repairs and Alterations</u>		<u>Metal Processing</u>	<u>Assembled Abroad</u>
806.20	Repairs and Alterations Internal Combustion Engines	806.30 Metal Processing	807.00 Assembled abroad Textiles and apparel CBERA SAP ² Other foreign assembly
.20			.10
.40			.50

Harmonized Tariff Schedule of the United States (1988)³

<u>Repairs and Alterations</u>		<u>Metal Processing</u>	<u>Assembled Abroad</u>
9802.00.40	Repairs and alterations Internal Combustion Engines	9802.00.60 Metal processing	9802.00.80 Assembled abroad .10 Textiles and apparel CBERA SAP .50 Other foreign assembly
.20			
.40			

1988

<u>Repairs and Alterations</u>		<u>Metal Processing</u>	<u>Assembled Abroad</u>
9802.00.40	Repairs and alterations PURSUANT TO A WARRANTY Internal Combustion Engines	9802.00.60 Metal processing	9802.00.80 Assembled abroad .10 Textiles and apparel CBERA SAP AND MEXICO SR ⁴ .50 Other foreign assembly
.20			
.40			
9802.00.50	OTHER INTERNAL COMBUSTION ENGINES		
.20			
.40			

¹ A complete description of these TSUS items is found in TSUS Schedule 8, P. 8-7.
² Established in 1986 as part of the Caribbean Basin Initiative. The introduction of the "special access program" in 1986 provides CBERA beneficiary countries with guaranteed access levels (GALs) to the U.S. market for apparel assembled from fabric made and cut in the United States. As of September 1994, the United States currently has GAL agreements in effect with Jamaica, the Dominican Republic, Costa Rica, Panama, and Guatemala.
³ A complete description of these HTS items is found in HTS Chapter 98, Subchapter II, p. 98-7.
⁴ The introduction of the "special regime" in 1988 provides Mexico specially favorable quota for apparel assembled from fabric made and cut in the United States.

1990⁵

<u>Repairs and Alterations</u>		<u>Metal Processing</u>		<u>Assembled Abroad</u>	
9802.00.40	Repairs and alteration Pursuant to a warranty Internal Combustion Engines .20 .40 Other	9802.00.60	Metal processing	9802.00.80	Assembled abroad Textiles and apparel CBERA SAP Mexico SR .10 DUTY-FREE, CBERA, 100% U.S. PARTS AND MATERIALS (EXCEPT TEXTILES, APPAREL AND PETROLEUM) .40 ⁶ OTHER FOREIGN ASSEMBLY .60
9802.00.50	Other .10 DUTY-FREE, CBERA, 100% U.S. CONTENT (EXCEPT TEXTILES, APPAREL, AND PETROLEUM) Other .30 Internal Combustion Engines .60 Other				

1994⁷

<u>Repairs and Alterations</u>		<u>Metal Processing</u>		<u>Assembled Abroad</u>	
9802.00.40	Repairs and alterations Pursuant to a warranty Internal Combustion Engines .20 .40 Other	9802.00.60	Metal processing	9802.00.80	Assembled abroad Textiles and apparel CBERA SAP ⁸ .15 Duty-free, CBERA, 100% U.S. parts and materials (except textiles, apparel and petroleum) .40 MEXICO, TEXTILES AND APPAREL, FOREIGN MADE FABRIC CUT IN THE UNITED STATES .55 OTHER FOREIGN ASSEMBLY .65
9802.00.50	Other .10 Duty-free, CBERA, 100% U.S. content (except textiles, apparel, and petroleum) .30 Internal Combustion Engines .60 Other			9802.00.90	MEXICO, DUTY-FREE, TEXTILES AND APPAREL 100% FROM U.S. FORMED AND CUT FABRIC AND MATERIAL

5 Supplement 2.
6 Provided by the CBERA Expansion Act of 1990.
7 Supplement 1.
8 Special Regime for Mexico has been incorporated into HTS item 9802.00.90



Other Recent USITC Publications

The Year In Trade 1993 (USITC Publication 2769, July 1994). MUST BE PURCHASED FROM GPO. One of the U.S. government's most comprehensive reviews of U.S. trade-related activities, covering major multilateral, regional and bilateral developments during the year. This year's edition provides a practical guide to over 20 major agreements reached during the seven-year long Uruguay Round GATT negotiations and an overview of the World Trade Organization. It also examines two important regional trade developments -- the passage of the North American Free-Trade Agreement implementing legislation and the meeting of Asia-Pacific Economic Cooperation leaders. (To order from GPO, indicate stock number 049-000-00069-3 and send your check for \$14.00 (\$17.50 foreign) per copy or provide your VISA or MasterCard number and expiration date to: Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954 (FAX to 202-512-2250).)

Potential Impact on the U.S. Economy and Industries of the GATT Uruguay Round Agreements: Volume 1 and Volume 2 (Inv. 332-353, USITC Publication 2790 (Vol. 1) and 2791 (Vol. 2), June 1994). Reviews and analyzes studies of the economy-wide effects of the General Agreement on Tariffs and Trade Uruguay Round Agreements and analyzes the impact of both tariff and nontariff provisions of the Uruguay Round Agreements on the agricultural, industrial, and service sectors of the U.S. economy.

Impact of the Caribbean Basin Economic Recovery Act on U.S. Industries and Consumers, Ninth Report, 1993 (Inv. 332-227, USITC Publication 2813, September 1994). MUST BE PURCHASED FROM GPO. The Caribbean Basin Economic Recovery Act (CBERA), which lowers duties for most products imported from designated Caribbean countries, marked its 10th year of operation in 1993. The first chapter of this publication offers a retrospective of the program's first decade. The remaining chapters focus on 1993 developments under the program. (To order from GPO, indicate stock number 049-000-00072-3 and send your check for \$5.50 (\$6.25 foreign) or provide your VISA or MasterCard number and expiration date to Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954 (FAX to 202-512-2250).)

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U.S. Imports of Textiles and Apparel Under the Multifiber Arrangement: Annual Report for 1994 (Inv. 332-343, USITC Publication 2884, April 1995). MUST BE PURCHASED FROM GPO. This report is the third of three annual reports on U.S. imports of textiles and apparel under the Multifiber Arrangement (MFA). The MFA is a multilateral agreement which provides a general framework and guiding principles for the negotiation of bilateral agreements between textile importing and exporting countries, or for unilateral action by an importing country if an agreement cannot be reached. The United States maintains quotas on MFA goods from 45 countries that supply 80 percent of the import volume of such products. (To order from GPO, indicate stock number 049-000-00071-5 and send your check for \$13.00 (\$16.25 foreign) per copy or provide your VISA or MasterCard number and expiration date to: Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954 (FAX to 202-512-2250).)

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