THE YEAR IN TRADE 1999

UNITED STATES INTERNATIONAL TRADE COMMISSION

OPERATION OF THE TRADE AGREEMENTS PROGRAM

51ST REPORT

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OPERATION OF THE TRADE AGREEMENTS PROGRAM DURING 1999

51st Report
Investigation No. 332-412

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U.S. International Trade Commission

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List of Frequently Used Abbreviations and Acronyms

ACP	African, Caribbean, and Pacific Nations
AD	Antidumping
AGOA	Africa Growth and Opportunity Act
APEC	Asia–Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATC	Agreement on Textiles and Clothing
ATPA	Andean Trade Preference Act
BIT	Bilateral Investment Treaty
CBERA	Caribbean Basin Economic Recovery Act
CFTA	United States–Canada Free Trade Agreement
CVD	Countervailing Duty
DSB	Dispute Settlement Body
EU	European Union
FTA	Free Trade Agreement
FTAA	Free Trade Area of the Americas
FY	Fiscal Year
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GSP	Generalized System of Preferences
HTS	Harmonized Tariff Schedule
IAP	Individual Action Plans
IFTA	Israel Free Trade Agreement
IMF	International Monetary Fund
IPR	Intellectual Property Rights
ITA	Information Technology Agreement
LDC	Least Developed Countries
LTFV	Less Than Fair Value
MFA	Multifiber Arrangement
NAFTA	North American Free Trade Agreement
NTM	Nontariff Measure
PNTR	Permanent Normal Trade Relations
OECD	Organization for Economic Cooperation and Development
SECOFI	Secretaria de Comercio y Fomento Industrial (Mexican Secretariat of Commerce and Industrial Development)
SITC	Standard Industrial Trade Classification
SMC	Singapore Ministerial Conference
SPS	Sanitary and Phytosanitary Measures
TAA	Trade Adjustment Assistance
TIFA	Trade and Investment Framework Agreement
TRIMs	Trade–Related Investment Measures

List of Frequently Used Abbreviations and Acronyms—*Cont'd*

TRIPs	Trade-Related Aspects of Intellectual Property Rights
TRQ	Tariff Rate Quota
UNCTAD	United Nations Conference on Trade and Development
URA	Uruguay Round Agreements
URAA	Uruguay Round Agreements Act
USITA	International Trade Administration, U.S. Department of Commerce
USITC	U.S. International Trade Commission
USTR	United States Trade Representative
WTO	World Trade Organization

CHAPTER 1
Introduction

Purpose and Organization of the Report

This report—the 51st in a series—is one of the principal means by which the U.S. International Trade Commission (USITC or the Commission) provides Congress with factual information on trade policy and its administration in the 1999 calendar year and for some events in early 2000. Previous reports were submitted to the U.S. Congress under section 163(c) of the Trade Act of 1974 and its predecessor legislation.[1] This particular report was prepared at the request of the Ways and Means Committee of the U.S. House of Representatives.[2] The annual USITC report on the operation of the U.S. trade agreements program also serves as a historical record of the major trade-related activities of the United States to be used as a general reference by government officials and others with an interest in U.S. trade relations. The trade agreements program includes "all activities consisting of, or related to, the administration of international agreements which primarily concern trade and which are concluded pursuant to the authority vested in the President by the Constitution" and congressional legislation. [3] Regional or other trade agreements activities without U.S. participation are not covered in this report.[4]

Chapter 1 summarizes selected trade events and trade agreements activities during the year and provides an overview of the 1999 economic environment. Chapter 2 focuses on the 1999 activities of the World Trade Organization (WTO) and the Organization for Economic Cooperation and Development (OECD). Chapter 3 discusses developments in major regional forums. Chapter 4 focuses on bilateral trade agreements concluded during the year, as well as other selected activities between the United States and its major trading partners—Canada, the European Union (EU), Mexico, Japan, China, Taiwan, Korea, and Brazil. Chapter 5 discusses the administration of U.S. trade laws, regulations, and programs. The final section of the report contains a statistical appendix.

Summary of 1999 Trade Agreements Activities

U.S. trade agreements activities for 1999 included the signing of new trade and investment framework agreements (TIFAs), other sectoral agreements, and the settling or adjudication of various trade disputes. Highlights of key trade agreements activities, some of which are described later in more detail, are presented in figure 1-1.

World Trade Organization

Although no new round of multilateral trade negotiations was launched in 1999, a number of new developments and events within the WTO and its various subsidiary bodies helped to shape agendas for current and future negotiations, while a number of trade actions revealed the changing and increasingly complex nature of trade disputes. Many of the discussions about the potential for a new round of multilateral trade negotiations focused on the need for an agreement on agriculture, while another overarching issue—the adequacy of the WTO's internal decisionmaking process—arose among WTO working

[1] Section 163(c) of the Trade Act of 1974 (Public Law 93-618, 88 Stat. 1978) states that "the International Trade Commission shall submit to the Congress at least once a year, a factual report on the operation of the trade agreements program."

[2] Following receipt of the request letter, a copy of which is in appendix B of this report, the Commission instituted investigation 332-412 on March 21, 2000. Notice of the investigation appeared in the Federal Register (65 F.R. 16634).

[3] Executive Order No. 11846, March 25, 1975.

[4] However, because of the significance of the potential accession of China to the WTO as part of 1999 trade developments, information on bilateral accession agreements between China and the principal trading partners of the United States are included in the coverage in this 51st report, where possible.

Figure 1-1
Selected trade events, 1999

January	
January 1	The EU implements measures that perpetuate discriminatory aspects of the banana regime identified by a World Trade Organization panel and appellate body as being "WTO inconsistent." The United States formally notifies the WTO Dispute Settlement Body of its intention to exercise its right to suspend concessions in accordance with WTO procedures to the EU on certain products covering trade of about $520 million.
January 2	President Clinton releases a report to Congress on the Administration's Comprehensive Trade and Development Policy toward Africa. This report provides a detailed overview of new U.S. Government initiatives designed to support trade and economic development in Sub-Saharan Africa.
January 7	The United States and Cambodia reach a three-year bilateral textile agreement.
January 10	United States Trade Representative, Charlene Barshefsky announces President Clinton's decision to reinstitute Super 301 by executive order.
February	
February 15	The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions enters into force.
February 18	Vice President Gore and South African Deputy President Mbeki preside over the signing of a trade and investment framework agreement between the United States and South Africa—the first such agreement ever concluded with a sub-Saharan African country.
February 19	In an out-of-cycle review, the USTR removes Hong Kong from the Special 301 watch list, due to increased protection of intellectual property rights within the Hong Kong Special Administrative Region.
February 22	A WTO appellate body report upholds and expands initial panel findings against Japanese testing requirements for agricultural products.
February 26	USTR Charlene Barshefsky and the Minister of Trade and Industry of Ghana sign a TIFA, effective immediately.
March	
March 1	The WTO Financial Services Agreement, enters into force, allowing U.S. suppliers of banking, securities, insurance, and financial data services open access to global financial services markets.
March 3	The Office of the USTR announces that the U.S. Customs Service will begin "withholding liquidation" on, selected products from the EU, valued at over $500 million, consistent with U.S. rights under the WTO agreements. This is the first step in retaliatory measures taken against the EU's banana regime.
March 10	The United States and El Salvador sign a bilateral investment treaty.
March 15	USTR and the Ambassador of Jordan sign a TIFA, effective immediately.
	USTR designates the Gateway Industrial Park along the border between Israel and Jordan as the second qualifying industrial zone from which goods can enter the United States duty free.
March 16	The United States hosts the first U.S.-Africa Ministerial in Washington D.C. President Clinton and members of his cabinet meets with 83 ministers from 46 sub-Saharan African nations and others to consider the future of the U.S.-African Partnership in the 21st century.

Figure 1-1—*Continued*
Selected trade events, 1999

March	
March 23	The United States wins a WTO case challenging Canadian dairy practices. A WTO panel decision determines that Canada's dairy programs are inconsistent with its WTO obligations.
April	
April 1	The Office of the USTR releases the 14th annual U.S. report on foreign trade barriers, *The 1999 National Trade Estimate Report on Foreign Trade Barriers.*
April 7	A dispute settlement panel of the WTO issues a report determining that India's quantitative restrictions on imports violate its WTO obligations.
April 10	The USTR and the Chinese Minister for Foreign Trade and Economic Cooperation sign the Agreement on U.S.-China Agricultural Cooperation, lifting long-standing prohibitions on the export of U.S. citrus, grain, beef, and poultry to China.
April 19	The WTO authorizes the United States to suspend concessions covering trade in an amount of $191.4 million because of the injury to U.S. economic interests caused by the European Union's failure to implement a WTO-consistent banana regime.
April 23	Canada hosts the annual North American Free Trade Agreement Commission meeting in Ottawa.
April 30	In the Special 301 Annual Review, the USTR identifies 57 trading partners that deny adequate and effective protection of intellectual property or deny fair and equitable market access to U.S. artists and industries that rely on intellectual property protection.
May	
May 1	The United States, Morocco, Algeria, and Tunisia announce a U.S.-North Africa economic partnership in a move to increase regional integration, promote structural reforms, and expand bilateral trade and investment flows.
May 3	The Second Joint Status Report under the U.S.-Japan Enhanced Initiative on Deregulation and Competition Policy secures Japanese commitments to further deregulation.
May 14	The EU misses the deadline imposed by the WTO to remove its ban on meat from animals treated with growth-promoting hormones. As a result, the United States formally notifies the DSB of the WTO of its intention to suspend trade concessions to the EU on certain products covering trade of about $202 million. The value of the proposed suspension represents an estimate of the annual harm to U.S. exports resulting from the EU's failure to lift its ban on imports of U.S. meat.
	The USTR announces renewed investigations into the nature and consequences of efforts on the part of the Government of Mexico to limit the importation and purchases of high fructose corn syrup—a sweetener largely used in soft drinks and other food products.
May 25	The United States wins a WTO case challenging Australian subsidies for automotive leather. A dispute settlement panel of the WTO issues a report finding that a A$30 million grant provided by Australia to its only exporter of automotive leather violates Australia's WTO obligations.
May 26	The United States and Canada resolve outstanding differences relating to Canada's magazine trade practices and its legislation—Bill C-55. The agreement addresses concerns that led the United States to file and win a WTO case, and includes commitments from Canada in the areas of investment, tax, and market access for U.S. periodicals carrying advertisements directed primarily to the Canadian market.
June	
June 3	The United States and Canada reach a comprehensive agreement on Pacific salmon. This agreement establishes new, conservation-based fishing regimes under the 1985 Pacific Salmon treaty to protect and rebuild salmon stocks while ensuring fair harvest opportunities for fishermen of both countries.

Figure 1-1—*Continued*
Selected trade events, 1999

June	
June 10	The United States, Japan, Korea, Taiwan, and the European Commission announce the Joint Statement on Semiconductors designed to ensure fair and open global trade in semiconductors.
July	
July 1	The USTR Charlene Barshefsky and the Egyptian Minister of Economy sign a TIFA, effective immediately.
	The United States joins 21 other major trading nations in eliminating tariffs on 642 pharmaceutical items, including products for the treatment of breast cancer, AIDS, diabetes, asthma, and Parkinson's disease. The new tariff cuts build on an agreement concluded during the Uruguay Round in which the participants committed to eliminate tariffs on an initial package of over 6,000 pharmaceuticals and chemical intermediates.
July 16	The House of Representatives passes the African Growth and Opportunity Act (AGOA).
July 19	A federal court rules that NAFTA may be considered a treaty, which does not require the approval of a two-thirds majority in the Senate, giving the President authority to implement NAFTA.
July 20	The United States and EU sign veterinary agreement, which establishes a mechanism for recognizing the equivalence of U.S. and EU sanitary measures affecting trade in live animals and animal products.
July 26	The WTO rules against the United States involving the foreign sales corporation provisions of U.S. tax law.
	The WTO authorizes the U.S. to impose punitive duties on EU imports worth $116.8 million in response to the EU's failure to lift its ban on hormone-treated meat.
August	
August 23	The Appellate Body report of the WTO confirms that India's quantitative restrictions on imports violate its WTO obligations.
August 26	The United States and Canada agree to a settlement resolving U.S. complaints over a major timber pricing reduction that British Columbia put into effect last year. The United States considered the price reduction to be a violation of the 1996 U.S.-Canada Softwood Lumber Agreement of NAFTA.
September	
September 17	The USTR signs textile agreements with Romania and Macedonia, two "front-line" border states that suffered economic damage during the Kosovo conflict.
	The United States and South Africa come to an understanding about South Africa's urgent need to provide better, more affordable health care to AIDS patients while ensuring that intellectual property rights are protected.
September 29	The USTR and the Turkish Minister of Industry and Trade sign a TIFA, effective immediately.
	The USTR and the Bahraini Minister of Finance and National Economy sign a bilateral investment treaty.
September 30	The USTR and the Albanian Minister of Economic Cooperation and Trade confirm conclusion of bilateral negotiations for the terms of Albania's accession to the WTO.

Figure 1-1—*Continued*
Selected trade events, 1999

October	
October 7	The Canadian Food Inspection Agency issues a directive that amends Canadian regulations on how to import U.S. hogs. USTR and the U.S. Department of Agriculture announce that Canada has opened its market to U.S. hogs.
October 12	President Clinton submits the Third Report on the Operation of the Caribbean Basin Economic Recovery Act to Congress. USTR says that the report indicates that the initiative has benefitted both the countries of the region and the United States.
October 13	A WTO appellate body decision sustains the U.S. allegation that Canada's "Special Milk Classes" schemes are inconsistent with its WTO obligations and constitute export subsidies.
	The USTR designates the Al-Kerak Industrial Estate, Ad-Dulayl Industrial Park, and Al-Tajamouat Industrial City as three additional "qualifying industrial zones" (QIZ) in Jordan from which goods can enter the United States duty free.
October 18	The United States and Egypt inaugurate the U.S.-Egypt TIFA, effective immediately.
October 28	The USTR appeals to the Appellate Body, the dispute settlement panel decision involving the foreign sales corporation provisions of the U.S. Internal Revenue Code.
November	
November 1	"Geneva Week" begins in preparation for the WTO conference to be held at the end of November. The purpose of Geneva Week is to help WTO members and observers who do not have a permanent delegation in Geneva prepare for the third Ministerial Conference of the WTO.
November 2	USTR announces allocation of the raw cane sugar tariff-rate quota for 1999-2000.
November 3	The Senate passes legislation including the AGOA, already passed by the House; enhancement of the Caribbean Basin Initiative; as well as renewal of the Generalized System of Preferences and Trade Adjustment Assistance for displaced American workers.
November 4	USTR announces the successful conclusion of the Fifth Free Trade Area for the Americas Trade Ministers meeting in Toronto, Ontario, Canada. Ministers directed their negotiators to develop draft texts of chapters that will comprise the FTAA agreement.
November 5	The USTR announces resolution of the NAFTA dispute with Canada over Ontario's discriminatory regulations concerning sport fishing and tourism services.
November 15	The USTR and the National Economic Council Director announce the successful completion of bilateral talks on China's accession to the WTO.
November 26	The WTO Third Ministerial Conference convenes in Seattle. The conference was intended to launch a new round of multilateral trade negotiations to open markets in agriculture, industrial goods, and services. Additional goals include setting a work program to deliver results on an ongoing basis, as well as agreeing on institutional reforms that would make the WTO more transparent, accessible, and responsive to WTO members and their citizens.
November 30	The WTO Director-General and the United Nations Environment Program Executive-Director pledge to take a range of actions to foster cooperation between the WTO and the UNEP. This will include sharing information and participating in each others' meetings.
	Demonstrations disrupt the WTO conference in Seattle.

Figure 1-1—*Continued*
Selected trade events, 1999

December	
December 1	The USTR and the Secretary of the U.S. Department of Health and Human Services announce their intention to develop a cooperative approach on health-related intellectual property matters to ensure that the application of U.S. trade law related to intellectual property remains sufficiently flexible to respond to legitimate public health crises. USTR additionally removes the Republic of South Africa from the Special 301 watch list.
December 4	The Third Ministerial Conference of the WTO is suspended, with the USTR assuring that the work will continue.
December 10	The USTR removes Jordan from the Special 301 watch list due to recent steps taken by the Jordanian Government to protect intellectual property rights.
December 17	The WTO General Council approves Jordan's terms for WTO accession. Jordan will undertake these commitments upon its accession to the WTO.
December 22	A dispute settlement panel of the WTO rejects a complaint by the EU against the United States, upholding the WTO-consistency of Section 301 of the Trade Act of 1974

Source: USITC staff.

groups and WTO members at the Third Ministerial Conference in Seattle from November 30 to December 3, 1999. Many developing country members in particular were critical of decisionmaking processes that they say fail to give them an adequate voice. Developing countries also voiced their concerns, both at the Seattle conference and among working groups, about their ability to implement WTO obligations within mandated timeframes, about market access, and about the potential for an expanded social agenda that is linked to trade obligations. Because some countries indicate they are struggling with current WTO commitments, they are reluctant to undertake a new round of negotiations until their present obligations can be fulfilled.

Persistent disagreement over these issues and the scope of a new trade round prevented members from narrowing their differences before and at the conference. With the added distraction of tens of thousand of anti-WTO demonstrators protesting in Seattle throughout the week of the ministerial, the conference chair suspended the meeting on December 3. The anti-WTO demonstrators also focused some attention on the WTO decisionmaking processes, although the scope of their complaints was much broader.

Despite these complications, consultations between the WTO Director-General and member countries resulted in negotiations that began early in 2000 on agriculture and services. WTO members also decided to continue discussions on other issues raised in Seattle.

The WTO also continued its steady progress in broadening the organization's membership base. On November 15, 1999, just before the Seattle conference, China and the United States announced their bilateral terms for China's accession to the WTO. China has concluded market-access accords with 35 of 37 members who expressed an interest in such negotiations. However, as of July 2000, China had not yet reached similar bilateral agreements with 2 other interested WTO members. Nor has the U.S. Congress yet agreed to grant China permanent normal trade relations.

Several major trade disputes also played out at length during 1999, primarily between the EU and the United States. For the first time within the WTO framework, two of these disputes resulted in requests for authorization to retaliate and to suspend concessions as compensation for failure of a member to comply with WTO rules. Prominent among the 1999 trade disputes was a challenge to the EU trade regime in bananas, and another on EU import measures for hormone-treated beef.

Organization for Economic Cooperation and Development

The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions entered into force in February 1999. The convention was adopted in 1997 with 34 signatories, 20 of which have so far ratified the convention. In 1999, the OECD Secretariat was asked to update its

1996 report on trade, employment, and labor standards. The OECD continued to review the national laws and regulations of individual members regarding an overall 1997 report to ministers on regulatory reform. In 1999, the OECD continued to assess individual members' national laws and regulations on the subject of regulatory reform, examining Denmark, Korea, Spain, and Hungary.

Regional Trade Initiatives

North American Free Trade Agreement

Following a challenge by organized labor, the North American Free Trade Agreement (NAFTA) was upheld as constitutional in an Alabama federal court. A federal judge ruled that the executive branch has the authority to implement trading agreements under the Foreign Commerce Clause of the U.S. Constitution. As the agreement was being challenged, however, activities focused on the agreement's accomplishments and remaining challenges. The North American Free Trade Commission released a Fifth Anniversary commemorative brochure highlighting the benefits of the NAFTA. The Office of the United States Trade Representative called for petitions to begin the third round of accelerated tariff eliminations. The North American Commission for Environmental Cooperation allocated nearly $1 million in grants for 28 environmental projects, and released the results of three environmental and energy studies funded in 1997. The NAFTA Secretariat received 10 new cases in 1999 under Chapter 19 for dispute settlement of government agency determinations on antidumping and countervailing duties and four new investor-state dispute settlement cases were filed under Chapter 11.

Asia-Pacific Economic Cooperation

During 1999, the Asia-Pacific Economic Cooperation (APEC) forum continued to focus its efforts on trade liberalization and also showed strong support for the WTO. At their meeting in September 1999 and at the WTO meeting scheduled shortly thereafter, APEC leaders noted the importance of ensuring full implementation of existing agreements and agreed to several issues for the new round. Also during 1999, APEC ministers agreed that progress has been made on countries' Individual Action Plans (IAPs). The United States was among the five countries that had submitted their IAP for peer review. APEC also agreed on several steps in the area of e-commerce.

Free Trade Area of the Americas

Negotiations for the Free Trade Area of the Americas (FTAA) continued during 1999. At the November 1999 fifth FTAA ministerial meeting in Toronto, the FTAA trade ministers reviewed the work of the nine negotiating groups. For that meeting, the negotiating groups had prepared annotated outlines of the issues to be addressed in the negotiations. These outlines ultimately are to be formulated as chapters of the final FTAA agreement. Ministers at the fifth ministerial also announced several measures effective January 1, 2000 to facilitate business travel and to streamline customs procedures for certain business shipments within the Western Hemisphere.

Bilateral Trade Relations

Canada

During the second year of essentially duty-free trade between the world's largest trading partners, trade relations ran smoothly for the most part. Reciprocal duty-free status between the United States and Canada was accomplished on January 1, 1998 with the attainment of the final stage of duty reductions between the two countries.

With a volume of trade of approximately $1 billion a day, commercial relations between these NAFTA partners strengthened in 1999. U.S. exports to Canada increased by 5.8 percent between 1998 and 1999, while imports from Canada grew even more (13.5 percent) as the bilateral merchandise deficit increased to $52.5 billion.

In addition to rising trade volumes, two long-standing disputes with Canada also were resolved in 1999. One major irritant in U.S.-Canada trade relations–unresolved since 1997–concerned a WTO decision in a case involving Canadian magazines. In 1997, a WTO dispute settlement panel and later a WTO Appellate Body ruling, upheld the U.S. position that Canadian practices in the area of magazine publishing and advertising were contrary to WTO policies. The issue was satisfactorily resolved in 1999 by Canadian passage of a bill regulating foreign publishers and by a separate bilateral agreement on the issue.

The issue of bilateral allocations of benefits and costs of the Pacific salmon fishery was another irritant in the U.S.-Canada trading relationship. While the issue reached the height of public attention in 1997 with the seizure of several U.S.-flag fishing vessels and a blockade of a U.S.-flag ferry by British Columbia fishing vessels, the basic differences remained unresolved. A bilateral accord, the Pacific Salmon Treaty, was reached in 1999. The agreement addresses the management, conservation, sharing, and future endowment of stock enhancement initiatives in the fishery region of the Pacific northwest.

European Union

In 1999, U.S.-EU relations were marked by both cooperation and confrontation with the EU and with its individual member states. The United States and the EU agreed to launch negotiations on mutual recognition agreements (MRA) in new service sectors (insurance, engineering, and architecture), an additional MRA annex for marine safety, and an agreement on the mutual acceptance of calibration certificates. The United States continued to press for EU compliance with WTO dispute settlement rulings on bananas and beef and to resolve other bilateral trade problems.[5] The EU and the United States also agreed under the New Transatlantic Agenda (TEP), begun in 1995, to establish a project to examine the regulatory processes for the use of biotechnology. They agreed to attempt development of common guidelines for cooperation in the regulation of biotechnology—an area increasingly seen by the business community as affecting the further deepening of transatlantic commercial ties. Also, the U.S.-EU leaders agreed at the June 1999 US-EU Summit to use the TEP mechanism to carry out part of a joint effort to identify—and hopefully defuse—potential trade problems at an early stage, before they become irritants to the bilateral economic relationship.

Mexico

Mexico remained a major user of antidumping measures, notably against U.S. agricultural products. During 1999, antidumping duties Mexico imposed on imports of high-fructose corn syrup from the United States—a sugar substitute—had been the subject of dispute settlement proceedings both under provisions of NAFTA and WTO. The NAFTA panel had reached no determination by year end, either in this case or in Mexico's antidumping proceedings against imports of U.S. beef and beef offal. In October 1999, Mexico issued an affirmative final determination concerning live hogs from the United States, imposing compensatory duties.

In addition, during 1999, the United States continued to press Mexican authorities to improve their enforcement of intellectual property rights (IPR) protection, and phase out anticompetitive practices in the area of telecommunication services.

[5] USTR, *1999 Annual Report*, pg. 236.

In 1999, U.S. restrictions continued that require Mexican trucks to stay within a 20-mile commercial zone inside the U.S. border. Because of concerns about safety on U.S. roads, congressional opposition hardened against allowing Mexican trucks to circulate in the entire United States, beginning January 1, 2000, as provided for in NAFTA. Concerns about safety gave rise to the "Foreign Motor Vehicle Penalties and Disqualifications" section of the "Motor Carrier Safety Improvement Act of 1999," which imposes steep fines on safety violations by foreign carriers. Also during the year, the U.S. Department of Transportation embarked on a program of improving safety inspection at the border with Mexico to curtail the safety risk of Mexican trucks that are allowed to enter the United States.

Japan

According to USTR,[6] the Administration reviewed three new agreements with Japan in 1999, in addition to the 38 agreements concluded since 1993.[7] The ageements cover both sectoral and structural topics. One of the major market-opening efforts has been the United States-Japan Framework for a New Economic Partnership. During 1999, the United States continued to monitor its bilateral agreements with Japan, especially those covering flat glass, telecommunications, deregulation, insurance, construction, and foreign direct investment. The United States continued to monitor steel import levels and initiated a bilateral dialogue with Japan to address structural problems and anticompetitive practices in this sector. Two of the sectors that garnered the most attention were autos and insurance. Autos account for a large percent of the U.S. trade deficit with Japan and insurance has been a leading U.S. negotiating priority since the signing of two agreements in 1994 and 1996.

China

The highlight of U.S.-China trade relations in 1999 was the November 15 conclusion of a comprehensive bilateral WTO accession agreement for China.[8] China committed to the reduction of both tariff and nontariff barriers to U.S. exports of industrial goods, agricultural products, and services. China also agreed to specific rules addressing import surges, dumping and subsidies

[6] According to the American Chamber of Commerce in Japan, there are a total of 63 bilateral agreements between the two countries. American Chamber of Commerce in Japan, *Making Trade Talks Work*, March 2000, p. 9.

[7] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 211,

[8] During 1999, at the request of USTR, the Commission completed an investigation, *Assessment of the Economic Effects on the United States of China's Accession to the WTO*, USITC Publication 3229, Sept. 1999.

practices, and ending the application of export performance, local content, offsets, technology transfer, and similar requirements on imports and investment.[9] This agreement was a major development in China's 13-year campaign to join the WTO.

Several other developments in the U.S.-China trade relationship in 1999 included Premier Zhu Rongji's April 8 offer on the bilateral WTO accession treaty in Washington D.C., the April 10 United States-China Agreement on Agricultural Cooperation, and an April sanitary and phytosanitary agreement on bovine embryos.[10] On June 3, 1999, President Clinton notified Congress of his decision to waive for China the Jackson-Vanik Amendment, giving China a one-year renewal of its normal trade relations (NTR) trade status with the United States. Parallel to its campaign to support WTO membership for China, the administration is pursuing legislation to permanently terminate Jackson-Vanik's application to China, and to authorize the President to give exports from China permanent NTR treatment on the same basis as other WTO members.[11] Also in 1999, the United States and China held informal consultations to determine a schedule and agenda for upcoming annual meetings under the 1989 and 1995 Bilateral Agreements on International Trade in Commercial Space Launch Services.[12]

Taiwan

During 1999, the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu completed virtually all substantive discussions with WTO members, including the United States, regarding its accession to the WTO. In addition, implementation of a 1998 bilateral agreement with the United States continued, while further developments included the lifting of bans on chicken, pork belly, and pork offal; agreements on the importation of motorcycles of more than 700 cc; liberalization of Taiwan's wire line telecommunications markets; and certification of U.S. meat imports.[13] Taiwan also agreed to the application of internationally approved minimum residue levels for pesticides, the extension of tariff reductions on 15 agricultural products, and a waiver on tariffs for 15 aircraft components as a part of its bid to join the WTO Agreement on Trade in Civil Aircraft.[14]

Further, Taiwan continued its two-year phase-out of clinical trials as part of the registration process for new drugs; signed a March 1999 mutual recognition agreement designed to eliminate duplicate testing ofinformation technology equipment; and as a part of its commitment to join the Agreement on Government Procurement, Taiwan's new Government Procurement Law went into partial effect in May 1999.[15] In early 1999, as an amendment to its Securities and Exchange Law, Taiwan removed more restrictions on foreign employment and ownership of securities firms.

In February 1999, Taiwan issued a new directive requiring only the use of legal software by government offices. As of July 1, 1999, all optical media products produced in Taiwan, including CDs, VCDs, CD-ROMs, and DVDs, must bear source identification codes. At the same time, the Taiwan Bureau of Standards, Meteorology and Inspection was authorized to perform random factory visits to ensure compliance.[16] Finally, on June 10, 1999, the United States, Taiwan, Japan, Korea, and the European Commission announced a new Joint Statement on Semiconductors designed to ensure fair and open global trade in semiconductors. The statement follows the 1996 bilateral United States-Japan Joint Statement on Semiconductors, which expired July 31, 1999.

Korea

U.S.-Korean trade relations were again calm in 1999, reflecting the continued relaxation of trade frictions in recent years. One bilateral trade issue involving the United States and Korea in 1999 stood out above the others. In April, the United States requested a WTO dispute settlement panel regarding Korea's imports of beef, and the panel was established in May. The United States alleges a regulatory scheme that discriminates against imported beef by, among other things, confining sales of imported beef to specialized stores, limiting the manner of its display, and otherwise constraining the opportunities for the sale of imported beef.

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[9] USITC, *Assessment of the Economic Effects on the United States of China's Accession to the WTO.*

[10] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 211-213.

[11] Ibid., p. 211.

[12] Ibid., p. 215.

[13] See USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 207 on wire line telecommunicatoins, and p. 381, on meat imports.

[14] USTR, "U.S. and Taiwan Reach Agreement on Pesticide Standards," press release 99-65, July 27, 1999. Also see: USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 207. For aircraft component tariffs see USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers*, p. 380.

[15] Ibid., p. 384.

[16] Ibid., p. 383.

Brazil

A sharp devaluation of the Brazilian currency set the stage for an export-led economic recovery that by yearend 1999 enabled Brazil to resume economic growth, improve its foreign trade balance, and restore international investor confidence. Also during 1999, Brazil continued to integrate its economy with its Southern Common Market (Mercosur) partners Argentina, Paraguay, and Uruguay.

Concern about the potential introduction of the Asian long-horned beetle via infested solid wood packaging materials (SWPM) led Brazil to introduce a new phytosanitary measure that, effective January 5, 2000, required shipments crated in SWPM to be accompanied by phytosanitary certificates upon arrival in Brazil. This Brazilian phytosanitary measure created some difficulties for U.S. exporters in early 2000. However, the matter was satisfactorily resolved when, on April 14, 2000, the United States was removed from the list of countries required to comply with Brazil's SWPM regulations.

Despite Brazil's 1998 approval of Roundup Ready® genetically modified soybeans in 1998, that approval was withdrawn in response to an injunction issued by a Brazilian federal judge in June 1999. The injunction prohibits both the commercial sale of genetically modified soybeans in Brazil as well as commercial-scale planting of genetically modified soybean seeds pursuant to a complaint that environmental impact studies on the impact of genetically modified soybeans be conducted in Brazil. The Brazilian Government has not reauthorized genetically modified soybeans for use on the Brazilian market, while the issue remains in Brazilian courts.

Trends in Electronic Commerce

Throughout 1999, electronic commerce continued to emerge as a burgeoning market and a subject for some debate on whether Internet regulation is needed. E-commerce policies vary among the United States' largest trading partners. Canada and the United States have similar levels of development in electronic commerce and few barriers to trade, while Japanese e-commerce development lags behind that of the United States. Discussions are ongoing internally within nations and between the United States and various trading partners on issues of privacy, tariffs, tax treatment, consumer protection, and intellectual property protection in e-commerce.

Administration of U.S. Trade Laws and Regulations

The following developments in U.S. trade programs occurred during the year:

- The Commission completed three safeguard investigations in 1999–on lamb meat, steel wire rod, and welded line pipe. By the end of the year, the United States had global safeguard measures in place on imports of wheat gluten and lamb meat, while remedy recommendations on two additional products–steel wire rod and welded line pipe—were pending before the President. They have since been imposed.

- The Department of Labor instituted 2,500 investigations for trade adjustment assistance to workers in FY 1999, a significant increase from the number instituted in FY 1998. In addition, 979 petitions were filed under the U.S. NAFTA-related transitional adjustment assistance program for workers. This figure represents a 20 percent increase over the number of such filings in the previous fiscal year. The Department of Commerce certified 173 firms as eligible to apply for trade adjustment assistance during FY 1999, a slight increase over the number in FY 1998.

- Following final affirmative determinations by the Commission and the Department of Commerce, 17 new antidumping duty orders were issued in 1999. Following final affirmative determinations by the Commission and the Department of Commerce, six new countervailing duty orders were imposed in 1999.

- The Commission's section 337 caseload continued to be dominated by investigations involving complex technologies, particularly in the computer field. The Commission concluded 13 investigations under section 337 during 1999 and issued exclusion orders in three of those investigations. Two investigations were terminated on the basis of consent orders and one investigation was terminated on the basis of a settlement agreement.

- USTR initiated one section 301 investigation in 1999. This case addressed alleged discrimination against U.S. lodges and fishing guides by Canadian measures in the boundary waters between Minnesota and Ontario. In addition, further developments occurred in a number of investigations initiated prior to 1999. These included U.S. actions against the EU in cases involving beef hormones and bananas. Bilateral consultations led to the termination of a previously initiated 301 investigation into certain magazines from Canada.

- The U.S. Generalized System of Preferences (GSP) expired on June 30, 1999, but was renewed retroactively through September 30, 2001, with legislation signed by the President on December 17, 1999. In June 1999, Gabon and Mongolia were designated as beneficiary countries under the GSP, and Mauritania was restored as a GSP beneficiary.

- The United States signed three new textile agreements in 1999. The agreement with Cambodia limits imports of certain apparel for three years and for the first time in a U.S. bilateral textile agreement, commits Cambodia to improving labor conditions in its textile and apparel sector. The other two agreements, with Macedonia and Romania, set up outward processing programs that allow for quota-free imports of wool apparel from these countries provided the garments are assembled from fabric made in the United States. In 1999, the United States issued one call for consultations with Belarus to establish a new quota on imports of glass fiber fabric. In November 1999, the United States signed a market access agreement with China that, among other things, obligates the United States to phase out quotas on imports of Chinese textiles and apparel as of January 1, 2005, should China join the WTO.

- The United States continued to impose economic sanctions on a number of countries in 1999. In June 1999, the U.S. Court of Appeals upheld a District Court finding that sanctions imposed by the Commonwealth of Massachusetts against Burma were unconstitutional. Also during 1999, the United States amended the economic sanctions against Iran, Libya, and Sudan to liberalize the licensing policy for commercial sales of U.S. agricultural commodities and products, medicine, and medical equipment.

The International Economic Environment and World Trade in 1999

International Economic Environment

In 1999, world economic growth strengthened, led by fast recoveries in most of the Asian economies hit by financial crises, a turnaround in Japan's economy, shallower than expected downturns in Russian and Brazilian economic growth, a firming of economic activity in much of Western Europe, and the continued strong economic growth in the United States. Economic growth in the industrial world was underpinned by low rates of inflation, low interest rates, improved fiscal positions, and prudent monetary and fiscal policies.

World merchandise trade volume grew at 4.9 percent,[17] compared with 3.7 percent the previous year. The strengthening of economic growth in Europe, the improvement in the financial and exchange markets conditions in Asia, Japan, and Russia, and the strong economic growth in the United States were the major factors boosting world trade. In addition, the reduction in financial market tensions supported growth in several emerging markets, some of which were helped by rising commodity prices, including oil.

World real output is estimated to have grown by 3 percent in 1999, following a 2.5 percent annual growth rate in 1998.[18] As in the past, prudent monetary policies and commitments to reduce budget deficits in a number of countries, including the United States, Canada, and among EU members, have played a major role in keeping inflation low and inducing stable rates of economic expansion. Table 1-1 shows economic indicators of the United States and selected U.S. trading partners for 1999 as well as prospects for 2000.

During 1999, the U.S. economy continued to expand strongly, growing to near full capacity as real output expanded buoyantly. The strength of business investment, notably in information technology, coupled with impressive productivity gains, has boosted output. Real GDP grew in 1999 by 4.1 percent,[19] following an

[17] OECD, *OECD, Economic Outlook*, "Summary of projections," p viii.

[18] International Monetary Fund, *World Economic Outlook*, Oct. 1999, Annex, table 2.2, p. 169.

[19] U.S. Department of Commerce, Bureau of Economic Analysis, *Gross Domestic Product Fourth Quarter and Year 1999, BEA 99-12*.

Table 1-1
Comparative economic indicators of the United States and specified major trading partners, 1999-2000

Country	Real GDP		Inflation rates[1]		Unemployment rates[2]		Governments' budget balances[3]		Merchandise trade balances		Current account balances[4]	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000
	Percent change from previous period						*Percent of GDP*		*Billion dollars*		*Percent of GDP*	
G-7 countries:												
United States	4.1	3.1	1.4	1.9	4.2	4.2	1.6	2.0	-347.1	-413.6	-3.7	-4.2
Canada	3.7	3.0	1.5	2.0	7.8	7.7	1.5	1.2	21.0	22.2	-.3	-.1
Japan	1.4	1.4	-.6	-.5	4.7	4.7	-7.3	-7.1	130.1	140.1	2.7	2.8
Germany	1.3	2.3	1.2	1.3	9.0	8.7	-1.9	-1.1	79.7	86.6	.0	.1
United Kingdom	1.7	2.7	2.0	2.6	6.1	6.0	-.4	-.6	-48.8	-52.7	-1.5	-1.5
France	2.4	3.0	.6	1.1	11.1	10.3	-2.4	-1.8	20.1	19.2	2.4	2.3
Italy	1.0	2.4	1.6	1.6	11.6	11.2	-2.4	-1.6	16.6	15.8	.6	.6
European Union	2.1	2.8	1.5	1.7	9.4	8.8	-1.4	-1.0	85.6	77.8	.3	.3
Mexico	3.4	3.3	16.0	11.0	2.8	2.8	-2.9	-1.8	-5.3	-6.2	-3.0	-3.1
Total OECD	2.8	2.9	2.6	2.7	6.7	6.4	-1.0	-1.5	-122.6	182.1	-.8	-1.0
China	7.1	6.8	-2.8	-1.0	([5])	([5])	([5])	([5])	([5])	([5])	1.1	.6
Taiwan	5.0	5.1	1.4	1.3	3.0	2.7	-.5	-.5	9.8	14.4	2.6	3.0
Republic of Korea	9.0	6.5	-.5	2.3	6.0	5.5	-.4	.1	31.5	25.3	6.2	3.5
Hong Kong	.0	4.0	-3.0	.0	6.1	5.4	-3.0	-1.2	-20.0	20.5	1.5	2.4
Singapore	4.5	5.5	1.3	.3	4.3	4.2	-5.4	-3.8	([5])	([5])	21.1	20.4
Thailand	3.8	5.0	.0	2.5	([5])	([5])	([5])	([5])	([5])	([5])	8.9	7.1
Malaysia	4.5	5.5	2.8	2.6	([5])	([5])	([5])	([5])	([5])	([5])	14.1	10.1

[1] GDP deflator, private consumption deflators and/or retail prices percent change from previous year.
[2] Percentage of total labor force.
[3] Financial balances as a percentage of nominal GDP.
[4] Surplus (+) deficit (-) as a percentage of GDP.
[5] Not available.

Note.—Data for 1999 and 2000 are projections of the IMF and OECD; however, GDP, inflation, unemployment rates and merchandise trade balance for the United States are actual.

Source: OECD, *OECD Economic Outlook*, vol. 66, Dec. 1999; International Monetary Fund, *World Economic.Outlook,* Oct. 1999, and official statistics of the U.S. Department of Commerce.

annual rate of growth of 4.3 percent in 1998. U.S. inflation reached its lowest level in years in 1999. Unemployment dipped to an annual average of 4.2 percent, the lowest level in nearly 20 years.[20]

In addition, favorable conditions in U.S. financial markets bolstered growth. Long-term interest rates were their lowest in many years. The stock market, with the exception of a few downturns, registered all-time highs, and credit remained readily available to investors. This combination of strong growth and low inflation reflected, among other things, favorable influences of a strong dollar, but was also attributable to more durable changes in the product market and the flexibility of the U.S. labor market. As in past years, gains in competitiveness in labor and product markets and more rapid technology-driven gains in efficiency have supported strong economic growth and low inflation.

In 1999, domestic demand was the major source of U.S. economic growth. The spillover from the Asian financial crisis and the weak growth of other trading partners was felt most on the U.S. trade and the U.S. current account balances. Both trade and current account deficits increased substantially in 1999.[21]

In short, the recent impressive performance of the U.S. economy is, in large part, testimony to policies that include the turnaround in the fiscal balance from deficit to surplus, and the agile management of monetary conditions by the Federal Reserve in achieving and maintaining low inflation and in helping to maintain stable growth and to calm global financial turbulence.

Major U.S. trading partners also experienced stronger rates of output growth than in the previous year. In Canada, real output grew in 1999 at an annualrate of 3.7 percent following a 3.1 percent growth rate in 1998. Canada's economic growth in 1999 was supported by buoyant domestic demand and ongoing growth in the United States. Canada's rebound in terms of trade has narrowed the external deficit. Meanwhile, the budget surplus was maintained. Tight fiscal policies and relaxed monetary policy lowered long-term interest rates, thus encouraging domestic investment and boosting domestic demand. Foreign demand for Canada's exports rose in large part due to both strong growth in the United States and also to depreciation of the Canadian dollar. Canada's trade surplus increased, and the current account deficit decreased. The strong U.S. expansion has contributed importantly to Canada's recent robust growth and declining external deficits.

In the EU, output growth strengthened, labor market conditions improved, and inflation rates generally remained subdued. These conditions set the stage in 1999 for the launching of the Euro, the common currency adopted by 11 EU members. In 1999, real output grew by 2.1 percent in the EU as a whole with different rates of growth in individual member countries.[22] The unemployment rate in the EU averaged 9.4 percent.[23]

Economic growth in a number of EU countries has been gathering momentum. Improvement in consumer and investor confidence bolstered domestic demand, partially offsetting some declines in exports to Asian countries and boosting domestic economic growth. Foreign exchange markets remained generally stable in 1999, and reductions of fiscal deficits have been achieved in most, if not all, of the EU members. However, the rigidity of EU labor markets may have increased labor costs and may have served to dampen employment growth.

In Japan, economic growth accelerated in 1999 from the previous year due to a rise in domestic demand encouraged by intensive public sector investment and expanding housing construction projects. After several quarters of decline, the economy grew at an annual rate of 1.4 percent due to direct and indirect effects of various government measures that boosted investment and housing. In addition, the stabilization of the banking system and the drop in bankruptcies through the expansion of government guarantees has resulted in improved consumer and investor confidence. Moreover, the rapid recovery in Asian trading partners increased Japan's exports, thus eliminating the inventory overhang that curtailed both output and growth.

Growth prospects in developing and emerging economies in 1999 were mixed. Economic activity continued to slow in Latin America and the Caribbean, especially in Argentina, Chile, Colombia, and Ecuador. In South America, political uncertainties in Venezuela and Colombia, Ecuador's default on Brady bonds, and trade tensions within Mercosur induced by Argentina's recession and widespread poor economic performance have all contributed to a significant deterioration of investor sentiment towards the region.[24] High U.S. interest rates and concerns over future rate rises created a level of unease in world financial markets. Expensive credit and receding capital inflows have exacerbated cyclical slowdowns in several Latin American

[20] U.S. Department of Labor, *The Unemployment Situation*, USDL 00163, June 2000.

[21] U.S. Department of Commerce, Bureau of Economic Analysis, *U.S. International Transactions: Fourth Quarter and Year 1999*, BEA 99-07, and U.S. Department of Commerce, Official Trade Statistics.

[22] OECD, *OECD Economic Outlook 66*, Dec.99, Annex, table 1, p. 195.

[23] Ibid., table 21, p. 211.

[24] Ibid., p. 127.

countries. With the exception of Brazil, where the slowdown was mild and some recovery is taking place, a number of South American countries – Argentina, Colombia, Venezuela, and Ecuador–are going through severe recessions.[25] In Brazil, GDP growth was based on a record grain harvest. Inflation rose by 7.1 percent. The trade deficit declined mainly due to plummeting imports, while export performance was poor. But the improvement in the trade balance narrowed Brazil's current account deficit.

In Mexico, economic conditions improved as a result of strong exports and industrial production and a recent pickup in private consumption, but also due to strong growth among Mexico's trading partners in North America. However, the general slowdown in overall economic activity seems to have reduced imports and stopped the deterioration of the deficit on the current account and the slide in the foreign value of the peso.

In the Pacific Rim, economic activity gathered strength. According to OECD published reports, real GDP growth was positive on an annual basis through the region. The strongest rebounds occurred in Malaysia, Singapore, and Thailand. Growth recovery also has accelerated in the Philippines and Hong Kong. Export growth, sparked by a revival in world demand for electronics products, provided a substantial impetus to regional recoveries, especially in Malaysia, the Philippines, Thailand, and Singapore. According to OECD published data, growth rates for China slowed to an annual rate of 7.1 percent in 1999 from 7.8 percent the previous year. Estimated growth rates in 1999 for some other countries were: Indonesia (-0.5 percent), Korea (9.0 percent), Thailand (3.8 percent), Malaysia (4.5 percent), Philippines (3.2 percent), and Hong Kong (0.0 percent).[26]

U.S. Balance of Payments Position

The U.S. current account deficit (the combined balances on trade in goods, services, and income and net unilateral current transfers) increased by 53.6 percent from $220.6 billion in 1998 to $338.9 billion in 1999 (see table 1-2).[27] The deficits on merchandise trade and investment income were partially offset by the surplus on services. The U.S. deficit on income from foreign investment grew in 1999 as payments on foreign assets in the United States surpassed receipts from U.S. assets abroad. Net inflows of foreign capital into the United States rose to $378.2 billion in 1999 from $209.8 billion in 1998.

[25] Ibid., p. 134

[26] Ibid., p. 130

[27] U.S. Department of Commerce, Bureau of Economic Analysis, *U.S. International Transactions: Fourth Quarter and Year 1999*, BEA 99-07

The U.S. surplus on services trade declined to $79.6 billion in 1999. U.S. exports of services in 1999 totaled $277.1 billion dollars; services imports increased to $197.5 billion. The U.S. deficit on goods and services grew by 62.9 percent to $267.6 billion in 1999 from $164.3 billion in 1998.

U.S. Merchandise Trade in 1999

In 1999, the United States ranked as the world's largest merchandise exporter and importer, followed by Germany and Japan. U.S. merchandise exports (based on U.S. Census data) were $642.2 billion in 1999, imports were $1,017.4 billion. The U.S. merchandise trade deficit with the world was $375.2 billion in 1999. The majority of U.S. exports consisted of manufactured goods, which accounted for 72.8 percent of total U.S. exports in 1999. Chemicals accounted for 11 percent of exports and all other goods for 16.2 percent. The majority of U.S. imports were manufactured goods (75.8 percent), chemicals (6.3 percent), and all other goods (17.9 percent), figure 1-2.

Figure 1-3 shows U.S. merchandise exports, imports, and trade balances with major trading partners. Leading U.S. exports to and imports from these major U.S. trading partners are highlighted in the appendix tables A-1 through A-24. In 1999, U.S. trade with North American Free Trade Agreement (NAFTA) countries accounted for about 32.2 percent of total U.S. exports and imports. Of the $375.2 billion total trade deficit in 1999, NAFTA partners accounted for $80.1 billion, of which Canada accounted for $52.5 billion and Mexico accounted for $27.6 billion.

The U.S. trade deficit with Japan was $76.6 billion, followed by China at $68.9 billion, the EU at $52.4 billion, Taiwan at $17.4 billion, and Korea at $9.1 billion. The U.S. trade deficit with Japan and China combined totaled $145.5 billion or about 38.8 percent of the total U.S. trade deficit on goods.

World Trade

The United States ranked as the world's largest merchandise exporter in 1999, followed by Germany and Japan. World trade in goods and services grew at a faster rate than did world output in 1999. According to OECD forecasts, the volume of world trade in goods and services is estimated to have grown by 4.9 percent in 1999.[28] Trade growth in 1999 outstripped the 3 percent growth in world output projected by the OECD.

[28] OECD,*OECD Economic Outlook 66*, Summary of forecasts, p. viii.

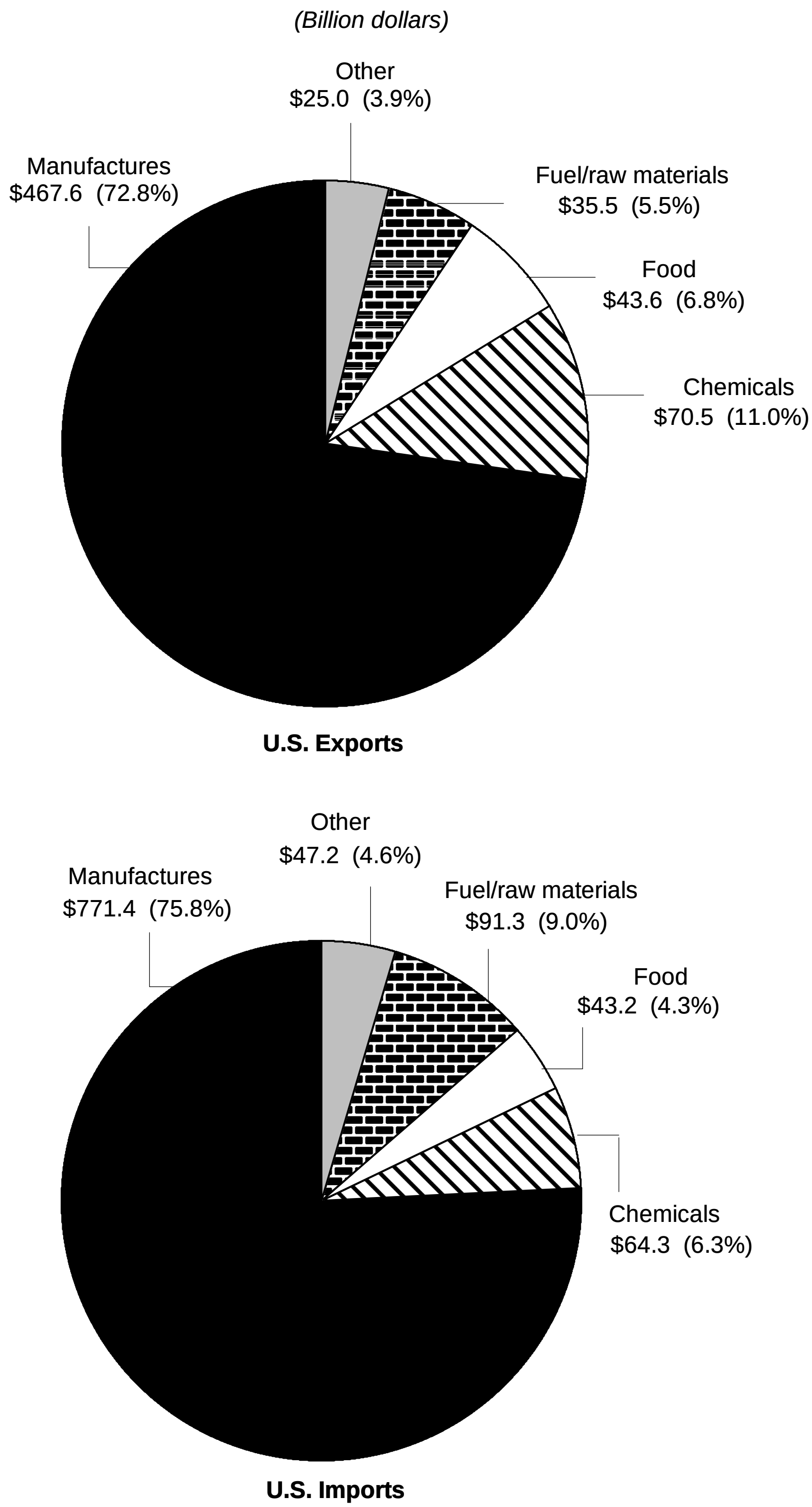
Table 1-2
U.S. trade and current account balances, 1998–99

(Billion dollars)

Item	1998	1999
Merchandise exports	670.3	+683.0
Merchandise imports	-917.2	-1030.2
Balance on merchandise trade	-246.9	-347.1
Services exports	263.7	277.1
Services imports	-181.0	-197.5
Balance on services	82.7	79.6
Balance on goods and services	-164.3	-267.6
Income receipts on U.S. assets abroad	+258.3	+273.9
Income payments on foreign assets in the United States	-270.5	-298.7
Balance on investment income	-12.2	-24.8
Balance on goods, services, and income	-176.5	-292.3
Unilateral transfers	-44.1	-46.6
Balance on current account	-220.6	-338.9
U.S. assets abroad, net, outflow (–)	-292.8	-372.6
Foreign assets in the United States, net, inflow (+)	+502.6	+750.8
Net capital inflows (+)	+209.8	+378.2

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *U.S. International Transactions, Fourth Quarter and Year 1999,* BEA 99-06. Details may not add to totals because of rounding. Figures are on balance of payments basis. Exports of goods are adjusted for timing, valuation, and coverage to balance of payments basis, excluding exports under U.S. military agency sales. Exports of services include some goods that cannot be separately identified from services.

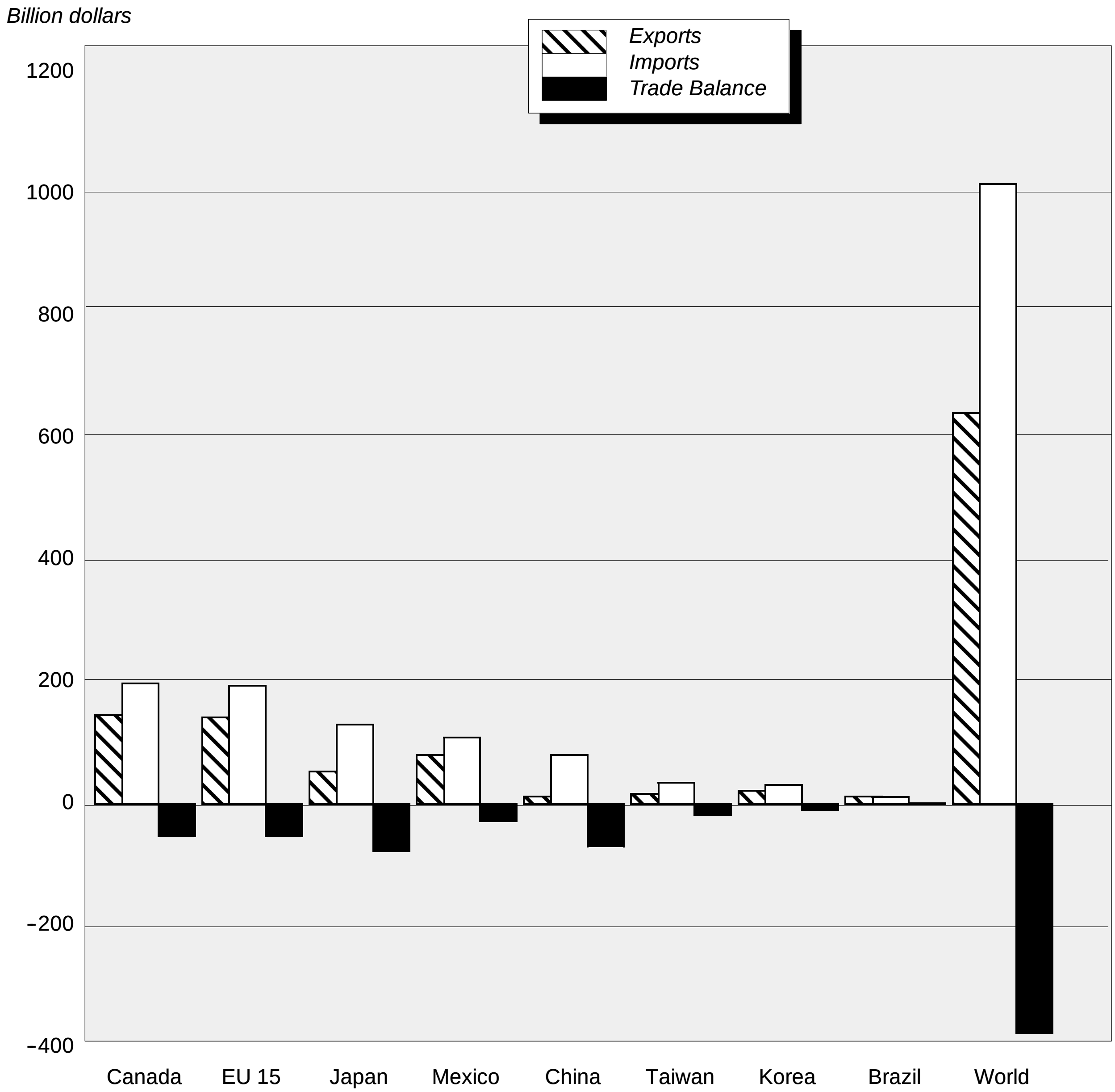
Figure 1-2
U.S. merchandise trade with the world, by product sectors, 1999



Note.—Because of rounding, figures may not add up to the totals shown. Exports are domestic exports, f.a.s. Imports are imports for consumption, customs value.

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

Figure 1-3
U.S. merchandise exports, imports, and trade balance with major trading partners, 1999



Major trading partners	***Exports***	***Imports***	***Trade balance***
		Billion dollars	
Canada	$145.7	$198.2	$-52.5
EU (15)	142.0	194.4	-52.4
Japan	54.3	131.0	-76.6
Mexico	81.4	109.0	-27.6
China	12.6	81.5	-68.9
Taiwan	17.6	35.1	-17.4
Korea	22.0	31.2	-9.1
Brazil	12.3	11.3	1.1
World	642.2	1,017.4	-375.2

Source: U.S. Department of Commerce statistics.

CHAPTER 2
Selected Trade Activities in the WTO and OECD in 1999

World Trade Organization

The World Trade Organization (WTO) held its Third Ministerial Conference in Seattle, Washington, from November 30 to December 3, 1999. With preparations and proposals for the conference having started in September 1998, it was widely expected that the ministerial meeting would launch a new round of multilateral trade negotiations over the next several years to further liberalize world trade among the 135 WTO members and other participants.[1] However, persistent disagreement over the scope of a new trade round prevented the narrowing of differences before and at the conference. With the added distraction of tens of thousands of anti-WTO demonstrators protesting in Seattle throughout the week of the ministerial, the conference chair suspended the ministerial meeting on December 3. Following consultations between the WTO Director-General and members, a decision was made in early 2000 to begin negotiations on agriculture and services, while continuing discussions on other issues raised before and at Seattle.

Shortly preceding the events in Seattle, negotiations between China and the United States concluded on November 15, 1999, when the two sides agreed to bilateral terms for China's accession to the WTO.[2] However, as of July 2000, China had not yet reached similar bilateral agreements with two other interested WTO members.[3] Nor had the U.S. Congress yet agreed to grant China permanent most-favored-nation (MFN) status—known in the United States as "normal trade relations"—scheduling debate over this issue for late May 2000.[4]

Several major trade disputes played out at length during 1999, primarily between the EU and the United States, advancing for the first time within the WTO framework to requests for authorization to retaliate against a trading partner's failure to comply with WTO obligations and official authorization to suspend concessions as compensation for lack of compliance with WTO rules. Prominent in 1999 were trade disputes over the EU trade regime in bananas, EU import measures regarding hormone-treated beef, as well as U.S. tax treatment of "foreign sales corporations."[5]

A dispute of another sort also added to the turbulence in the WTO during 1999 when members failed to reach consensus over the selection of a new WTO director-general. This protracted disagreement continued into July 1999, leaving the organization with only acting leadership, until a compromise was finally reached to install two candidates in succession, a resolution that left many delegations polarized largely along developed versus developing country lines.

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[1] For more detail, see Edward Wilson, USITC, "Preparation for future WTO trade negotiations," *International Economic Review*, USITC Publication 3217, May/June 1999; Edward Wilson, "WTO trade negotiation proposals tabled," *International Economic Review*, USITC Publication 3254, Sep./Oct./Nov. 1999.

[2] For more detail, see Michael Barry, USITC, "China reaches a WTO agreement with the United States," *International Economic Review*, USITC Publication 3276, Feb./March 2000.

[3] The summing up by the chairman of the WTO Working Party on the Accession of China, held July 27, 2000, mentioned that "On bilaterals, China has now concluded market-access accords with some 35 WTO members, out of the 37 members expressing an interest in negotiating on market-access in goods and services." See "Summing Up by the Chairman," *Meeting of the Working Party on the Accession of China*, July 27, 2000, found at Intranet address *http://www.insidetrade.com*, retrieved Aug. 2, 2000.

[4] The U.S. House of Representatives voted May 24, 2000 to extend permanent normal trade relations status to China by a vote of 237 in favor, 197 against. The U.S. Senate is slated to take up the legislation later.

[5] For additional detail on WTO disputes with major U.S. trading partners, see also chapter 4.

Seattle Ministerial Conference

1999 Ministerial Preparations

From November 1998, WTO members submitted proposals outlining possible subjects for multilateral trade negotiations that go beyond the core agenda of agriculture and services negotiations mandated by provisions—collectively known as the "built-in" agenda—embedded in the Uruguay Round Agreements. The built-in agenda also calls for the opening of intellectual property negotiations on additional protection for geographical indications for wines and spirits under TRIPs Article 23:4.

Although this core agenda calls for negotiations on agriculture and services, WTO members debated whether to include additional issues in the new trade round, and if so, what they should be. Government procurement issues fall into both camps; negotiations required for some, whereas others are being proposed for inclusion in a new trade round. Whereas the Uruguay Round Agreements contain embedded provisions that mandate multilateral negotiations among all WTO members on agriculture and services, the WTO plurilateral Agreement on Government Procurement includes its own built-in provision (Article XXIV:7) that also mandates negotiations to improve and expand the agreement, but among its 12 signatories. These plurilateral negotiations are required among the signatories to the WTO Agreement on Government Procurement, but multilateral negotiations among all WTO members for a WTO agreement on transparency in government procurement are not mandated. The latter are only proposed for upcoming trade negotiations.

In broad terms, developed-country and transition-economy members have shown interest in liberalization of not only the core agenda items of agriculture and services but additional subjects as well, such as tariff negotiations. In contrast, a range of developing countries—including Colombia, Egypt, Guatemala, Jamaica, Pakistan, Sri Lanka, Tanzania, and Uganda—echoed caution during these preparations about even launching a new round of trade negotiations. A number of developing country members let it be known that they are simply unwilling to take on further commitments until their present obligations are more certainly under control. A more adamant group considers that implementation of the current Uruguay Round Agreements has been inadequate in many respects, and that negotiation of any new subjects should await the full implementation of already existing agreements. For example, India in particular has expressed the view that the Uruguay Round Agreements have failed in areas such as special and differential treatment for developing countries, alleging these GATT/WTO principles are not honored. India cites other areas in which implementation in favor of developing countries has gone unfulfilled, such as Uruguay Round Agreements concerning textiles, balance-of-payments, sanitary and phyto-sanitary standards, subsidies, and services.[6]

Seattle Working Groups

The WTO Third Ministerial Conference at Seattle was administered by the Committee of the Whole. This committee in turn delegated specific subject areas to five ministerial working groups: Agriculture, Implementation and Rules, Market Access, Singapore Agenda and Other Issues, and Systemic Issues.[7] The negotiations began with a heavily bracketed compendium text that portrayed the failure of WTO members to narrow their differences over the scope of the new round.

Ministers began their Seattle deliberations in earnest on December 1 and continued through December 3. As no consensus documents emerged from the Seattle conference, the following accounts of Seattle working group discussions rely on a number of unpublished Ministerial Conference documents as well as the public summaries issued by the WTO for each of the three working days of the conference.[8]

[6] See U.S. Department of State telegram, "WTO General Council in Special Session - Meeting of 24-25 September 1998," message reference No. Geneva 6219, Sept. 29, 1998, par. 9-10.

[7] WTO, Statement by WTO Director-General Mike Moore, press release, PRESS/160, Dec. 7, 1999, found at Internet address *http://www.wto.org/wto/new/press160.htm*, retrieved Jan. 20, 2000; and WTO, "Chairperson Outlines Organization of Informal Working Sessions," press release, PRESS/158, Nov. 30, 1999, found at Internet address *http://www.wto.org/wto/new/press158.htm*, retrieved Jan. 20, 2000.

[8] WTO, "Ministers start negotiating Seattle Declaration," *WTO Briefing Note* (Summary of December 1 meetings), found at Internet address *http://www.wto.org/wto/seattle/english/about_e/summary__01.htm*, retrieved Dec. 15, 1999; World Trade Organization, "Ministers consider new and revised texts," *WTO Briefing Note* (Summary of December 2 meetings), found at Internet address *http://www.wto.org/wto/seattle/english/about_e/summary_02.htm*, retrieved Dec. 15, 1999; and World Trade Organization, "3 December - The final day and what happens next," *WTO Briefing Note* (Summary of December 3 meetings), found at Internet address *http://www.wto.org/wto/seattle/english/about_e/summary_03.htm*, retrieved Dec. 15, 1999.

Agriculture

The major topics under discussion in the agriculture working group included–

- a timetable for agriculture negotiations;
- provisions in favor of developing countries;
- integration of agricultural products into WTO rules on a par with industrial products;
- market-access issues;
- further subsidy reductions and possible elimination of export subsidies;
- domestic support issues; and
- nontrade concerns (multifunctionality).

Two basic camps emerged during agriculture discussions. One group–including the self-styled "fair trader" Cairns Group countries and the United States—tended to favor the complete integration of agricultural trade into the multilateral trading system on terms equal with industrial products, total elimination of export subsidies, using only policies that do not distort trade to support nontrade objectives, and substantial increases in market access.[9] Another group—which included the EU, Japan, and Korea—emphasized that agriculture is different from industrial products and so cannot be subject to the same rules. This camp could not accept the elimination of export subsidies, and also stressed the need to take into account the multifunctionality of agriculture, that is, that the agricultural sector provides more than simply agricultural products but also contributes to nontrade concerns such as environmental stability, food security, regional development, and so forth.

On December 3, the final day of the conference, negotiations were reduced largely to discussions between the United States and the EU over agricultural export subsidies. Earlier indications that EU negotiators might agree to establish a WTO working group to examine agricultural biotechnology issues as sought by the United States, in exchange for U.S. support to conclude stalled Biosafety Protocol negotiations under the United Nations' Convention on Biological Diversity, were reversed on the final day once EU ministers from member states voiced strong opposition to any such working group.[10] Continued pressure that the final text reflect the possible elimination—rather than solely the reduction—of export subsidies proved to be an implacable sticking point with the EU as discussions came to an end on December 3.[11]

Implementation and rules

On the first day of talks, the group covering implementation discussed a number of requests by developing countries for an extension of their transition deadlines for implementing WTO obligations negotiated under the Uruguay Round, in particular under the WTO Agreements on Trade-Related Investment Measures (TRIMs), Customs Valuation, and Trade-Related Aspects of Intellectual Property Rights (TRIPs). The group considered different approaches to such requests, such as a blanket extension versus a case-by-case approach. Beyond discussions of transition period implementation, developing countries sought to redress what many view as imbalances embedded in the multilateral trade rules that favor developed country members—particularly regarding antidumping measures, subsidies, and textiles.

The United States expressed flexibility about extending transition deadlines for developing countries to carry out WTO obligations—in particular those under the Agreements on Agriculture, Sanitary and Phytosanitary Measures, TRIMs, Customs Valuation, and Rules of Origin. In the working group, the EU sought to clarify provisions of several WTO agreements such as those on technical barriers to trade, investment measures, antidumping, and subsidies, as well as WTO provisions on state trading enterprises, regional trade agreements, and trade and the

[9] The Cairns Group was formed in the mid-1980s from 14 agricultural exporting nations that consider themselves "fair traders" in agriculture. The include Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Indonesia, Malaysia, New Zealand, Philippines, South Africa, Thailand, and Uruguay. Since then, Paraguay has joined to comprise 15 Cairns Group members.

[10] Negotiations on the biosafety protocol concluded when more than 130 countries adopted the Cartagena Protocol on Biosafety on January 29, 2000, in Montreal, Canada. See U.S. Department of State, Bureau of Oceans and Internationational Enviromental and Scientific Affairs, "Biosafety Protocol," found at Internet address *http://www.state.gov/www/global/oes/montreal_2000-01_index.html*, retrieved July 3, 2000. See also, Inside Washington Publishers, "EU lays out conditions for creation of WTO working group on biotech," *Inside US Trade*, Dec. 2, 1999, found at Intranet address *http://www.insidetrade.com*, retrieved Jan. 19, 2000.

[11] For more detail, see Jonathan Coleman, USITC, "Agriculture in the WTO: The Seattle Ministerial and Beyond," *Industry Trade and Technology Review*, USITC publication 3293, Mar. 2000.

environment (a process that appeared to call for reopening negotiation of already concluded WTO agreements). Japan also focused on clarifying provisions of the antidumping agreement in particular, to stop what Japan considered to be abuse of that agreement. The EU and United States also put forward on the first day a market-access package where the four quadrilateral or "quad" members of the world economy—Canada, the EU, Japan, and the United States—would provide duty-free access for imports from the least-developed countries (LDCs).

However, efforts failed to bridge the differences between those seeking talks on WTO agreements on textiles, antidumping, and subsidies, and those opposed—primarily the United States. A major sticking point for the United States was language whereby the rules of the antidumping agreement would be reviewed "and where necessary amended." Alternatively, developing country members voiced serious concerns about the implementation of the Uruguay Round Agreements, particularly regarding agriculture, sanitary and phytosanitary measures, textiles, technical barriers to trade, TRIMs, antidumping, customs valuation, subsidies, safeguards, services, and intellectual property rights, all of which they considered were being implemented in favor of the developed country members.[12]

Market access

The Working Group on Market Access consulted with delegations on the following major topics–product coverage;

- tariff reduction goals;
- tariff reduction methods;
- plurilateral initiatives for tariff elimination;
- nontariff measures; and
- provisions in favor of developing countries.

In goods negotiations, participants considered overarching issues such as whether the negotiations' coverage would be comprehensive (all nonagricultural products) or whether exclusions would be permitted. Another issue was the overall goal of market-access negotiations; this included whether to seek substantial tariff reduction, effective increase in market access, a numeric goal like a 33 percent reduction in tariffs, or some other target. Additional matters focused on methodologies for tariff reduction, where a number of delegations sought a common approach to substitute for the difficulties in the Uruguay Round's request/offer approach that made comparison of tariff reduction proposals difficult. Other delegations sought to ensure that a combination of approaches was permitted that did not prevent interested participants from undertaking deeper tariff reductions or tariff elimination on a plurilateral basis. These plurilateral tariff elimination initiatives are commonly dubbed "zero-for-zero" initiatives. The Accelerated Tariff Liberalization initiative is one current example, endorsed in 1998 by ministers of the Asia-Pacific Economic Cooperation forum and brought to the WTO in an effort to garner wider multilateral adoption.[13]

Tariff-cutting methodology was considered in relation to its likely impact on tariff peaks and tariff escalation. Nontariff measures also were discussed, ranging widely over issues such as antidumping measures, customs valuation, rules of origin, import licensing, subsidies, safeguard measures, and others.[14] The group considered provisions favoring developing countries, with the chairman indicating that market-access negotiations would be guided by the existing principle of special and differential treatment. The market-access proposal for zero duty rates on exports from least developed countries was raised in this group as well.

[12] Unpublished Ministerial Conference document, Working Group on Implementation, Rules, LDCs and Technical Assistance, "Implementation of Existing Agreements and Decisions," "Annex: Possible Decisions at Seattle on Implementation," "WTO Rules," "Action in Favour of Least-Developed Countries," and "Technical Cooperation," collectively the "chairman's text," Dec. 3, 1999.

[13] The Accelerated Tariff Liberalization initiative covers nine sectors--chemicals, energy goods and services, environmental goods and services, fish, forestry and paper products, gems and jewelry, medical equipment, telecommunications (through a mutual recognition agreement), and toys.

[14] WTO, "Ministers start negotiating Seattle Declaration," *WTO Briefing Note* (Summary of December 1 meetings), found at Internet address *http://www.wto.org/wto/seattle/english/about_e/summary_ _01.htm*, retrieved Dec. 15, 1999; World Trade Organization, "Ministers consider new and revised texts," *WTO Briefing Note* (Summary of December 2 meetings), found at Internet address *http://www.wto.org/wto/seattle/english/about_e/summary _02.htm*, retrieved Dec. 15, 1999; and World Trade Organization, "3 December - The final day and what happens next," *WTO Briefing Note* (Summary of December 3 meetings), found at Internet address *http://www.wto.org/wto/seattle/english/about_e/summary _03.htm*, retrieved Dec. 15, 1999.

In services negotiations, talks on market access were less controversial, with the chairman reaching a consensus text on December 2, 1999.[15] The group favored comprehensive coverage (that is, no service sectors excluded automatically); bilateral, plurilateral, and multilateral approaches to negotiations, including request/offer; and supplementary horizontal or sectoral commitments as needed.[16] A negotiating timeframe was considered, with requests from participants proposed for completion by November 1, 2000, and final offers to be completed by November 1, 2001. The group agreed that special attention will be paid to service sectors and modes of supply of particular interest to developing countries. In addition, the group developed a timeframe for unfinished work remaining from the Uruguay Round Agreements. The Working Party on Domestic Regulation, Working Party on GATS Rules, and the Committee on Specific Commitments will aim to complete their work by the Fourth WTO Ministerial Conference, to be convened about December 2001. However, negotiations under GATS Article X (Emergency Safeguard Measures) will conclude by December 15, 2000, as agreed previously by the Council on Trade in Services in June 1999. The market access working group agreed that new services negotiations will consider the review of GATS Article II (Exemptions) to be undertaken by the Council on Trade in Services as well as its review of the Annex on Air Transport Services. The group agreed that credit will be given for autonomous liberalization already undertaken in any service sector.

Singapore agenda

The Working Group on the Singapore Agenda and Other Issues focused on two major issues–investment and competition policy. Competition policy drew some interest from working group members. The EU sought discussion on investment, the United States focused on transparency in government procurement, and Japan focused on antidumping practices.

If members were not prepared to begin negotiations on either investment or competition policy at the upcoming negotiations, the chair suggested they focus on developing elements pertaining to these subjects for incorporation into investment or competition agreements negotiated at some future date—at the Fourth Ministerial Session that might be held December 2001 or another time. At Seattle, the EU was interested in launching negotiations, especially on competition policy. By contrast, others such as the United States expressed the view that these issues were not yet ready for negotiation and proposed that the Working Group on Investment and the Working Group on Competition Policy continue to analyze these issues to seek a broader consensus.

Members' various proposals came together into a document on trade and investment that indicated further analysis on foreign direct investment would consider the following elements—

- the preservation of host government abilities' to regulate the activity of investors in their territory;
- the transparency, stability, and predictability of domestic investment regimes;
- a positive list approach[17] for access to investment opportunities in members' territories;
- dispute-settlement provisions that exclude investor-state provisions;
- the specific needs of developing countries; and
- the relationship between multilateral, plurilateral, and bilateral rules and agreements on investment.

The working group also addressed intellectual property rights, government procurement, trade facilitation, and economic policy coherence, and the need for new working groups to cover additional issues. On intellectual property, the group discussed geographical indications—the registered titles that mark a good as possessing a given quality, reputation, or other characteristic that is essentially attributable to

[15] Unpublished Ministerial Conference document, Working Group on Market Access, "Note from the Chairman," Dec. 3, 1999; "Chairman's proposal - Market Access Negotiations on Non-Agricultural Products," Dec. 3, 1999, 3:00 a.m. draft; "Services," Dec. 2, 1999, 7 p.m. draft; and "New Chairman's Proposal on Market Access;" see Inside Washington Publishers, "Draft Declaration Elements Under Consideration in the Green Room Negotiations Dec. 3 - Market Access Draft," *Inside US Trade*, Dec. 3, 1999, found at Intranet address *http://www.insidetrade.com,* retrieved Jan. 19, 2000.

[16] For more detail, see, Christopher Melly, USITC, "Renewed Services Trade Negotiations in the WTO," *Industry Trade and Technology Review*, USITC publication 3271, Dec. 1999.

[17] A positive list approach in negotiations indicates that a country makes commitments only for those items (sectors, companies, agencies, etc.) actively or positively placed on the list in question. By contrast, a negative list begins with all elements of a group– e.g., companies in an industry, sectors in an economy– to which exceptions are lodged by placing items on a list that will be exempt from whatever rules would otherwise apply.

a product's geographical origin.[18] On government procurement, a draft initiative was compiled that would launch efforts to conclude an agreement on transparency in government procurement of goods and services by the Fourth Session of the WTO Ministerial Conference. On trade facilitation, many developing countries were reluctant to negotiate new rules for customs valuation and import licensing because of their January 1, 2000 transition deadlines for implementing similar agreements and negotiating new rules where further negotiations might affect efforts to extend those deadlines. On the subject of coherence of policymaking among multilateral economic institutions, as well as proposals for new working groups on additional issues, the group assembled a partial draft text that might establish a working forum to examine the linkages among trade, globalization, development, and labor issues, coordinated through relevant international organizations.[19]

Although not attending the ministerial meeting, President Clinton came to Seattle to support efforts to establish a WTO working group to examine the relation between trade and core labor standards, which generally refer to freedom of association, the right to organize and bargain collectively, prohibition of forced labor, elimination of child labor, and nondiscrimination in employment. On December 2, the President ratified International Labor Organization Convention 182, "Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor" on behalf of the United States.[20]

However, many developing countries have been adamant that labor standards discussions have no place in trade negotiations of any sort, and openly suspect the developed countries of protectionist motives in seeking to use the WTO dispute-settlement system as a means to invalidate developing countries' comparative advantage in lower labor costs. President Clinton said in an interview during his Seattle visit that he thought the WTO should develop core labor standards, that they should be part of every trade agreement, and thathe would favor a system in which sanctions are applied for violating provisions of a trade agreement.[21] Later, Presidential advisors said the press should not misunderstand these remarks as meaning that the United States wants a system in which core labor standards are used "as a facade or guise to do anything that would be protectionist or harmful to developing countries."[22]

Systemic issues

The Working Group on Systemic Issues discussed–

- transparency of WTO documents;
- organizational transparency and streamlined decisionmaking for the WTO;
- improving information flow; and
- public understanding of and participation in the WTO.

The United States proposed that the WTO establish more formal channels of communication with nongovernmental organizations and also proposed the consideration of a WTO advisory body—modeled perhaps along the lines of the Consultative Group of 18 that acted for some years as a steering committee for activities under the General Agreement on Tariffs and Trade (GATT) regime that preceded the WTO. However, a number of delegations questioned the role of such nongovernmental bodies in an intergovernmental organization, countering instead that the WTO should remain a government-to-government organization.

[18] The TRIPs Agreement confers additional protection on geographical indications that identify wines or spirits (Article 23--Additional Protection for Geographical Indications for Wines and Spirits), and delegations in the working group sought to extend this type of protection to other products as well.

[19] For more detail on procurement, see this chapter's section on the WTO Work Program.

[20] U.S. Department of State, "Ratification of ILO Convention on Worst Forms of Child Labor," background paper, WTO Third Ministerial Conference, Seattle, WA, December 2, 1999, found at Internet address *http://www.state.gov/www/issues/economic/991202_fsdos_bkilo.html*, retrieved July 3, 2000.

[21] Michael Paulson, correspondent for the Seattle Post-Intelligencer newspaper, "Transcript of interview with President Clinton," Dec. 1, 1999, found at Internet address *http://www.seattlep-i.com/national/trans01.shtml*, retrieved Feb. 18, 2000. The transcript reports President Clinton as saying "I think that what we ought to do first of all (is) to adopt the United States's position on having a working group on labor within the WTO, and then that working group should develop these core labor standards, and then they ought to be a part of every trade agreement, and ultimately I would favor a system in which sanctions would come for violating any provision of a trade agreement, but we've got to do this in steps."

[22] The White House, Office of the Press Secretary, "Press Briefing by Secretary of Labor Alexis Herman and National Economic Advisor Gene Sperling on Signing of ILO Convention," The "W" Hotel, Seattle, Washington, Dec. 2, 1999, found at Internet address *http://www.pub.whitehouse.gov*, retrieved July 3, 2000.

The prime concern in this working group—as well as at the Seattle conference more broadly—was the issue of the WTO's internal decisionmaking process. At Seattle, many developing country members in particular were critical of the "Green Room" process–so-called because of the color of a former conference room at WTO headquarters in Geneva where select delegations would typically meet to draft compromise language permitting final agreement on the subject at hand. Whereas developed country members are included in essentially all such meetings, the Green Room process typically excludes most developing country members and, thus, their views.

This selective participation may be unsurprising as the consultative process was devised originally for the industrialized countries that established the GATT. However, the sheer expansion in membership—from 23 GATT contracting parties in 1948 to 137 WTO members in 2000—has come to mean that approximately three-quarters, or more than 100 WTO members, are developing countries. An additional 31 states were in various stages of accession at the end of 1999. As a consequence, many of these developing countries articulated the view at Seattle that the Green Room process is antiquated and fails to take into account their development perspective, even though they are expected to abide by whatever compromises emerge from such negotiations.

Post-Seattle Developments

Following the Seattle conference, WTO Director-General Mike Moore undertook weeks of consultations with WTO members, resulting in members agreeing at the General Council meeting in February 2000 to move forward with the negotiations mandated under the built-in agenda, namely on agriculture and services. The Agriculture Committee held its first organizational meeting in March 2000 and the Services Council held its first meeting April 2000, respectively.[23]

Two additional areas of negotiations are also included under the built-in agenda—intellectual property and government procurement. TRIPs Article 23 (Additional Protection for Geographical Indications for Wines and Spirits) says in Art. 23.4 "In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPs concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system."

The plurilateral WTO Agreement on Government Procurement (1994) entered into force on Jan. 1, 1996. Under Article XXIV:7(b), its signatories are to undertake further negotiations "not later than the end of the third year from the date of its entry into force" to improve and extend the Agreement. In 1997, signatories began a review of the Agreement's structure as the opening measure to these negotiations. In October 1999, the signatories reported to the WTO General Council progress made in this review process, saying they would again take up consideration of their overall work program and the timetable for completing negotiations at their subsequent meetings beginning in March 2000.

Selected WTO Activities

Director-General Selection

In 1999, the protracted debate continued over the successor to the first WTO Director-General, Renato Ruggiero, whose single term, four-year appointment expired at the end of April 1999.[24] Over two and one half months later, member governments of the WTO still could not reach agreement on which of the two leading candidates was to serve a single, four year term as WTO director-general. Consequently, on July 22, 1999, WTO member governments reached a consensus that the two should serve consecutively, each for a three-year term. Thus, Mike Moore, former prime minister of New Zealand, was selected to be WTO Director-General from September 1, 1999 through

[23] WTO, "WTO services and agriculture negotiations: meetings set for February and March," press release, PRESS/167, Feb. 7, 2000, found at Internet address *http://www.wto.org/wto/new/press167.htm*, retrieved Feb. 8, 2000; "Agriculture negotiations - 23–24 March 2000 - Talks reach swift agreement on $phase 1'," press release, PRESS/172, Mar. 27, 2000, found at Internet address *http://www.wto.org/wto/new/Press172.htm*, retrieved June 9, 2000; "Services Council adopts negotiating timetable for this year," press release [unnumbered, undated], issued Apr. 17, 2000, *http://www.wto.org/wto/new/Services2.htm*, retrieved June 9, 2000.

[24] WTO, "WTO member governments agree on director-general succession," press release, PRESS/131, July 22, 1999, found at Internet address *http://www.wto.org/wto/press/dgpr.htm*, retrieved March 16, 2000; and WTO, "Ruggiero urges calm, unity in DG selection process," press release, unnumbered, May 4, 1999, found at Internet address *http://www.wto.org/wto/press/dgcalm1.htm*, retrieved March 16, 2000. For more detail regarding 1998 efforts to select a new WTO director-general see USITC, *The Year in Trade: OTAP, 1998*, USITC publication 3192, p. 29.

August 31, 2002, following which Dr. Supachai Panitchpakdi, former deputy prime minister of Thailand, was selected to serve from September 1, 2002 through August 31, 2005. Neither will be eligible for an extension in office nor for reappointment as director-general. Member governments also stressed that this "unprecedented" term-sharing arrangement did not constitute a precedent for future appointments. Considering the difficulties this time in selecting appointments for the director-general post, as well as the protracted debate over the appointment of Mr. Ruggiero to the post initially in 1995, WTO members agreed to work toward establishing "a comprehensive set of rules and procedures for such appointments."[25]

Work Programs

In addition to mandated negotiations and reviews under the built-in agenda, members are examining additional subjects under the WTO work program. At the WTO First Ministerial Conference, held in December 1996 in Singapore, members agreed to negotiate an Information Technology Agreement; to hold a high-level meeting on how to improve the provision of technical assistance to the least developed country members; and to begin an examination of how multilateral trade rules interact with the areas of competition policy, investment, and transparency in government procurement.[26]

Information technology

In 1996, 28 participants launched the Information Technology Agreement (ITA) at the Singapore Ministerial Conference.[27] By March 1997, the ITA had garnered 39 participants and entered into force on July 1, 1997.[28] The aim of the ITA is to eliminate tariffs by 2000 on approximately 95 percent of world trade in information technology products.[29] The information technology (IT) sector accounts for roughly $1 trillion in global production and $600 billion in trade flows.[30]

In 1998, ITA participants agreed to negotiate additional product coverage under the agreement and implement these results beginning in 1999.[31] Participants developed a draft list of some 20 products to be annexed to the proposed agreement–dubbed ITA II–with complete elimination of customs duties on these items scheduled for January 1, 2002.[32] After suspension and resumption of negotiations during 1998, the committee agreed to resume negotiations in 1999 when 35 participants indicated they could accept the ITA II draft. However, a few participants indicated that they could not consider the product additions or that they needed more time.[33]

In 1999, the Committee continued to assist participants in considering differences in classifying IT products, and ensuring that nontariff measures—particularly product standards—do not impede the free flow of IT products. The Committee convened an informal meeting of experts in October 1999 to review a wide range of classification differences regarding IT products, particularly semiconductor manufacturing and test equipment. Participants agreed to continue discussions in 2000 regarding these classification issues.[34]

Also in 1999, the Committee conducted a survey of participants' current regulations and conformity assessment requirements for IT products. Additional work on this subject is expected, based on the survey results as well as on papers to be submitted by certain participants that draw on national experiences in this area.[35]

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[25] Ibid.; WTO, PRESS/131.

[26] For more detail, see USITC, *The Year in Trade: OTAP, 1996*, USITC publication 3024, pp. 15-27.

[27] World Trade Organization, Committee of Participants on the Expansion of Trade in Information Technology Products, *Status of Implementation - Note by the Secretariat - Revision*, G/IT/1/Rev.13, March 14, 2000, found at Internet address *http://www.wto.org/wto/ddf/ep/public.html*, retrieved March 20, 2000.

[28] USTR, *2000 Trade Policy Agenda and 1999 Annual Report*, Mar. 2000, pp. 74-76.

[29] Participants continued to lower tariffs on ITA products in 1999, and for the majority of participants, 1999 marked the final year where tariffs would be charged on these products.

[30] USTR, "U.S. Ready to Lead in 'ITA II' Negotiations to Expand Sweeping Information Technology Trade Agreement," press release 98-07, Jan. 27, 1998, p. 2.

[31] For further detail, see USITC, *The Year in Trade: OTAP, 1996*, USITC publication 3024, April 1997, pp. 20-23; *The Year in Trade: OTAP, 1997*, USITC publication 3103, May 1998, p. 25; and USITC, *The Year in Trade: OTAP, 1999*, USITC publication 3192, May 1999, pp. 22-23.

[32] WTO, "Final ITA II package to be considered on 11 December," Nov. 27, 1998, press release [unnumbered], found at Internet address *http://www.wto.org/english/news_e/news98_e/itaprx.htm*, retrieved June 29, 2000.

[33] For more detail, see USITC, *The Year in Trade: OTAP, 1998*, USITC publication 3192, pp. 22-23.

[34] World Trade Organization, Committee of Participants on the Expansion of Trade in Information Technology Products, *Overview of Divergences of Classification of Attachment B Items - Note by the Secretariat - Revision*, G/IT/2/Add.1/Rev.1, July 29, 1999, found at Internet address *http://www.wto.org/wto/ddf/ep/public.html*, retrieved Mar. 20, 2000; United States Trade Representative, *2000 Trade Policy Agenda and 1999 Annual Report*, Washington DC, Mar. 3, 2000, pp. 74-76.

[35] USTR, *2000 Trade Policy Agenda and 1999 Annual Report*, Mar. 2000, pp. 74-76.

In July 1999, the Committee held an information technology symposium that consisted of panel discussions of the IT sector's future dynamism, its role in promoting economic growth and development, and the value of applying information technology. As of March 10, 2000, the ITA had 36 participants—covering 52 members, states, or separate customs territories in the process of acceding to the WTO.[36]

Singapore working groups

The WTO First Ministerial Conference in 1996 in Singapore set up a number of working groups to examine the interrelationship between trade and investment, competition policy, and transparency in government procurement. The working groups on trade and investment and trade competition policy were established for an initial two-year period and have since had their mandates renewed.

On the basis of 1999 discussions, the Working Group on Trade and Investment proposes in 2000 to examine: (1) existing international instruments, their similarities and differences; (2) possible bilateral, regional, and multilateral rules on investment; (3) the rights and obligations of home and host countries, and of investors and their host countries; and (4) the relation between international cooperation on investment and competition policies through current as well as possible future instruments.

In 1999, the Working Group on the Interaction between Trade and Competition Policy focused on the relation between competition policy and WTO trade principles of most-favored-nation treatment, national treatment, and transparency; ways to promote cooperation among members, particularly technical cooperation; how competition policy contributes to WTO objectives such as the promotion of international trade; and other issues raised in discussions regarding the interaction of trade and competition policy.

The Working Group on Transparency in Government Procurement has held extensive discussions concerning transparency-related provisions in existing international instruments on government procurement and national procedures and practices, based on its mandate "to conduct a study on transparency in government procurement practices ... and, based on this study, to develop elements for inclusion in an appropriate agreement."[37] Discussions in the group have been divided between examination of the transparency of procedures involved in government procurement and negotiating actual market-access commitments for government procurement. Delegations opposed to negotiating a WTO agreement on transparency in government procurement—such as Argentina, Brazil, Egypt, India, and Malaysia—have resisted what they view as efforts by the chairman and other delegations to move beyond the working group's mandate of studying the issue to a new phase of negotiating such an agreement.[38]

In September 1999, however, the chairman responded to such criticism by saying the working group could not evade its charge to develop the elements of an appropriate agreement.[39] But at Seattle, ministers compiled a draft initiative based on the working group's efforts that would have launched negotiations to reach an agreement on transparency in government procurement covering both goods and services with intended completion by the WTO Fourth Ministerial Conference tentatively proposed for December 2001. This initiative is pending, however, as no consensus documents emerged from the Seattle conference.

Electronic commerce

The Declaration on Global Electronic Commerce was adopted May 20, 1998 at the WTO Second Ministerial Conference.[40] The work program is to

[36] There are 27 participants that have formally submitted their ITA documentation: Australia, Canada, Chinese Hong Kong, Chinese Macau, Costa Rica, Czech Republic, the EU, El Salvador, Iceland, India, Indonesia, Israel, Japan, Korea, Malaysia, Mauritius, New Zealand, Norway, Philippines, Poland, Romania, Singapore, Slovak Republic, Switzerland, Thailand, Turkey, and the United States. A further nine are considered participants without having submitted formal documentation, either because their tariff documentation has been included in accession documentation (Estonia, Kyrgyz Republic, and Latvia) or a participant is not a WTO member and thus implements its tariff reductions autonomously (Albania, Taiwan, Croatia, Georgia, Jordan, and Lithuania). Formal documentation for Estonia and Poland is pending domestic ratification, whereas Panama has not yet submitted its documentation.

[37] World Trade Organization, Ministerial Conference, *Singapore Ministerial Declaration*, WT/MIN/(96)/DEC, Dec. 13, 1996, par. 21.

[38] U.S. Department of State telegram, "Meetings of the WTO Working Group on Transparency in Government Procurement," message reference No. 006713, prepared by the U.S. Mission, Geneva, Oct. 20, 1998.

[39] U.S. Department of State telegram, "Constructive discussions in the WTO Working Group on Transparency in Government Procurement," message reference No. 001915, prepared by the U.S. Mission, Geneva, Mar. 16, 1999; "Results of Geneva informals on a WTO Agreement on Transparency in Government Procurement," message reference No. 007194, prepared by the U.S. Mission, Geneva, Sep. 22, 1999.

[40] WTO, Ministerial Conference, *Declaration on Global Electronic Commerce, Adopted on 20 May 1998*, WT/MIN(98)/DEC/2, Geneva, 25 May 1998, found at Internet address *http://www.wto.org/wto/ecom/e_mindec1.htm,* retrieved March 20, 2000.

examine all trade-related issues relating to global e-commerce, taking into account the economic, financial, and development needs of developing countries, as well as recognizing work being undertaken in other international fora such as the OECD.

The work program calls for the WTO General Council to produce a progress report on e-commerce for the Fourth Ministerial Conference. To assist, the work program mandates that the Council for Trade in Goods,[41] Council for Trade in Services,[42] the TRIPs Council,[43] and the Committee for Trade and Development[44] examine and report on aspects of electronic commerce relevant to their respective Uruguay Round Agreements and areas of competence.[45]

The work program called for the General Council to conduct an interim review of progress by March 1999. Detailed discussion in the General Council was deferred until its October 1999 meeting, where most delegations seemed to agree with the U.S. view on continuing a moratorium on the duty-free transmission of electronic commerce.[46] Nonetheless, most countries considered this conclusion premature and requested more time to study the matter.

The General Council conducted an interim review in 1999 of progress made on the work program on electronic commerce. It agreed to forward reports from subsidiary WTO bodies to ministers at the Third Ministerial Conference and to return to the issue after the Seattle conference.[47]

The report from the Council for Trade in Goods found that most aspects of electronic commerce can only be meaningfully addressed once electronic transmissions are determined to be goods, services, or some hybrid of the two. However, they recognize that the work program assigns to the General Council final determination for such “trade-related issues of cross-cutting nature” as characterization of electronic transmissions.[48]

The Council for Trade in Services reported on progress made toward common understandings on e-commerce issues, as well as different viewpoints, specified in its mandate. Delegations agreed largely that the GATS applies to all services and thus to the electronic delivery of services, and that GATS provisions, such as most-favored-nation and national treatment, also apply to services supplied through electronic means. However, they cautioned explicitly that the issue of like services–that is, whether services delivered by electronic means are equivalent to services delivered by other means—was critical and was one of the most complex legal issues in the GATT or GATS. They also recognized the need to strike a balance regarding domestic regulation of e-commerce services, both to allow members the right to regulate such services but not to create unnecessary trade barriers.

The TRIPs Council reported general consensus that trade conducted electronically generally embodied a high intellectual property content, and that many of the complex intellectual property issues stemming from

[41] The Council for Trade in Goods is to examine the relation of e-commerce to market access for e-commerce products; customs valuation; import licensing procedures; customs and other duties pertinent to GATT Article II; technical standards; rules of origin; and classification issues.

[42] The Council for Trade in Services is to examine the treatment of e-commerce within the GATS legal framework, focusing on issues of the scope of GATS--including modes of supply--as it relates to e-commerce; most-favored-nation treatment; transparency; increasing participation of developing countries; domestic regulation, standards, and recognition; competition; protection of privacy and public morals and the prevention of fraud; market-access commitments on electronic supply of services, including basic and value-added telecommunications services and distribution services; national treatment; access to and use of public telecommunications transport networks and services; customs duties; and classification issues.

[43] The Council for TRIPs is to examine intellectual property issues arising in connection with electronic commerce, such as the protection and enforcement of copyright and related rights; the protection and enforcement of trademarks; and new technologies and access to technology.

[44] The Committee on Trade and Development is to examine the development implications of e-commerce. The Committee is to consider the effects of e-commerce on developing countries, on their trade and economic prospects, particularly small- and medium-sized enterprises; their increased use of e-commerce (particularly of electronically delivered products) through improved infrastructure, transfer of technology, and movement of natural persons; their better integration into the multilateral trading system with the aid of information technology; the impact on traditional distribution channels for physical goods in these countries; and the financial implications of e-commerce for these countries.

[45] World Trade Organization, *Work Programme on Electronic Commerce - Adopted by the General Council on 25 September 1998*, WT/L/274, Sept. 30, 1998, found at Internet address *http://www.wto.org/wto/ddf/ep/ public.html*, retrieved March 20, 2000.

[46] U.S. Department of State telegram, “WTO General Council - October 6, 1999,” message reference No. 007727, prepared by the U.S. Mission, Geneva, Oct. 14, 1999, par. 6.

[47] World Trade Organization, General Council, Draft Annual Report (1999), WT/GC/W/345, 26 October 1999.

[48] World Trade Organization, Council for Trade in Goods, *Work Program on Electronic Commerce - Information provided to the General Council*, G/C/W/158, July 26, 1999, found at Internet address *http://www.wto.org/wto/ecom/e_ctg.htm*, retrieved March 24, 2000.

e-commerce were under study at the World Intellectual Property Organization.[49]

The Committee on Trade and Development asked the WTO Secretariat to prepare a background note on development implications of electronic commerce to assist with its interim report to the General Council on e-commerce.[50] The Secretariat background paper addressed a number of e-commerce issues, such as substitution for traditional trade flows; benefits to developing country consumers and producers; physical and human infrastructure requirements; the effects of e-commerce on education and training, employment, movement of natural persons, investment, transfer of technology; and revenue and legal issues. The paper pointed to progress made already in applying electronic methods to customs and port services. It concludes that creating a capacity to make use of e-commerce opportunities should be a priority for developing countries.[51]

Trade facilitation

Under its mandate from the December 1996 Singapore Ministerial Declaration, the WTO Council for Trade in Goods (CTG) has been examining how to simplify trade procedures, a task known as "trade facilitation."[52] The CTG held discussions on this issue in 1997 and 1998 and it began a work program that continued in 1999. The work program began with import and export procedures and requirements, including customs, border-crossing problems, and the Kyoto Convention, in September 1998. Work began on physical movement of consignments (transport and transit); and payments, insurance, and other financial requirements that affect the movement of goods in December 1998. Examination of the importance of electronic facilities for international trade; the simplification of trade procedures regarding technical cooperation and development issues; and WTO Agreements related to trade facilitation began in March 1999. Evaluation of work done to assess the scope for WTO rules in the area of trade facilitation started in June 1999.[53]

Dispute Settlement

The WTO website provides a timely source for the status of past and pending dispute cases and case decisions. It may be found at *http://www.wto.org/wto/dispute/bulletin.htm*.

Panel reports

In 1999, WTO dispute panels issued 16 reports covering 13 distinct issues. In 1999, another 24 panels were established by the Dispute Settlement Body (DSB) on 22 separate matters. As major traders frequently involved in WTO dispute settlement, the United States was cited as complainant in three and defendant in four of the 16 panel reports issued, whereas the EU was a complainant in six and a defendant in none of these 16 panel reports. Half of the EU's six complaints were lodged in the last quarter of 1999 against U.S. actions. Of the 24 newly established panels, the United States is complainant in five and defendant in 11, whereas the EU is complainant in 10 and defendant in one.

The U.S. complaints focused on Indian import quotas on agricultural, manufactured, and textile goods; Canadian import measures on milk; and Australian subsidies on automotive leather. The United States was defendant in cases involving its antidumping measures against certain Korean semiconductors, tax treatment for foreign sales corporations, section 301 trade legislation under the Trade Act of 1974, and countervailing duties on imports of hot-rolled carbon steel from the United Kingdom.[54]

Appeals

In 1999, 11 appeals reports were issued, covering roughly seven distinct matters. The United States brought four of these cases and defended against none.

[49] World Trade Organization, Council for Trade-Related Aspects of Intellectual Property Rights, Work Program on Electronic Commerce - Progress Report to the General Council, IP/C/18, July 30, 1999, found at Internet address *http://www.wto.org/wto/ecom/e_trips.htm*, retrieved March 24, 2000.

[50] World Trade Organization, Committee on Trade and Development, *Report (1998) of the Committee on Trade and Development*, WT/COMTD/15, Nov. 30, 1998, found at Internet address *http://www.wto.org/wto/ecom/e_ctd.htm*, retrieved March 24, 2000.

[51] World Trade Organization, Committee on Trade and Development, *Development Implications of Electronic Commerce - Note by the Secretariat*, WT/COMTD/W/51, 23 Nov. 1998, found at Internet address *http://www.wto.org/search97cgi/s97_cgi*, retrieved March 24, 2000.

[52] World Trade Organization, Ministerial Conference, *Singapore Ministerial Declaration*, WT/MIN/(96)/DEC, Dec. 13, 1996, par. 21.

[53] World Trade Organization, Council for Trade in Goods, *Trade Facilitation - Status Report by the Council for Trade in Goods*, G/L/333, Oct. 18,1999, found at Internet address *http://www.wto.org/wto/ddf/ep/public.html*, retrieved March 27, 2000.

[54] The panel report concerning U.S. tax treatment for foreign sales corporations was issued in October 1999; the Appellate Body report was issued in late February 2000.

The United States appealed the panel decisions regarding Korean taxes on alcoholic beverages, Japanese measures affecting agricultural products, Indian import quotas, and Canadian import measures on milk.

Arbitration

WTO members are increasingly likely to challenge panel reports in recent years and the number of arbitration panels in the dispute-settlement process is growing. In 1999, the scope of panel disputes also widened. Members challenged not only the appropriate implementation period for panel recommendations but also the amount of compensation for failure to implement recommendations. For example, this wider scope was evident in arbitration panel findings on Korean taxes on alcoholic beverages brought by the EU and the United States and another on an Australian ban against Canadian salmon.

Retaliation

In 1999, for the first time under the WTO framework, a complainant in a dispute sought the right to retaliate, that is, requested authorization to suspend concessions under the Dispute Settlement Understanding. Following EU failure to implement panel recommendations in the EU banana dispute by the arbitrated deadline of January 1, 1999, the United States, as one of the complainants, requested WTO authorization on January 14, 1999 to suspend concessions to the EU for failure to implement the panel recommendations. After intervening action, an arbitration panel determined on April 9, 1999 that the appropriate level of concessions for suspension was $191.4 million. On April 19, 1999, the DSB authorized the United States to suspend concessions in this amount.[55]

Following another EU failure to implement panel recommendations before the deadline of May 13, 1999 concerning EU trade measures on hormone-treated meat and meat products, Canada and the United States both requested WTO authorization to suspend concessions to the EU for failure to implement. On July 12, 1999, an arbitration panel determined that the appropriate amount of concessions for suspension was US$116.8 million for the United States and C$11.3 million for Canada. On July 26, 1999, the DSB authorized the United States and Canada to suspend concessions in these amounts.[56]

In a third retaliation case, Canada requested authorization from the DSB on July 28, 1999 to suspend concessions to Australia in retaliation against Australia's import ban of salmon from Canada, following Australia's failure to implement the panel's recommendations by its July 6, 1999 deadline. The DSB referred the Canadian request for suspension of concessions to arbitration.

Membership

Accessions

In 1999, two Baltic states became members of the WTO. Although Latvia completed accession negotiations with WTO members near the end of 1998, it formally acceded on February 10, 1999. Estonia acceded on November 13, 1999, bringing total WTO membership to 135. Table 2-1 lists WTO membership in 1999. Another 31 states were in various stages of accession at the end of 1999. Table 2-2 lists countries in the process of accession—WTO accession working parties—underway in 1999. Membership in the Agreement on Government Procurement remained unchanged in 1999, while Latvia became a signatory to the Agreement on Trade in Civil Aircraft. Table 2-3 lists signatories to WTO Plurilateral Trade Agreements in 1999.

Accession negotiations with China

More than actual accessions, developments in 1999 focused on progress made in bilateral accession negotiations between China and the United States on China's bid to join the WTO. On November 15, 1999, China and United States concluded bilateral talks regarding China's accession to the WTO.[57] The agreement addresses market access for trade in agricultural and industrial goods, as well as for trade in services. It contains provisions addressing import surges and unfair trade practices within the U.S. territory and covers fair treatment for businesses operating in China. The agreement also limits requirements on technology transfer, offsets, and export performance. Although the conclusion of bilateral negotiations with the United States was a major step for China in its accession process, China had not concluded similar bilateral negotiations with

[55] For more detail on the U.S.-EU banana dispute, see chapter 4.

[56] For more detail on the U.S.-EU beef hormone dispute, see chapter 4.

[57] USTR, "U.S., China sign historic trade agreement," press release 99-95, Nov. 15, 1999.

Table 2-1
WTO Membership in 1999

Angola	Germany	Nicaragua
Antigua and Barbuda	Ghana	Niger
Argentina	Greece	Nigeria
Australia	Grenada	Norway
Austria	Guatemala	Pakistan
Bahrain	Guinea	Panama
Bangladesh	Guinea Bissau	Papua New Guinea
Barbados	Guyana	Paraguay
Belgium	Haiti	Peru
Belize	Honduras	Philippines
Benin	Hong Kong, China	Poland
Bolivia	Hungary	Portugal
Botswana	Iceland	Qatar
Brazil	India	Romania
Brunei Darussalam	Indonesia	Rwanda
Bulgaria	Ireland	Saint Kitts
Burkina Faso	Israel	Saint Lucia
Burundi	Italy	Saint Vincent
Cameroon	Jamaica	Senegal
Canada	Japan	Sierra Leone
Central African Republic	Kenya	Singapore
Chad	Korea	Slovak Republic
Chile	Kuwait	Slovenia
Colombia	Kyrgyz Republic	Solomon Islands
Congo, Democratic Republic	Latvia	South Africa
Congo, Republic of	Lesotho	Spain
Costa Rica	Liechtenstein	Sri Lanka
Côte d'Ivoire	Luxembourg	Suriname
Cuba	Macau, China	Swaziland
Cyprus	Madagascar	Sweden
Czech Republic	Malawi	Switzerland
Denmark	Malaysia	Tanzania
Djibouti	Maldives	Thailand
Dominica	Mali	Togo
Dominican Republic	Malta	Trinidad and Tobago
Ecuador	Mauritania	Tunisia
Egypt	Mauritius	Turkey
El Salvador	Mexico	Uganda
Estonia	Mongolia	United Arab Emirates
European Communities	Morocco	United Kingdom
Fiji	Mozambique	United States
Finland	Myanmar	Uruguay
France	Namibia	Venezuela
Gabon	Netherlands Antilles	Zambia
Gambia	New Zealand	Zimbabwe

Total members: 135

Source: WTO, "Members," found at Internet address *http://www.wto.org/wto/about/organsn6.htm*, retrieved April 18, 2000.

Table 2-2
WTO accession working parties in 1999

Albania	Croatia	Oman
Algeria	Ethiopia*	Russia
Andorra	Georgia	Samoa
Armenia	Holy See (Vatican)*	Saudi Arabia
Azerbaijan	Jordan	Seychelles
Belarus	Kazakstan	Sudan
Bhutan*	Laos	Tonga
Bosnia and Herzegovina	Lebanon	Ukraine
Cambodia	Lithuania	Uzbekistan
Cape Verde*	Macedonia	Vanuatu
China	Moldova	Vietnam
Chinese Taipei	Nepal	Yemen*

Total accession candidates: 31

*WTO observer status is granted to accession candidates, except for those five marked with an asterisk which have chosen not to apply for WTO Membership at present. Except for the Holy See, observers must start accession negotiations within 5 years of becoming observers.

Source: WTO, “Members,” found at Internet address *http://www.wto.org/wto/about/organsn6.htm*, retrieved April 18, 2000.

Table 2-3
Signatories to WTO Plurilateral Trade Agreements in 1999

Agreement on Government Procurement

Aruba	Israel	Norway
Canada	Japan	Singapore
European Union*	Korea	Switzerland
Hong Kong, China	Liechtenstein	United States

Total signatories: 12

*The Commission for the European Communities acts as the signatory to the Agreement on Government Procurement for the 15 member states of the European Union.

Agreement on Trade in Civil Aircraft

Bulgaria	United States	Ireland
Canada	European Union**	Italy
Egypt	Austria	Luxembourg
Japan	Belgium	Netherlands
Latvia	Denmark	Portugal
Macau, China	France	Spain
Norway	Germany	Sweden
Romania	Greece	United Kingdom
Switzerland		

Total signatories: 25

**The Commission for the European Communities is signatory to the Agreement on Trade in Civil Aircraft, along with 14 member states of the European Union, currently excluding Finland.

Source: World Trade Organization, *Report (1999) of the Committee on Government Procurement*, GPA/30, Oct. 21, 1999; and *Report (1999) of the Committee on Trade in Civil Aircraft*, WT/L/340, Dec. 20 1999, and WT/L/340/Corr.1, Jan. 24, 2000, found at Internet address *http://www.wto.org/wto/ddf/ep/public.html*, retrieved Apr. 18, 2000.

10 other countries by the end of 1999. China-EU negotiations, for example, continued into 2000.[58]

Plurilateral Agreements

In addition to the multilateral trade agreements that are binding on all WTO members, two plurilateral trade agreements also administered under the WTO framework provide additional rights to signatories of those plurilateral agreements. One is the Agreement on Government Procurement, the other the Agreement on Trade in Civil Aircraft (table 2-3).

The WTO Agreement on Government Procurement entered into force on January 1, 1996. In 1999, it had 12 signatories: Aruba, Canada, European Union,[59] Hong Kong China, Israel, Japan, Korea, Liechtenstein, Norway, Singapore, Switzerland, and the United States.[60]

In May 1999, the United States requested a dispute-settlement panel under the agreement to examine Korea's obligations regarding procurement practices of the Korean Airport Construction Authority and other entities involved in the procurement of airport construction in Korea. These practices concern qualifications for the prime contractor and domestic partner, as well as lack of challenge procedures. A dispute panel on this issue was established June 16, 1999, with the EU and Japan as third parties.[61]

The GATT Agreement on Trade in Civil Aircraft entered into force on January 1, 1980. In 1999, Latvia became a signatory to the agreement, bringing its membership to 25. Members now include Bulgaria, Canada, Egypt, Japan, Latvia, Macau China, Norway, Romania, Switzerland, United States, and the EC Commission, plus Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom. The Commission for the European Communities acts as the signatory to the agreement for the European Union, and 14 of the 15 EU member states are individual signatories.

The agreement eliminates and binds at zero all customs duties and other charges on imports of civil aircraft products and repairs, protects the right of free selection of civil aircraft suppliers based solely on commercial and technical factors, and regulates participation in civil aircraft programs. Signatories have so far been unsuccessful in transferring the balance of rights and obligations under the 1980 GATT Agreement on Trade in Civil Aircraft to an official, legal version of a WTO Agreement on Trade in Civil Aircraft. On April 29, 1999, the chairman circulated a draft "Protocol Rectifying the Agreement on Trade in Civil Aircraft," which signatories discussed in July 1999 and agreed to consider further.[62]

Technical Assistance

In recent years, the regular WTO budget for technical cooperation and training activities has been supplemented by additional funds contributed by some WTO members, which have been placed into a fund called the WTO Trust Fund for Technical Cooperation and Training. With the growing importance of technical cooperation activities, the WTO Director-General has proposed that WTO members adopt as part of the regular budget an overall figure of Swiss francs 10 million ($6.66 million) to support technical assistance projects, which is approximately the amount required to meet current demand for these activities. This proposal would phase in such assistance over a three-year period beginning in 2000.

In the interim, a number of WTO members[63] established the Global Trust Fund for WTO Technical Cooperation (GTF), which opened to receive voluntary financial contributions from July 1, 1999. The objectives of the GTF are based on the "Guidelines and Implementation Modalities," adopted by the WTO Committee on Trade and Development, which aim to improve management and implementation of WTO technical cooperation, complement the regular WTO budget, and enable the WTO Secretariat to deliver technical assistance in a flexible, timely, and pertinent manner.[64] During 1999, several countries made contributions to the WTO Trust Fund and its successor, the WTO Global Trust Fund. In March 1999, Sweden contributed Swiss francs 1 million ($0.67 million), and in November 1999 Norway gave Norwegian kroner 2 million ($0.26 million).[65]

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[58] For more detail on negotiations surrounding China's WTO accession, see chapter 4.

[59] The Commission for the European Communities acts as the signatory to the agreement for the 15 member states of the European Union.

[60] WTO, *Annual Report 1999*, 1999, Geneva, pp. 100-101.

[61] For more detail on Korea, see chapter 4.

[62] WTO, *Annual Report 1999*, 1999, Geneva, pp. 100-101.

[63] The founding members of the GTF are Denmark, the EU, Finland, Hong Kong China, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.

[64] WTO, *Annual Report 1999*, 1999, Geneva, pp. 102-105.

[65] Contributions continued into 2000. In January 2000, Germany donated German marks 1 million ($0.55 million) and Norway donated another Norwegian kroner 4.8 million ($0.62 million), followed by Denmark which contributed U.S. dollars 1 million in February 2000. See WTO, "Sweden hands over SwF 1 million contribution to WTO technical

Jones Act Review

In July 1999, the WTO General Council began its review of the exemption in paragraph 3 of GATT 1994 for U.S. maritime legislation that preceded the WTO and GATT, the so-called Jones Act.[66] In October 1999, the discussion continued in the General Council, with the United States maintaining that it had met all of the requirements for the exemption, in contrast to a large number of delegations taking issue with the U.S. position and calling for substantive justification of the Jones Act restrictions on economic or national security grounds.[67] The General Council continued its review into February 2000.

Organization for Economic Cooperation and Development

The Organization for Economic Cooperation and Development (OECD) provides a forum in which the world's industrialized countries can discuss common approaches to social as well as economic issues that they confront. Under the OECD work program, multi-year examinations allow OECD members to reach consensus on policy approaches to economic issues that might then move to negotiations in, broader fora—such as the WTO, the World Intellectual Property Organization, or elsewhere to develop multilateral rules to help govern such issues.

Following a flurry of accessions in recent years—Mexico (1994), the Czech Republic (1995), and Korea (1999), Hungary (1996), and Poland (1996)—OECD membership increased from 24 in 1993 to 29 in 1996. Currently, the Slovak Republic is discussing terms of membership, and Argentina and Russia have formally applied for membership in the organization. Table 2-4 lists OECD members in 1999.

Convention on Combating Bribery

In ongoing efforts to remove distortions that bribery and corruption have on transactions in the international economy, the OECD adopted the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in 1997.[68] This convention entered into force in February 1999. The convention was adopted by the 29 OECD members plus five nonmembers (Argentina, Brazil, Bulgaria, Chile, and the Slovak Republic). Of these 34 signatories, 20 had ratified the convention as of February 2000. The convention requires signatories to make bribery of foreign public officials a criminal offense, to impose significant fines on those bribing such officials, and to apply stricter accounting procedures to help reveal such illegal payments.[69]

Trade and Labor Standards

During the closing negotiations of the Uruguay Round in 1993 that established the WTO, the United States and several other countries sought to introduce the issue of trade and labor standards into the future WTO work program. Although they were unsuccessful in adopting trade and labor standards under the WTO work program, the United States and other countries succeeded in adopting the issue for examination under the OECD work program in 1994.

In 1996, the OECD released a report entitled "Trade, Employment and Labor Standards" that examined the relation between core labor standards, trade, and economic development. Subsequently, in May 1999, the OECD Trade Committee requested the OECD Secretariat to update the report, which is expected in 2000. The update would review

[65]—*Continued*
cooperation activities," press release, PRESS/126, March 17, 1999; "Germany donates DM 1 million to WTO technical assistance fund," press release, PRESS/127, March 19, 1999; "Norway makes contribution to WTO's global trust fund," press release, PRESS/145, Nov. 4, 1999; "Germany contributes to WTO's global trust fund," press release, PRESS/162, Jan. 25, 2000; "Norway makes another contribution to WTO's global trust fund," press release, PRESS/164, Jan. 28, 2000; and "Denmark makes 1 million dollar contribution to WTO's global trust fund," press release, PRESS/168, Feb. 8, 2000. Approximate U.S. dollar equivalents are given in parentheses, averaging 1999 quarterly exchange rates (period average) taken from the International Monetary Fund, *International Financial Statistics*, Feb. 2000. Currencies in the euro area, such as the German mark, require an additional conversion from their euro conversion rates fixed on Dec. 31, 1998, available at Internet address *http://www.ecb.int/*.

[66] The U.S. Merchant Marine Act of 1920, section 27, (Jones Act) requires that only vessels built and documented in the United States and owned by U.S. citizens may engage in cabotage, i.e., point-to-point travel within U.S. waters. For more detail, see U.S. Department of State telegram, "US cabotage practices," message reference No. State 050660, prepared by the U.S. Department of State, Washington DC, Mar. 19, 1999.

[67] U.S. Department of State telegram, "WTO General Council - July 15, 1999," message reference No. Geneva 005532, prepared by the U.S. Mission, Geneva, July 19, 1999.

[68] For more detail, see USITC, *The Year in Trade: OTAP, 1997*, USITC publication 3103, May 1998, pp. 51-53.

[69] USTR, *2000 Trade Policy Agenda and 1999 Annual Report*, March 2000, pp. 160-165.

Table 2-4
OECD Membership in 1999

Australia	Hungary	Poland
Austria	Iceland	Portugal
Belgium	Ireland	Spain
Canada	Italy	Sweden
Czech Republic	Japan	Switzerland
Denmark	Korea	The Netherlands
Finland	Luxembourg	Turkey
France	Mexico	United Kingdom
Germany	New Zealand	United States
Greece	Norway	

Total members: 29

Source: OECD, "About OECD - Membership," found at Internet address *http://www.oecd.org/about/general/member-countries.htm,* retrieved May 10, 2000.

developments and summarize relevant economic literature since the 1996 report. The 1996 report examined five core labor standards: freedom of association, right to collective bargaining, non-discrimination in employment, elimination of exploitative forms of child labor, and prohibition of forced labor. It concluded that trade liberalization and core labor standards were mutually reinforcing and refuted the view that adherence to labor standards affects economic performance negatively.

Competition Policy

The OECD Joint Group on Trade and Competition was established in 1996 to increase the coherence between trade and competition policies by strengthening the work carried out separately by both the Trade Committee Working Party and the Competition Law and Policy Committee. In 1998, the Joint Group's mandate was extended for another two years. In 1999, the Joint Group continued work, focusing on: similarities and differences between trade and competition policies, identification of any core principles or minimum standards for competition laws, and whether bilateral or multilateral approaches improve cooperation and policy coherence when addressing anticompetitive practices that have an international dimension. In June 1999, the OECD held a Conference on Trade and Competition to exchange views of the Joint Group's work with nonmember countries, business, trade unions, and other nongovernmental organizations.[70]

[70] USTR, 2000 Trade Policy Agenda and 1999 Annual Report, March 2000.

E-Commerce Guidelines

In December 1999, OECD member states approved the Recommendation of the OECD Council Concerning Guidelines for Consumer Protection in the Context of Electronic Commerce. The guidelines are designed to help ensure that consumers enjoy transparent and effective protection that is not less than the level of protection that they have in other areas of commerce, such as in-person purchases at stores or orders by catalog.[71]

Beginning in April 1998, the OECD Committee on Consumer Policy began to develop a set of general guidelines to protect consumers participating in electronic commerce, with the goal of avoiding the creation of additional barriers to trade.[72] The purpose of the guidelines is to provide a framework as well as a set of principles regarding the core characteristics

[71] OECD, *Recommendation of the OECD Council Concerning Guidelines for Consumer Protection in the Context of Electronic Commerce*, Dec. 9, 1999, found at Internet address *http://www.oecd.org/media/release/nw99-121a.htm*, retrieved July 12, 2000; "OECD Governments Agree on Consumer Protection Guidelines for E-Commerce," press release, Dec. 9, 1999, found at Internet address *http://www.oecd.org/media/release/nw99-121a.htm*, retrieved July 12, 2000.

[72] The committee's work built on previous work found in the following OECD provisions: the Recommendation of the Council concerning Guidelines Governing the Protection of Privacy and Transborder Flows of Personal Data of 23 September 1980 [C(80)58(Final)]; Recommendation of the Council concerning Guidelines for the Security of Information Systems of 26-27 November 1992 [C(92)188/FINAL)], and the OECD Recommendation concerning Guidelines on Cryptography Policy of 27 March 1997 [C(97)62/FINAL]; Ministerial Declaration on the Protection of Privacy on Global Networks of 8-9 October 1998 [C(98)177 (Annex 1)]; Ministerial Declaration on Consumer Protection in the Context of Electronic Commerce of 8-9 October 1998 [C(98)177 (Annex 2)]; and the Ministerial Declaration on Authentication for Electronic Commerce of 8-9 October 1998 [(C98)177 (Annex 3)].

of effective consumer protection for electronic commerce, so as to assist: (1) governments in formulating effective consumer protection and enforcement regulations and policies regarding e-commerce; (2) business and consumer associations assessing self-regulatory schemes regarding e-commerce; and (3) individual businesses and consumers engaged in e-commerce.

The guidelines are non-binding, but reflect existing legal protections available to consumers in more traditional forms of commerce. They set out their intended scope, general principles involved, implementation of the guidelines, and the need for global cooperation in this field.

The guidelines' general principles call for transparency and effective protection; call for fair business, advertising, and marketing practices; clear information about an on-line's business identity, the goods or services on offer, and terms and conditions of a transaction; a transparent process for the confirmation of transactions; secure payment mechanisms; fair, timely and affordable dispute resolution and redress; privacy protection; and consumer and business education.

Implementation of the guidelines is aimed at encouraging private sector initiatives that include participation by consumer representatives in developing self-regulatory mechanisms; encouraging private sector leadership to develop technology that protects consumers; promoting the widespread use of the guidelines; and facilitating consumers' ability to access consumer information including how to file complaints related to electronic commerce. The Committee on Consumer Policy will continue to cooperate with business and consumer representatives to ensure that the Guidelines are implemented effectively and help educate online consumers and business about their rights and responsibilities online.

Regulatory Reform

In 1997, the OECD released a report discussing how regulatory reform could enhance an economy's capacity to adapt, innovate, and respond better to consumer needs, stimulate economic growth, and maximize opportunities presented by technological change and globalization. Member countries agreed in 1998 on a framework for country reviews to assess progress made on regulatory reform in such sectors as electricity and telecommunications. The first set of reviews were launched in 1998, assessing Japan, Mexico, the Netherlands, and the United States. The second set was launched in 1999, examining Denmark, Hungary, Korea, and Spain. A third set of reviews is planned for 2000: Canada, Greece, Ireland, and Italy.[73]

Shipbuilding Developments

The OECD Council Working Party on Shipbuilding in July 1994 concluded the Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry. The agreement called on participating governments to eliminate subsidies and other trade-distorting practices in the shipbuilding sector.[74] The EU, Japan, Korea, Finland, Norway, Sweden, and the United States signed this *ad referendum* text on December 21, 1994, which was then referred to national legislative bodies for ratification.[75] These countries account for about 80 percent of world commercial shipbuilding.

The agreement was intended to enter into force on January 1, 1996, following ratification by signatories.[76] Whereas the other signatories ratified the agreement—the EU, Korea, and Norway in December 1995 and Japan in May 1996—the U.S. Congress failed to enact the necessary legislation.[77] Although the U.S. House passed implementing legislation (H.R. 2754), the U.S. Senate adjourned in October 1996 without passing a counterpart bill.

Congressional efforts to introduce shipbuilding legislation continued from 1997 through 1999, but without success. Although most U.S. shipbuilders, their suppliers, ship operators, and state and municipal authorities support the agreement along with the administration, six large defense-oriented builders, their trade association (the American Shipbuilders Association), and three labor unions have opposed it.[78] In October 1998, discussions in the working party raised the possibility of applying the OECD Shipbuilding Agreement among the four signatories that had ratified it, using a protocol that would leave open the possibility for eventual U.S. ratification.[79]

[73] Ibid.

[74] For more detail, see USITC, *The Year in Trade: OTAP, 1994,* USITC Publication 2894, July 1995, pp. 61-63.

[75] Finland and Sweden became EU member states in January 1995.

[76] For more detail, see Kathleen S. Lahey, USITC, "World shipbuilding and the status of the OECD agreement to eliminate subsidies," *Industry, Trade, and Technology Review*, USITC Publication 3004, Oct. 1996.

[77] USTR, *2000 Trade Policy Agenda and 1999 Annual Report*, March 2000, pp. 160-165.

[78] U.S. Department of State telegram, "U.S. position on the OECD shipbuilding agreement," message reference No. State 029257, prepared by U.S. Secretary of State, Washington DC, Feb. 18, 1997; "OECD shipbuilding guidance for 3/19 meeting," message reference No. State 049205, Washington DC, March 18, 1999.

[79] U.S. Department of State telegram, "OECD shipbuilding agreement - Germans change course," message reference No. Paris 004987, prepared by U.S. Mission to the OECD, March 5, 1999.

In March 1999, however, the EU reversed its position, having lost support from a majority of EU member states due to falling prices and lack of demand for shipbuilding.[80] In May 1999, the working party met to consider the status of the agreement along with the current trend toward low prices and sharply falling demand in the shipbuilding sector. The chairman reported that the U.S. administration continued to express its strong commitment to passing ratifying legislation for the OECD Shipbuilding Agreement.[81]

[80] U.S. Department of State telegram, "OECD shipbuilding agreement - change in offing," message reference No. Paris 006794, prepared by U.S. Mission to the OECD, March 25, 1999.

[81] OECD, "World shipbuilding industry faces over-capacity, falling prices," press release (99-56), June 2, 1999, Paris, found at Internet address *http://www.oecd.org/news_and_events/release/nw99-56a.htm*, retrieved April 20, 2000.

In December 1999, the working party met again to consider the worsening situation that has led to a severe crisis in the world's shipbuilding industry. The chairman stated that members regretted that the OECD Shipbuilding Agreement had not come into force and recommended that OECD members adhere to principles, most recently reaffirmed by all member countries in 1994, of the Revised General Guidelines for Government Policies in the Shipbuilding Industry that urge governments not to extricate companies from difficulties caused by actions undertaken by shipbuilders themselves.[82]

[82] OECD, "Statement by the Chairman of the Council Working Party on Shipbuilding of the OECD on the meeting held on 16-17 December 1999," found at Inside Washington Publishers, "OECD shipbuilding committee reports on its review of market and policy," *Inside US Trade*, Dec. 17, 1999, found at Intranet address *http://www.insidetrade.com*, retrieved Apr. 21, 2000.

CHAPTER 3
Regional Trade Activities

Regional trade activities were an important component of U.S. trade policy during 1999. The United States participated in activities related to the North American Free Trade Agreement (NAFTA), the Asia Pacific Economic Cooperation (APEC) forum, and to ongoing discussions to initiate the Free Trade Area of the Americas (FTAA).

North American Free Trade Agreement

The North American Free Trade Agreement among the governments of Mexico, Canada, and the United States was implemented January 1, 1994. It contains 22 chapters and 10 annexes, as well as two trilateral side-agreements on environmental and labor issues and two bilateral side agreements between Mexico and the United States.[1] It was the first free trade agreement between developed countries and a developing country. The United States is the largest NAFTA economy, accounting for approximately 86 percent of North America's Gross Domestic Product (GDP). Mexico and Canada each contribute approximately 7 percent of NAFTA GDP, although Mexico has more than twice the labor force of Canada. The United States supplies the largest share of the NAFTA labor force, approximately 70 percent.

U.S. Trade with NAFTA Partners

Trade between the three NAFTA partners grew 63 percent during the first five years of NAFTA, according to a report issued by the U.S.-Mexico Business Council.[2] Canada continues to be the United States' number one trading partner and Mexico has ousted Japan as the United States' second largest trading partner. The value of trade turnover (exports plus imports) between the United States and its NAFTA partners grew at a rate of 17 percent between 1997 and 1999 (table 3-1). U.S. trade with NAFTA partners was $456.1 billion in 1997, rising to $534.4 in 1999. U.S. imports from NAFTA partners accounted for 30 percent of total U.S. merchandise imports in 1999. Exports to NAFTA partners accounted for 35 percent of total U.S. exports in 1999.

The United States exported $81.4 billion in goods to Mexico in 1999, accounting for 13 percent of total U.S. exports (table 3-1). The United States imported $109 billion in goods from Mexico in 1999, accounting for 11 percent of total U.S. imports. The value of U.S. trade with Mexico has been steadily growing, but growth in U.S. imports has outpaced growth in U.S. exports. U.S. imports from Mexico grew at a rate of 28 percent between 1997 and 1999, while growth in U.S. exports to Mexico was 19 percent over the same period.

Mexico's financial problems have contributed to a U.S. trade deficit with Mexico. A year after NAFTA implementation, the Mexican peso was devalued and the Mexican economy experienced a recession.[3] Mexico faced additional economic and financial shocks during the late 1990s, such as a greater than 50 percent decrease in the export price of oil, the Asian financial crisis, and the float of the Brazilian currency. The shock of the Mexican peso crisis, external financial shocks, and a very strong U.S. economy were all factors in the continuing trade deficit with Mexico, which began in 1995.

Canada imported $145.7 billion of goods from the United States in 1999 (table 3-1). Canada exported $198.2 billion of goods to the United States in 1999. Trade with Canada represents approximately 19

[1] NAFTA Secretariat, found at Internet address *http://www.nafta-sec-alena.org*, retrieved March 2, 2000.

[2] *Americas Trade*, vol. 6, no. 2, pp. 20-23, Jan. 28, 1999.

[3] Currency devaluations and economic recessions have the effect of slowing growth in consumption expenditures and imports. The peso was devalued by 50 percent relative to the U.S. dollar in December 1994 and January 1995, making imports from Mexico relatively less expensive for U.S. consumers. The loss in value of the peso reduced the purchasing power of Mexican consumers and made U.S. products relatively more expensive than Mexican-made products.

Table 3-1
U.S. merchandise trade with NAFTA partners, 1997-99

(Billion dollars)

Year	NAFTA partner	Exports	Imports	Trade balance	Two-way trade
1997	Canada	134.8	167.9	-33.1	302.7
	Mexico	68.4	85.0	-16.6	153.4
	Canada and Mexico	203.2	252.9	-49.7	456.1
1998	Canada	137.8	174.7	-36.9	312.5
	Mexico	75.4	93.0	-17.6	168.4
	Canada and Mexico	213.1	267.7	-54.6	480.8
1999	Canada	145.7	198.2	-52.5	344.0
	Mexico	81.4	109.0	-27.6	190.4
	Canada and Mexico	227.1	307.3	-80.1	534.4

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

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

percent of total U.S. imports and 23 percent of total U.S. exports in 1999. The United States maintains a trade deficit with Canada, and although the deficit with Canada has been growing, both economies have enjoyed increasing trade volumes. U.S. exports to Canada increased by 8 percent and U.S. imports from Canada increased 18 percent between 1997 and 1999.

In manufactured goods, much of U.S. trade with its NAFTA partners consists of U.S. exports of components and machinery and imports of assembled or semifinished goods. A significant portion of the U.S. trade deficits with Canada and Mexico consists of the value added in these countries to U.S.-origin parts used in the production of goods destined for the U.S. market. U.S. imports in the energy sector also contributed to the expansion in the U.S. trade deficit with its NAFTA partners in 1999, with the United States importing petroleum, natural gas, and hydroelectric energy from Canada and petroleum from Mexico.

Annual Meeting of the Free Trade Commission

The North American Free Trade Commission held its annual meeting of the Trade Ministers in Ottawa, Canada on April 23, 1999. To commemorate the Fifth Anniversary of the NAFTA, the Commission released a brochure highlighting economic benefits attributed to the agreement. The Commission illustrated the overall growth in employment in the three member states during the first five NAFTA years: 1.3 million jobs in Canada, 2.2 million jobs in Mexico, and 12.8 million jobs in the United States.[4] The Commission discussed chapter 11 investor-state dispute settlement, land transportation issues, and the openness of the NAFTA work program. In the area of border facilitation, the Commission released a report on Trade in Goods under article 316.3 of the NAFTA that addresses movement of goods at the borders; to consider adding actuaries to the list of professionals under the NAFTA temporary entry provisions; and urged that work on technical rectifications to the NAFTA rules of origin be completed by the working group as soon as possible. The Commission agreed to establish working groups on Agricultural Grading and Marketing, and Tariff-Rate-Quota Administration, under to article 2001.3(a) of the NAFTA. The Commission noted a decision by the Committee on Sanitary and Phytosanitary Measures (SPS) to recognize eight new technical working groups (animal health; plant health; dairy, fruits, vegetables and processed food; meat, poultry and egg inspection; pesticides; food additives and contaminants; fish and fishery products; veterinary drugs and feeds). In the area of Alternate Dispute Resolution, the Commission endorsed trilateral work towards establishing a voluntary, industry-driven, private-commercial dispute resolution system for certain perishable agricultural products and the establishment of five industry-led working groups that will implement the dispute resolution system.

[4] "Joint Statement of the Ministers" and Appendix, April 23, 1999, obtained from the Office of the NAFTA and Inter-American Affairs, International Trade Administration, U.S. Department of Commerce, Washington, DC.

NAFTA Upheld in U.S. Federal Court

The constitutionality of the NAFTA was challenged by the United Steelworkers of America, the Made in the USA Foundation, and three individuals. In a case filed in federal court in Alabama on July 13, 1998, the plaintiffs argued that the NAFTA falls under the Treaty Clause of the Constitution, which requires a two-thirds majority approval of Congress. NAFTA was approved in the Congress in 1993 by a 234-to-200 vote in the House of Representatives and a 61-to-38 vote in the Senate.[5] On July 19, 1999 Federal Judge Robert B. Propst of the Northern District Court of Alabama ruled that the Foreign Commerce Clause allows the Executive Branch to negotiate and implement trading agreements that regulate foreign commerce. Therefore, Congressional approval by a simple majority is sufficient for an executive agreement such as the NAFTA to meet the requirements of the U.S. Constitution.[6]

Third Round of Accelerated Tariff Eliminations

A majority of North American tariffs were eliminated upon implementation of the NAFTA on January 1, 1994. The United States and Canada completed tariff reductions as of January 1, 1998, and the United States and Mexico will eliminate most of their bilateral tariffs by January 1, 2003.[7] Remaining bilateral tariffs on some sensitive goods are scheduled for elimination by 2008. In addition to the scheduled tariff reductions, the NAFTA allows negotiations for possible accelerated tariff elimination. The United States Trade Representative (USTR) invited U.S. producers to submit petitions for the third round of accelerated tariff eliminations by July 1, 1999.[8] Producers from at least two NAFTA countries must submit petitions to their respective governments for a particular tariff subheading under the Harmonized Tariff Schedule (HTS) of the United States to be considered for accelerated elimination, unless the equivalent HTS subheading is already duty free under most favored nation treatment or NAFTA by the two nonpetitioning countries. The NAFTA partners negotiate on petition requests to determine which proposed HTS tariff subheadings meet the criteria for accelerated tariff elimination. Following the negotiations, a list of the goods concerned are submitted by the USTR to the U.S. Congress for a 60-day negative clearance. The cleared duty changes are implemented in the United States by Presidential proclamation under the NAFTA Implementation Act of 1993. Two rounds of accelerated tariff eliminations under the NAFTA have been completed, the first round was implemented on July 1, 1997, and the second round was implemented on August 1, 1998.[9] Remaining accelerated tariff elimination rounds for the United States are bilateral negotiations with Mexico, as Canada and the United States have completed bilateral tariff reductions.

Side Agreements on Environment and Labor

The NAFTA includes two trilateral side agreements for environmental and labor issues, the North American Agreement on Environmental Cooperation (NAAEC) and the North American Agreement on Labor Cooperation (NAALC), respectively.

North American Agreement on Environmental Cooperation

The NAAEC is administered by the Commission for Environmental Cooperation (CEC) located in Montreal, Canada, and consisting of the three NAFTA member environmental ministers.[10] In 1999, the CEC released the results of three studies launched in 1997 on the environmental impacts of the NAFTA. The studies established methodology for measuring environmental impacts in the agriculture and energy sectors.[11] One study examined the impact of increased Mexican imports of U. S. corn on small farmers in Mexico. Another study examined cattle feedlots in the United States and Canada. The third study was a trilateral examination of privatization in the electricity generating industry. In 1999, the CEC allocated $993,545 in grants to 28 environmental projects.[12]

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[5] *Americas Trade*, vol. 6, no. 15, pp. 1-2, July 29, 1999.

[6] *NAFTA Works*, vol. 4, issue 7, pp. 1 and 3, July 1999.

[7] *Americas Trade*, Sept. 9, 1999, found at Internet site *http://www.insidetrade.com/sec-cgi/*, retrieved April 19, 2000.

[8] *Federal Register*, vol. 64, no. 102, May 27, 1999.

[9] *Federal Register*, vol. 62, no. 91, May 12, 1997. Federal Register, vol. 63, no. 112, June 11, 1998.

[10] Full text of the environmental side agreement may be found at Internet site *www.sice.oas.org/tradee.asp#NAFTA*.

[11] *Americas Trade*, vol. 6, no. 7, pp. 10-11, April 8, 1999.

[12] Commission for Environmental Cooperation, found at Internet address *http://www.cec.org/grants*, retrieved April 12, 2000.

The grants covered all four CEC program areas with 28 percent of funds going to projects on environment, economy and trade; 51 percent to conservation of biological diversity; 14 percent to pollution and health; and 7 percent allocated to projects on law and Policy. Three of the 1999 funded projects are trilateral and 14 projects are bilateral (Mexico-United States and Canada-United States).

Discussions were held in 1999 about the possibility of altering the process under which citizens and other interested parties within the three countries may file written environmental complaints against their governments with the North American Commission for Environmental Cooperation under article 14 of the NAAEC and the process by which these complaints are handled under article 15 of the agreement.[13] Future issues on implementing articles 14 and 15 will be referred to the Council's Joint Public Advisory Committee.

The confidentiality clause of the NAAEC has been invoked by the Government of Mexico in a case filed with the CEC. The case was filed in 1998 against the Government of Mexico by citizens groups in the United States and Mexico, regarding hazardous waste left behind by a U.S.-owned lead-smelting plant operating in Tijuana, Mexico. This is the first case filed with the CEC in which Article 39 of the NAAEC has been invoked. The confidentiality clause is intended to protect information if it would disclose business proprietary information, government decision making, or hinder environmental law enforcement.[14]

Other NAFTA-related institutions sponsored infrastructure projects for the U.S.-Mexican border region in 1999. Plans for a $20 million wastewater project were unveiled at the third United States-Mexico Border Infrastructure Conference held June 2-3, 1999 in Tijuana, Mexico. The project will be partially financed through the North American Development Bank (Nadbank). The binational project will improve water quality entering the Pacific Ocean near the United States-Mexican border. The Nadbank and its sister institution, the Border Environment Cooperation Commission, were established by a binational side agreement between Mexico and the United States. The Nadbank provides funds for projects certified by the Cooperation Commission, and the Nadbank also assists in obtaining project funds for border communities from other sources.[15]

Environmental groups sent a letter to environmental ministers attending the annual CEC ministerial meeting in Banff, Canada, June 27-29, 1999. The groups were requesting review of procedures for safeguarding national sovereignty of environmental laws under the NAAEC. Concern arose over an investor-state dispute filed by the Methanex Corporation of Canada against the United States protesting California legislation banning the use of a gasoline additive, MTBE.[16] Article 10(6) of the NAAEC requires the environmental ministers of the NAFTA member states to cooperate with the trade ministers of the NAFTA Free Trade Commission in providing assistance between parties in dispute over NAFTA environmental issues. The Methanex Corporation petition is the first investor-state dispute filed under chapter 11 of NAFTA to grab public attention on potential conflicts between chapter 11 and environmental mandates under the NAAEC.

North American Agreement on Labor Cooperation

The North American Agreement on Labor Cooperation (NAALC) was enacted to improve labor conditions in North America through trilateral cooperation by providing a mechanism for resolving labor disputes and by preventing distortions in labor markets as a result of the agreement.[17] The NAALC

[13] See Joint Public Advisory Committee to the North American Commission for Environmental Cooperation, "JPAC Bulletin: JPAC to Ensure Public Involvement in CEC Citizen Submission Process," Montreal, Quebec, release issued June 27, 2000, found at Internet address *http://www.cec.org/news/annnounce/Data.cfm?varlan=english&vardate=60&unique_no=274*, retrieved July 13, 2000; Council, North American Commission for Environmental Cooperation, "Final Communique: CEC Council Session in Dallas June 2000," found at Internet address *http://www.cec.org/news/annnounce/Data.cfm?varlan=english&vardate=60&unique_no=272*, retrieved July 13, 2000; and Carla Sbert, legal officer, submissions on enforcement matters unit, Secretariat, North American Commission for Environmental Cooperation, Montreal, Quebec, July 13, 2000. The CEC's Council, which consists of the environmental ministers of the three NAFTA parties, resolved the issue in June 2000 after nongovernmental organizations and the public showed significant support for maintaining the current process that is detailed in the environmental side accord.

[14] *Americas Trade*, vol. 6, no. 12, pp. 3-4, June 17, 1999.

[15] McFadyen, J. "NAFTA supplemental agreements: four year review," Institute for International Economics, Working paper 98-4, 1998, found at Internet address *http://www.iie.com/*, retrieved August 11, 1999.

[16] *Americas Trade*, vol. 6, no. 13, pp. 4-6, July 1 1999.

[17] McFadyen, J. "NAFTA supplemental agreements: four year review", Institute for International Economics, Working paper 98-4, 1998, found at Internet site *http://www.iie.com/*, retrieved August 11, 1999. A full text of the labor side agreement may be found at Internet site *http://www.sice.oas.org*.

established the Commission for Labor Cooperation, which is governed by the labor ministers from the three member countries.[18] Each member government established a National Administrative Office (NAO) within its labor ministry.

The Canadian NAO completed an investigation into worker conditions at a brake assembly plant in Mexico. In a report released on March 12, 1999, the Government of Mexico was cited for possible violation of the NAALC. The complaint was filed by nongovernmental agencies in Canada and the United States in regard to Mexican workers' labor rights violations, and health and safety at the plant. Under the NAALC, violations of labor rights can be addressed in ministerial consultations. In October 1998, the labor ministers of Mexico, Canada, and the United States met for consultations on this case. The first half of the Canadian NAO report was released on December 11, 1998, citing the Mexican government for failing to uphold its labor laws on freedom of association, private labor elections, and protection of independent union members.[19] The second half of the report, released this year, includes safety and health violations, which can lead to sanctions. The NAOs have the authority to impose sanctions, not to exceed $20 million, and an additional amount not to exceed .007 percent of total trade in goods and services between the disputing parties.[20]

The AFL-CIO called upon the U.S. government to change the labor provisions under the NAFTA. The AFL-CIO requested that labor standards disputes have the same weight in the NAFTA as business dispute settlement provisions.[21] The AFL-CIO asserts that trade and investment agreements lead to reduced wages and deteriorating working conditions in the United States.[22]

The NAFTA labor side agreement has also come under fire from a management advocacy group. The petition filed at the Canadian NAO complained that the U.S. National Labor Relations Act (NLRA) is in violation of Article 1.b and Annex 1.9, as well as Articles 2, 3, and 5 of the NAFTA labor side agreement. The issue revolves around a claim by the Labor Policy Association that the NLRA prohibits nonunion workers from participating in worker-management organizations. A similar labor case was submitted to the U.S. NAO under Article 2 of the NAALC by unions and nongovernmental agencies in Mexico, Canada, and the United States on behalf of Canadian rural postal workers. The petitioners claim that the Canadian Post Corporation Act is in violation of the Canadian Labour Code. The case was rejected by the U.S. NAO on February 1, 1999, on the grounds that the NAALC is in place to ensure enforcement of national labor laws, not to change them.[23] The petitioners submitted an appeal to the U.S. NAO dismissal of the case.[24]

Dispute Settlement

The NAFTA Secretariat maintains national sections in each of the member countries and administers NAFTA provisions for dispute settlement under chapters 14 (financial sector), 19 (commercial disputes), and 20 (other general disputes) of the agreement, as well as certain responsibilities under chapter 11(investor-state disputes).[25] For example, under chapter 19, final antidumping and countervailing duty determinations made by government agencies[26] in each member country may be appealed by private parties to their national sections of the NAFTA Secretariat. For a dispute settlement, a binational panel is formed consisting of five members, two from each country involved in the dispute, and one determined by mutual agreement.[27] There have been complaints by U.S. companies of time delays in appointing panels in some appeals, resulting in criticism of the NAFTA dispute settlement mechanism.[28]

[18] Commission for Labor Cooperation, North American Agreement on Labor Cooperation, found at Internet address *http://www.naalc.org,* retrieved August 8, 1999.

[19] *Americas Trade*, vol. 6, no. 2, pp. 8-9, Jan. 28 1999.

[20] *Americas Trade*, vol. 6, no. 6, pp. 10-11, March 25, 1999.

[21] Primarily at issue is the bilateral cross-border trucking agreement between the United States and Mexico. Other aspects of the trucking dispute are discussed in chapter 4 of this report.

[22] *Americas Trade*, vol. 6, no. 4, pp. 16, Feb. 25, 1999.

[23] *Americas Trade*, vol. 6, no. 8, pp. 20-21, April 22, 1999.

[24] *Americas Trade*, vol. 6, no. 5, pp. 9-11, March 11, 1999.

[25] NAFTA Secretariat, found at Internet address *http://www.nafta-sec-alena.org*, retrieved March 2, 2000.

[26] In the United States, antidumping and countervailing duty determinations are made by the U.S. Department of Commerce, and injury determinations are made by the U.S. International Trade Commission. In Canada, final antidumping and countervailing duty determinations are made by Revenue Canada (Customs and Excise) and injury determinations are made by the Canadian International Trade Tribunal. In Mexico, antidumping, countervailing duty, and injury determinations are made by the Secretaria de Comercio y Fomento Industrial (SECOFI).

[27] *Americas Trade*, vol. 6, no. 1, pp. 10-12, Jan. 14, 1999.

[28] *Americas Trade*, Sept. 9, 1999, found at Internet site *http://www.insidetrade.com/sec-cgi/*, retrieved April 19, 2000.

The NAFTA Secretariat received 10 new cases of commercial disputes under chapter 19 in 1999.[29] One case seeks a review of an injury determination by the Canadian International Trade Tribunal on certain hot-rolled carbon steel plate originating in or exported from Mexico. Two cases were submitted for review of antidumping determinations by the Secretaria de Comercio y Fomento Industrial (SECOFI) in Mexico concerning imports of hot rolled steel sheet originating in the United States and imports of rolled steel plate originating in the United States. Both of the Mexican antidumping cases were terminated with no decision issued by the binational panel of experts. Seven cases were submitted in 1999 to review United States antidumping and countervailing determinations. Four of the cases were U.S. antidumping determinations by the Department of Commerce on certain corrosion-resistant carbon steel flat products from Canada, certain cut-to-length carbon steel plate from Canada, gray portland cement and clinker from Mexico, and porcelain-on-steel cookware from Mexico. Three chapter 19 cases reviewing U.S. determinations were terminated in 1999 with no decision issued. One of these addressed U.S. countervailing duties on live cattle from Canada; one regarded a U.S. injury determination on live cattle from Canada; and another addressed a U.S. determination of sale at less than fair value of stainless steel round wire from Canada.

NAFTA chapter 11 allows investors to pursue claims against a NAFTA government for breach of investment obligations. Three investor-state dispute cases were filed in 1997, two in 1998, and four in 1999.[30] Two of the 1999 Chapter 11 submissions were filed against the United States by Canadian investors. One dispute involved $50 million[31] and another involved approximately $970 million.[32] U.S. investors filed a claim against the Mexican government for $50 million[33] and against the Canadian government for approximately $500 million.[34] For the first time since NAFTA implementation, a chapter 11 case was determined by an international arbitration panel, which was constituted on July 9, 1997 and reached its decision on November 1, 1999.[35] The panel returned a unanimous decision for no damages. The U.S. plaintiff had claimed a $14 million investment loss when a Mexican municipal government nullified a waste collection concession to the company.[36] The international panel stated that “NAFTA does not ... allow investors to seek international arbitration for mere contractual breaches.”[37] The NAFTA Secretariat cannot require member governments to change domestic laws; but, it can force reparation payments for laws that result in violations of NAFTA.[38]

Chapter 20 dispute settlement cases filed with the NAFTA Secretariat to review U.S. agency determinations include broomcorn brooms exported from Mexico, NAFTA cross-border trucking and investment, and cross-border bus services.[39] Chapter 20 dispute settlement cases filed against Canadian agency determinations include salmon fishing rights and Canadian magazine trade regulations.[40]

Asia-Pacific Economic Cooperation

During 1999, APEC continued to focus its efforts on trade liberalization and showing support for the WTO. Seven ministerial meetings were held during 1999. New Zealand held the chairmanship of APEC and hosted the eleventh annual APEC Ministerial and Leaders’ meeting in Auckland in September 1999.

APEC Support for the WTO

With the WTO Ministeral scheduled shortly after their September meeting, APEC leaders gave strong support to the launching of a new WTO round of multilateral trade negotiations. APEC leaders noted the importance of ensuring full implementation of existing

[29] NAFTA Secretariat, found at Internet address *http://www.nafta-sec-alena.org*, retrieved March 2, 2000.

[30] This information was obtained from the Office of NAFTA and Inter-American Affairs, International Trade Administration, U.S. Department of Commerce, Washington, DC., March 6, 2000.

[31] Mondev International Ltd. (Canada) versus the United States. The claim was submitted on Sept. 20, 1999.

[32] Methanex (Canada) versus the United States. The claim was submitted in December 1999.

[33] Marvin Roy Feldman Karpa (United States) versus Government of Mexico. The claim was submitted on May 27, 1999.

[34] Pope and Talbot (United States) versus Canada. The claim was submitted in March 1999.

[35] *NAFTA Works*, vol. 4, issue 11, p. 3, November 1999.

[36] Robert Azinian and others (United States) versus Government of Mexico. The claim was submitted on March 24, 1997. The nullification of the concession has discouraged further U.S. investment in both solid waste and waste water treatment facilities in Mexico. ITC staff interview with Paul Ganster, Director, Institute for Regional Studies of the Californias, San Diego State University, May 7, 2000.

[37] *NAFTA Works*, vol. 4, issue 11, p. 3, November 1999.

[38] Information obtained from the Services and Investment Division, Office of Industries, U.S. International Trade Commission, Washington, D.C.

[39] NAFTA Secretariat, found at Internet site *http://www.nafta-sec-alena.org*, retrieved March 3, 2000.

[40] Some individual dispute settlement cases are discussed in chapter 4 of this report, in the sections on Mexico and Canada.

agreements. They also agreed that the new round should include comprehensive market access negotiations on industrial tariffs and that it should lead to timely and effective improvements in market access. APEC leaders also urged that a new round provide enough scope to review and strengthen rules and disciplines, have a balanced and sufficiently broad-based agenda, and that negotiations be concluded within three years.[41] The leaders supported the abolition of agricultural export subsidies and unjustifiable export prohibitions and restrictions. Support was also expressed for early progress in the accession negotiations to the WTO, notably for China.[42] APEC leaders agreed to extend the current moratorium on customs duties on electronic commerce and to finalize the details and begin implementation of a completed agreement on the eight accelerated tariff liberalization sectors on a provisional basis.[43] APEC ministers agreed that liberalization should be pursued in upcoming WTO negotiations in five other sectors—fertilizer, civil aircraft, rubber, oilseeds, and food.[44]

Individual Action Plans

APEC continued its work on Individual Action Plans (IAPs) by implementing a 1998 agreement to review overall progress of the IAPs in 1999.[45] At the Auckland Ministerial, APEC ministers reaffirmed the central role of the IAPs in APEC's trade liberalization, facilitation and reform process. APEC ministers agreed that the 1999 review showed that progress had occurred on the IAPs in each of the areas covered under the Osaka Action Agenda. As part of these improvements, 18 members implemented significant tariff reductions, 12 made improvements in reducing non-tariff measures; 17 liberalized their investment regimes; and 18 reported improvements in competition policy and deregulation.[46]

Despite the progress made, APEC ministers also agreed that the IAPs could be improved in terms of transparency, by developing: 1) guidelines for members to meet Bogor Declaration[47] goals, and 2) a means by which the Osaka Action Agenda guidelines could be better defined.[48] APEC ministers directed the Committee on Trade and Investment to take a leading role in conducting the work program on the IAPs in conjunction with the review of the Collective Action Plans.

During 1999, the United States, Australia, Brunei Darussalam, Japan, and the Philippines submitted IAPs for peer review by other APEC members. Five APEC members, including Indonesia, Mexico, Peru, Singapore, and Thailand, offered to submit their IAPs for peer review during 2000.[49]

Other APEC Activities

APEC leaders endorsed the work of the finance ministers and encouraged their work in enhanced supervision of financial markets, in developing domestic bond markets, and in developing and applying agreed corporate governance principles. All of these efforts were viewed as important in light of the recent financial crisis in Asia. The APEC finance ministers were instructed to pursue greater links with other APEC fora.[50] APEC economic ministers had agreed to a road map that sets out future work by APEC to strengthen markets in the region. Both the ministers and the leaders agreed to individual and collective implementation of the "APEC Principles to Enhance Competition and Regulatory Reform."[51]

In the area of economic and technical cooperation, APEC ministers agreed to strengthen APEC's efforts by establishing an Ecotech Clearing House to enhance information flows and welcomed numerous other initiatives in this area.[52]

[41] APEC, "APEC Economic Leaders' Declaration," Auckland, New Zealand, Sept. 13, 1999 and USTR, "Statement of United States Trade Representative Charlene Barshefsky at the Conclusion of the APEC Ministerial Sessions in Auckland, New Zealand, " press release no. 99-73, Sept. 10, 1999.

[42] APEC, "APEC Economic Leaders' Declaration," Auckland, New Zealand, Sept. 13, 1999.

[43] The eight sectors are chemicals, forest products, medical equipment and scientific instruments, environmental goods, energy, fish, gems and jewelry, and toys. USTR, "Statement of United States Trade Representative Charlene Barshefsky at the Conclusion of the APEC Ministerial Sessions in Auckland, New Zealand," press release no. 99-73, Sept. 10, 1999.

[44] USTR, "APEC Advances Global Trade Liberalization," press release no. 99-53, June 30, 1999.

[45] For background information on the IAPs, see USITC, *The Year in Trade: OTAP, 1995*, USITC publication 2971, August 1996, pp. 37-38 and USITC, *The Year in Trade: OTAP, 1996*, USITC publication 3024, April 1997, pp. 75-78.

[46] APEC, "Eleventh APEC Ministerial Meeting, Joint Statement," Auckland, New Zealand, Sept. 9-10, 1999.

[47] For information on the Bogor Declaration, see USITC, *The Year in Trade: OTAP, 1994*, USITC publication 2894, July 1995, pp. 35-39.

[48] Ibid.

[49] Ibid.

[50] APEC, "APEC Economic Leaders' Declaration," Auckland, New Zealand, Sept. 13, 1999.

[51] APEC, "APEC Economic Leaders' Declaration," Auckland, New Zealand, Sept. 13, 1999 and "Eleventh APEC Ministerial Meeting," Auckland, New Zealand, Sept. 9-10, 1999.

[52] "Eleventh APEC Ministerial Meeting," Auckland, New Zealand, Sept. 9-10, 1999.

With regard to e-commerce, APEC ministers also encouraged economies to take advantage of the self-assessment tool for e-commerce, directed officials from member economies to develop effective data and indicators of e-commerce uptake, instructed officials from member economies to initiate work on consumer protection, and directed officials to develop an APEC-wide plan to support use of e-commerce by small and medium enterprises. Ministers instructed officials to increase their efforts to achieve the targets stipulated in the Blueprint for Action on Electronic Commerce.[53]

Future Meetings

The 12th APEC Ministerial and Eighth Leaders' meetings will be held in Brunei Darussalam in November 2000. China will host the 13th Ministerial meeting; Mexico the 14th meeting; Thailand the 15th meeting and Chile the 16th meeting.[54]

Free Trade Area of the Americas

At the December 1994 First Summit of the Americas in Miami, Florida (the Miami Summit), the 34 democratically elected heads of state of the Western Hemisphere committed to form a Free Trade Area of the Americas (FTAA) and to complete negotiations for the agreement by 2005. The leaders at the Miami Summit also committed to achieve substantial progress toward building the FTAA by 2000.[55]

There are three key components of the FTAA process. They are:

S The trade ministers of the Western Hemisphere, who have developed the overall work plan for the FTAA;

S The 12 FTAA Working Groups established by the trade ministers that are gathering and compiling information on the current status of trading relations in the Hemisphere. These groups have been transformed into nine negotiating groups.

S The vice ministers of trade of the Western Hemisphere, who coordinate the efforts of the negotiating groups and make policy recommendations to the trade ministers.

After nearly four years of preliminary discussions and preparatory work addressing such issues as the compatibility of the FTAA with existing or new subregional economic groupings, the role of input from labor, and the phasing and scope of the negotiations, the heads of state of the Western Hemisphere announced the commencement of formal negotiations for the FTAA in Santiago, Chile, at the Second Summit of the Americas (Santiago Summit) in April 1998.[56]

Structure and Venue of FTAA Negotiations

Chairmanship

The structure of the FTAA negotiations was established at the fourth meeting of the Hemisphere's trade ministers in March 1998 at San José, Costa Rica.[57] It was agreed that the overall FTAA process was to have a chairman and vicechairman, with the chairmanship rotating among different countries every 18 months, or at the conclusion of each ministerial meeting. The countries (chairman/vicechairman) so designated and the respective periods of their designation are Canada/Argentina (May 1, 1998–October 31, 1999); Argentina/Ecuador (November 1, 1999–April 30, 2001); Ecuador/Chile (May 1, 2001–October 31, 2002); and Brazil–United States joint chairmen with no vice-chairman (November 1, 2002–December 31, 2004, or until the conclusion of the negotiations).

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[53] Ibid. For additional explanation, see USITC, *The Year in Trade: OTAP, 1998*, USITC publication 3192, May 1999 p. 48.

[54] Ibid.

[55] The commitments made at the Miami Summit were published in the Declaration of Principles and Plan of Action, reprinted in *Business America*, December 1994, pp. 10-13. The complete text is also posted at the official FTAA website, found at Internet address *http://www.ftaa-alca.org/EnglishVersion/view_e.htm*. This series of reports has summarized key events related to the FTAA.

[56] The complete text of the Santiago Summit Joint Declaration is posted at the official FTAA website, found at Internet address *http://www.ftaa-alca.org/EnglishVersion/view_e.htm*.

[57] The complete text of the Declaration of Ministers of the San Jose Ministerial is posted at the official FTAA Website, found at Internet address *http://www.ftaa-alca.org/ministerials/costa_e.asp*, retrieved on July 12, 2000.

Negotiating Groups

The fourth ministerial meeting established nine FTAA negotiating groups where substantive talks will occur.[58] The negotiating groups will address (1) market access; (2) investment; (3) services; (4) government procurement; (5) dispute settlement; (6) agriculture; (7) intellectual property rights; (8) subsidies, antidumping, and countervailing duties; and (9) competition policy. The meetings of the negotiating groups are to rotate among the following three locations: Miami, United States (May 1, 1998–February 28, 2001); Panama City, Panama (March 1, 2001–February 28, 2003); and Mexico City, Mexico (March 1, 2003–December 31, 2004, or until the conclusion of the negotiations).

In addition to the negotiating groups, the fourth ministerial meeting also established three special committees to address specific issues of interest to the FTAA countries. A committee on civil society is to seek the views of all segments of society, such as business, labor, consumers, environmental interests, academics, and others. A joint private-public-sector committee on electronic commerce is to recommend ways to expand the Hemisphere's electronic marketplace. A consultative group chaired by Jamaica is to work to ensure the full participation of smaller economies in the FTAA process.

Trade Negotiations Committee and Tripartite Committee

The fourth ministerial meeting established a Trade Negotiations Committee (TNC) at the vice-ministerial level to oversee the FTAA negotiations.[59] The TNC is to guide the work of the negotiating groups, decide on the overall architecture of the agreement and institutional issues, and ensure the full participation of all the countries in the FTAA process.

The Tripartite Committee—comprising the Inter-American Development Bank, the Organization of American States, and the United Nations Economic Commission for Latin America and the Caribbean—provides analytical, technical, and financial support for the FTAA process. The Tripartite Committee manages the FTAA Internet website,[60] coordinates technical assistance, and maintains a calendar of deadlines established by the negotiating groups for inputs from delegations.

[58] Ibid.
[59] Ibid.
[60] The FTAA website is found at: *http://www.ftaa-alca.org/default.asp*.

Status of the Negotiations

At the fifth ministerial meeting, held in Toronto in November 1999, the trade ministers reviewed the work of the negotiating groups. For that meeting, the nine negotiating groups had prepared annotated outlines of the issues ultimately to be addressed in the negotiations. These outlines ultimately are to be formulated as chapters of the final FTAA agreement.

In their joint declaration at the conclusion of the fifth ministerial meeting, the ministers directed the negotiating groups to prepare and deliver to the TNC, based on their annotated outlines, draft text of their respective chapters, in time for the next ministerial meeting to be held April 2001 in Argentina.[61] The draft text is to be "comprehensive in scope" and is to contain the text on which consensus was reached as well as, within brackets, text on which consensus could not be reached. The ministers also directed the TNC to examine the ways in which the differences in the levels of development and size of the economies in the Hemisphere could be treated in the FTAA negotiations. To prepare for the April 2001 ministerial meeting, the TNC was directed to hold at least three meetings before April 30, 2001; the first of those meetings was held in Guatemala in April 2000.

Business Facilitation

Since the formal launch of FTAA negotiations, ministers have strived to achieve tangible and periodic results from the FTAA process to prevent any loss in momentum of the negotiations. Maintaining momentum for the FTAA process is important because a number of factors have been at work to slow that momentum. For example, some FTAA participants believe that the United States will not make its best negotiating offers until fast-track authority is approved. In addition, there were concerns that political and economic shocks in several Latin American countries might derail the FTAA process. Some of these shocks included Chile's 1998 economic recession; Ecuador's protracted economic downturn, removal of the President, and military coups; and Brazil's late 1998 economic crisis followed by a currency devaluation.

One area that has received significant attention is that of "business facilitation"—measures to expedite and facilitate trade and investment, including information gathering and dissemination and customs harmonization. It is envisioned that such measures will

[61] The complete text of the Declaration of Ministers of the Toronto Ministerial is posted at the official FTAA website, found at Internet address *http://www.ftaa-alca.org/ministerials/minis_e.asp*, retrieved on July 12, 2000.

reduce transaction costs and create a more consistent and predictable business environment. Ministers agreed at the fifth ministerial to implement a number of specific business facilitation measures effective January 1, 2000. Among those measures, the ministers agreed to—

- establish new or streamline existing customs procedures for the entry of and suspension of duties on goods related to business travel;
- institute procedures to expedite express shipments;
- establish simplified procedures for low-value shipments;
- harmonize commodity description and coding systems; and
- establish a code of conduct for customs officials.[62]

Civil Society

One significant unresolved issue in the FTAA process is how to involve nongovernmental labor and environmental interests (civil society) and to gain their support for the negotiations. At the fifth ministerial, the ministers reaffirmed their commitment to the principle of transparency in the negotiating process and to conduct negotiations in such a manner as to broaden public understanding and support for the FTAA. The ministers established a Committee of Government Representatives on the Participation of Civil Society to obtain input from nongovernmental groups on trade matters relevant to the FTAA through written submissions.[63]

Electronic Commerce in Regional Trade

At the fifth ministerial, the Joint Government-Private Sector Committee of Experts on Electronic Commerce was directed to continue its work to develop recommendations on broadening the benefits of e-commerce. It was decided that the committee retain its status as a non-negotiating group. The committee has met on several occasions and has considered such issues as consumer protection, privacy protection, implications of e-commerce for domestic taxation, implications for small and medium-size businesses, criminal and civil responsibilities, and digital security, encryption, and authentication.[64]

Multilateral Issues

Ministers at the fifth ministerial reaffirmed their commitment to a global rules-based trading system under the WTO. They stated their objective of reaching an agreement, during the next WTO Multilateral Negotiations on Agriculture, on the elimination of export subsidies on agricultural products. They also agreed to work towards the creation of disciplines on trade-distorting practices and measures in the next WTO negotiations on agriculture.[65]

[62] Ibid.

[63] Ibid.

[64] Ibid.

[65] Ibid.

CHAPTER 4
U.S. Relations With Major Trading Partners

This chapter reviews bilateral trade relations and issues with eight major U.S. trading partners during 1999: Canada, the European Union, Mexico, Japan, China, Taiwan, Korea, and Brazil. Appendix tables A-1 to A-24 provide detailed information on U.S. trade with these partners.

Canada

The trading relationship between the United States and Canada is governed by NAFTA. The bilateral phase out of duties was completed on January 1, 1998. This provided duty-free status for the majority of goods originating in the United States and Canada.[1]

U.S. trade with Canada increased in 1999. U.S. exports, totaling $145.7 billion, increased $8 billion from 1998, while U.S. imports from Canada totaled $198.2 billion, an increase of $24 billion from 1998. The merchandise trade deficit with Canada increased by over $15 billion from 1998 to 1999 to $52.5 billion. U.S.-Canadian trade data are shown in tables A-1, A-2, and A-3.

The volume of trade between the two countries makes it the largest trading relationship in the world. Even a free trade agreement, however, will not resolve all bilateral trade difficulties; a certain number of issues will inevitably receive substantial attention and be considered significant. Among such issues in 1999 were the continuing dispute involving United States split-run magazines sold in Canada,[2] previously adjudicated through the dispute-settlement mechanism of the WTO, and the issue of Pacific salmon.[3]

Magazines

The issue of split-run magazines—U.S. publications with a Canadian version, printed in the United States for distribution and sale in Canada, such as *Sports Illustrated Canada*—has been a bilateral concern for some time following a United States complaint to the WTO in 1996, and a ruling in favor of the United States in 1997.[4] At issue was the amount of advertising space within the Canadian versions of these publications that could be aimed primarily at the Canadian market and whether Canadian tax law discriminated against foreign publishers; also under dispute were Canadian foreign investment rules for the periodicals industry.

Canadian officials announced in July 1998 detailed actions that would bring their policy on periodicals into conformity with the WTO ruling. The legislation to enact the needed changes was Bill C-55, the Foreign Publishers Advertising Services Act (FPASA), introduced into the House of Commons in October 1998. The United States opposed the legislation, claiming that it perpetuated the previous law.[5] The measure was scheduled to be considered by the Canadian Parliament in February 1999.[6]

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[1] Duty-free status exists for most bilaterally traded goods, except for certain supply-managed products in Canada and dairy, sugar, peanuts, and cotton in the United States. The U.S.-Canada Free Trade Agreement (CFTA) was signed in 1988 and allowed for successive duty reductions over a 10-year period. It entered into force in January 1989. January 1, 1994, marked the entry into force of the North American Free Trade Agreement (NAFTA). The timetable for duty reductions and most of the terms of the CFTA were incorporated into NAFTA.

[2] For an-in-depth description of previous events in United States - Canadian trade relations, see USITC, *The Year in Trade: Operation of the Trade Agreements Program (OTAP), 1998*, 50th report, USITC publication 3192, May 1999, pp. 57-61.

[3] "Split-run magazines are periodicals sold both in Canada and abroad, in which the Canadian editions contain advertisements directed at a Canadian audience." USTR, "United States Prevails in WTO Case Challenging Canada's Measures Restricting Magazine Exports," press release 97-22, Mar. 14, 1997.

[4] For an in-depth description, see USITC, *The Year in Trade: OTAP*, 50th report, USITC publication 3192, May 1999, pp. 58.

[5] Ibid.

[6] U.S. Department of State telegram, "Magazine Bill Will Not Pass in 1998," message reference No. 4334, prepared by U.S. Embassy, Ottawa, Dec. 3, 1998.

1999 Developments

In January 1999, Canadian Heritage Minister Sheila Copps invited the U.S. Ambassador to Canada to forward proposals for a resolution of the magazine dispute. Ambassador Gordon proposed that the two governments engage in "good faith discussions" regarding the C-55 legislation.[7] On January 29, the United States and Canada held talks,[8] and in early February the Canadian House of Commons delayed debate on Bill C-55 until March 11, 1999. This, coupled with the February 10 amendment to C-55 by Minister Copps allowing implementation of C-55 to be delayed after passage, permitted negotiations to continue without the immediate threat of C-55 implementation.[9]

On March 15, 1999, the Canadian House of Commons passed Bill C-55, the Foreign Publishers Advertising Services Act. Despite the passage, Heritage Minister Copps said that she would be willing to propose amendments to the bill in the Senate if a bilateral agreement with the United States was reached. She added that she would only propose C-55 amendments that "respected the basis of the bill," adding that changes "must hinge on the concept of majority Canadian content."[10]

The bill then went on to the Senate for first and second readings and was ultimately sent to The Senate Committee on Transport and Communications for review.

On May 11, Minister Copps testified that if bilateral talks could establish an agreement with the United States, she would introduce appropriate amendments before Parliament. She acknowledged to the press that U.S. negotiators had provided useful ideas and hinted that the two sides were close to an agreement.[11] The committee delayed clause-by-clause consideration[12] of the bill in order to receive testimony from the Trade Minister. It was assumed at the time that the delay was a good faith effort by Canada to allow more time to settle the dispute over C-55 bilaterally.[13]

On May 26, the Canadian and United States governments reached an agreement on the split-run magazine dispute. "Under terms of the agreement, U.S. magazines exported to Canada will be able to carry 12 percent of total ad space with advertising aimed primarily at the Canadian market-something C-55 as originally proposed would have prohibited entirely," the Office of the USTR noted.[14] This 12 percent, or de minimis level, would increase after 18 months to 15 percent, and would increase again to 18 percent after 36 months.

Canada also has agreed to modify its Income Tax Act so as not to discriminate against foreign publishers. Before this agreement, companies operating in Canada were not allowed to take the standard business deduction if they advertised in foreign-owned publications. Under the bilateral agreement, Canada will remove any nationality requirement for the standard business deduction within one year. Furthermore, Canadian advertisers will be allowed to place advertisements in any magazine, whether it is Canadian or split-run. Canadian advertisers also will be allowed to take a tax deduction of 50 percent for advertising costs in publications with zero to 79 percent original Canadian editorial content. Advertisers will be able to take a tax deduction of 100 percent of advertising costs in publications with more than 80 percent original Canadian editorial content.[15] This concept of original editorial content is significant because split-runs will have Canadian content in addition to, or in place of, the original foreign content.

Canada also agreed to relax its foreign investment regulations concerning the periodicals industry. Canada will allow 51 percent foreign ownership in a business, up from 25 percent, within 90 days and will permit foreign investors to own 100 percent of a periodical publishing business after one year. Under the agreement, Canada will set up a fund to help its domestic magazine industry compete with new foreign competition and will continue its postal subsidy in a modified form. In return, the United States has agreed to not take any additional action under the WTO, or under NAFTA or section 301.[16] The agreement does provide, however, for annual discussions at the request

[7] *Washington Trade Daily*, January 26, 1999.

[8] "Magazines: Canada, U.S. Exchange Proposals in Start of Talks Over Magazine Advertising Dispute," *BNA International Trade Daily*, Bureau of National Affairs, art. No. 60321003, February 1, 1999.

[9] U.S. Department of State telegram, "Bill C-55 on Split-Run Magazines: Update," message reference No. 00544, prepared by U.S. Embassy, Ottawa, Feb. 16, 1999.

[10] U.S. Department of State telegram, "Split-Run Magazines Bill Passes House of Commons," message reference No. 000888, prepared by U.S. Embassy, Ottawa, March 16, 1999.

[11] U.S. Department of State telegram, "Magazines: Heritage Minister Hints at Resolution," message reference No. 01627, prepared by U.S. Embassy, Ottawa, May 1999.

[12] Clause-by-clause consideration is the phase in which amendments to bill may be proposed.

[13] U.S. Department of State telegram, "Magazines: Heritage Minister Hints at Resolution," message reference No. 01627, prepared by U.S. Embassy, Ottawa, May 1999.

[14] USTR, "United States and Canada Resolve 'Periodical' Differences," press release 99-46, May 26, 1999.

[15] Ibid.

[16] Ibid.

of either Canada or the United States and allows either side to withdraw from the agreement with 90 days' notice. In this event, conditions may return to what they were before the agreement took effect.[17] FPASA received royal assent in Canada on June 17 and entered into force between the United States and Canada on July 1. The final development in the magazine story for 1999 took place on December 16 when Minister Copps announced the inception of a magazine subsidy program authorized in the May agreement. The fund would provide C$150 million to the magazine industry spread over three years, subject to subsequent renewal. The fund would be accessible only to Canadian-owned and controlled magazines that had a minimum of 80 percent Canadian content.[18]

Pacific Coast Salmon

The United States Pacific salmon fishery is based in the Pacific Northwest (Washington, Idaho, and Oregon) and Alaska. It is situated mostly in the Pacific Ocean, but also encompasses the Columbia, Snake, and other rivers.[19] The fishery is shared with Canada, and is supported in part by salmon runs from the Fraser and other river systems in British Columbia and the Yukon. The bulk of the Pacific salmon fishery consists of five species: chinook or king, sockeye or red, pink, chum, and coho or silver.[20] Several subspecies of salmon are classified by the United States as "endangered" or "threatened" under the Endangered Species Act (16 U.S.C. 1531-1543, Public Law 93-205), which is administered in part by the National Marine Fisheries Service of the U.S. Department of Commerce.[21] The shared cross-border nature of the fisheries has made salmon a long-standing concern between the United States and Canada.

The Pacific Salmon Treaty was created in 1985 after 15 years of negotiations to provide a guideline for conservation, prevent overfishing, and to provide an equitable harvest of salmon stocks through strict limits to ensure that salmon takings by the two countries were balanced. The treaty also created a binational Pacific Salmon Commission to regulate salmon fishing within 200 miles of the coast, but the treaty did not contain a dispute resolution mechanism.[22] The treaty was effective for the early years of the agreement, "but became outmoded after 1992, when the original fishing arrangements expired."[23] Until the new agreement was reached, the Pacific salmon issue was handled on a year-to-year basis. Separate rounds of negotiations for a new agreement through 1997 all proved unsuccessful. In 1998, the Strangway and Ruckelshaus report was issued to the Prime Minister of Canada and to the President of the United States. The report suggested a new approach to treaty negotiations, and following the recommendations of the report, Canada and the United States resumed talks and were successful in negotiating a new agreement.[24]

1999 Developments

On June 3, 1999, an agreement was reached by U.S. and Canadian negotiators on the long-standing conflict over Pacific salmon and the Pacific Salmon Treaty.[25] The agreement was formally approved by the

[17] For more details on the agreement, see the Government of Canada news release, "Ottawa and Washington Agree on Access to the Canadian Advertising Services Market," found at Internet address *http://www.pch.gc.ca/bin/news.dll/View?Lang=E&Code=9NR029E*, retrieved on February 3, 2000.

[18] U.S. Department of State telegram, "Magazines: GOC Announces Subsidy fund," message reference No. 04485, prepared by U.S. Embassy, Ottawa, Dec. 17, 1999.

[19] The term " fishery" refers to the harvesting of fish, not the spawning.

[20] The respective scientific names are: *Oncorhynchus tshawytscha, O. nerka, O. gorbuscha, O. keta, and O. kisutch.* Minor salmon species and western bouts of the same genus are not included here; nor is Atlantic salmon, which in the Pacific Northwest is raised on farms, not harvested by fishing vessels.

[21] For example, Snake River coho has been determined to be extinct; Snake River sockeye and chinook are listed as "endangered"; and coho salmon at the Oregon/California border are listed as "threatened." The term "endangered" means "any species which is in danger of extinction throughout all or a significant portion of its range," while "threatened" signifies less immediate danger of extinction than "endangered." These listings mean that it is unlawful to kill or harm individuals of these populations, with exceptions to be made in accordance with existing state fishery conservation plans. See 16 U.S.C. 1532(6).

[22] The Pacific Salmon Commission is divided into two national sections, with commissioners appointed by each nation. Enabling legislation in the United States prescribes that the U.S. section have one member from Alaska, one from Oregon or Washington, one representing treaty tribes, and one nonvoting federal official. The Canadian section is led by the federal Department of Fisheries and Oceans and includes representatives from First Nations, recreational and commercial fisheries, as well as the British Columbia provincial government. The treaty also established several scientific and technical committees that provide the Commission with essential data on the stocks and fisheries. See Canadian Department of Foreign Affairs and International Trade, "The Pacific Salmon Treaty: An Overview," found at Internet address *http://www.dfait-maeci.gc.ca/english/foreignp/environ/*.

[23] Backgrounder, "A History of the Pacific Salmon Treaty," found at Internet address *http://www.dfo-mpo.gc.ca/COMMUNIC/BACKGROU/1999/hq29(113)_e.htm*, dated June 3, 1999, retrieved February 29, 2000.

[24] For more detailed information on the background of the Pacific Salmon dispute, see USITC, *The Year in Trade: OTAP*, 49th report, USITC publication 3103, May 1998, pp. 89-92.

[25] USITC, *The Year in Trade: OTAP*, 49th report, USITC publication 3103, May 1998, pp. 89-92.

United States and Canadian governments on June 30, 1999. It covers the next 10-to-12 years, depending on the fishery, and will establish two bilaterally-managed regional funds as well as allow for flexibility so that during salmon-abundant years a larger catch will be allowed and in less abundant years a smaller catch will be allowed. This concept of abundance-based management is new and is the key difference from the 1985 Pacific Salmon Treaty. The bulk of the agreement is contained in revised versions of chapters 1-6 of annex IV of the Pacific Salmon Treaty.[26]

Chapter 1 on transboundary rivers "specifies arrangements for sockeye, coho, chinook, and pink salmon management for several rivers that flow from Canada to the Pacific Ocean through the Alaskan panhandle, including the Stikine, Taku and Alsek rivers."[27] Chapter 2 on northern British Colombia and Southeast Alaska addresses the management, conservation, and fair sharing of sockeye and pink salmon fisheries. This agreement also differs from the expired one in that it is abundance based which permits varied harvests depending on the stock in a particular year.[28]

Chapter 3, deals with conservation of the chinook salmon, of which several varieties have been put on the endangered species list. The chinook has been a center point during negotiations because it travels through many fisheries in Canada and the United States and falls under many different regulations thus making it hard to determine which country the harvest belongs to. The new agreement also will be centered on abundance-based quotas but will require reductions in harvesting on the part of both the United States and Canada. Chapter 4 on Fraser River sockeye and pink salmon, requires the United States to cut back on its share of Fraser River sockeye; this will be phased in over the next three years, bringing the United States catch down to 16.5 percent of the total harvest.[29]

Chapter 5 on coho salmon provides a blueprint and biological criteria for a conservation-based regime for border-area fisheries in southern British Columbia and Washington state. The details are to be worked out and implemented during 2000 with the goal of limiting exploitation rates to sustainable levels.[30] Chapter 6 on southern British Columbia and Washington state chum salmon, makes only minor changes to the 1985 treaty and will have little effect on the distribution of catches.[31]

In addition to the abundance-based management programs, the agreement also calls for the creation of two Pacific Salmon Treaty Endowment Funds—$65 million for the south and $75 million for the northern Pacific area. These funds are to be managed by the United States and Canada and to be funded by the United States over the next four years. So far, the U.S. Congress has approved a $20 million expenditure for the endowment funds.[32] The funds will be used to invest in habitat, stock enhancement, science and salmon management initiatives in both countries. The agreement also calls for the establishment of a bilateral Panel on Transboundary Rivers and a Committee on Scientific Cooperation.[33]

The governors of Alaska, Washington, and Oregon have all embraced the treaty, as have as tribal leaders in the region. However, the Premier of British Columbia, said that Alaska did not concede enough in the agreement.[34]

China-Canada WTO Negotiations

Canada and China reached a bilateral agreement on WTO accession on November 26, 1999. This agreement will be incorporated with other bilateral agreements China has reached to form the multilateral agreement that will enter into force when China enters the WTO.[35] The agreement between Canada and China, Canada's fourth largest trading partner, will reduce tariffs and nontariff barriers on Chinese imports of Canadian goods and services. The average tariffs on goods will decrease from 12.5 percent to 5.2 percent within an average of 2.5 years from the time that China accedes to the WTO. In the agriculture sector China agreed to significantly improve access for imports of canola, canola oil, wheat, barley, malt, feed peas,

[26] For full text of the Pacific Salmon Treaty see, Fisheries and Oceans Canada, "Pacific Salmon Treaty," found at Internet address *http://www.dfo-mpo.gc.ca/pst-tsp/agree/toc_e.htm*.

[27] U.S. Department of State press statement, "United States Announces Agreement with Canada on Pacific Salmon," found at Internet address *http://secretary.state.gov/www/briefings/statements/1999/ps990603.html*, dated June 3, 1999, retrieved July 28, 1999.

[28] Ibid.

[29] Ibid.

[30] Ibid.

[31] Ibid.

[32] For a full text of the new Pacific Salmon Agreement and more background information, see the Canadian Minister of Fisheries and Oceans web-site at *http://www.dfo-mpo.gc.ca/pst-tsp/main_e.htm*.

[33] Salmon Facts, "Canada, US Reach Comprehensive Agreement on Pacific Salmon," found at Internet address *http://www.dfait-maeci.gc.ca/geo/usa/salmon_june-e.asp*, dated June, 1999, retrieved February 29, 2000.

[34] Ibid.

[35] Canadian Department of Foreign Affairs and International Trade, "China's Accession to the World Trade Organization," found at Internet address *http://www.dfait-maeci.gc.ca/tna-nac/sagit-gcsce(old)/china-wto-e.htm*, retrieved April 4, 2000.

alfalfa pellets, North American ginseng and whiskey.[36] Canadian industrial goods will be granted greater access as a result of the agreement. Canadian officials estimated that the average tariff for Canadian industrial products, including paper products, chemicals and aerospace products, will fall from 10.3 percent to 4.5 percent over an average of 2.8 years.[37] In addition, China will enter into the Information Technology Agreement (ITA) and will abolish all tariffs on ITA-covered goods. China also will allow improved market access for foreign services as well as investment in joint ventures in the service sector. The services covered in the agreement include telecommunications, banking, insurance, securities, professional/engineering/consulting services, and distribution services throughout China.[38]

Electronic Commerce in Canada

Canada and the United States have similar levels of development in electronic commerce and few barriers exist to U.S. e-commerce in Canada. The major issue in this sector during 1999 was a decision by the Canadian Radio-Television and Telecommunications Commission to not attempt to regulate the Internet.[39]

European Union

In 1999, the United States experienced a trade deficit of $52.4 billion with the EU, which represented an increase of $17.7 billion from the U.S. trade deficit of $34.7 billion in 1998. U.S. merchandise exports to the 15 member states of the EU were more than $142 billion, an increase of 1.3 percent from the level of U.S. exports to the EU in 1998. U.S. imports from the EU were $194.4 billion, an increase of almost 11.2 percent from the level of imports in 1998. U.S.-EU trade data are shown in tables A-4 through A-6. The stock of U.S. foreign direct investment in the EU amounted to almost $433.7 billion in 1998, a greater than 16 percent rise from 1997.

Bananas

Background[40]

On July 1, 1993, the European Union imposed a banana import system that granted preferential treatment to bananas from domestic producers and from former European colonies in Africa, the Caribbean, and the Pacific (ACP nations). The EU banana regime imposed duty and quota restrictions on imports of bananas from non-ACP nations, largely in Latin America, whose bananas historically were distributed in Europe mainly by U.S. companies such as Chiquita Brands International and Dole Foods. In 1994, the EU blocked adoption of a GATT dispute-panel report that found that the EU banana regime in giving preferential treatment to some countries violated its GATT obligations.

In February 1996, Ecuador, Guatemala, Honduras, Mexico, and the United States requested a WTO dispute-settlement panel to examine the EU regime for the importation, sale, and distribution of bananas. The panel report, issued in May 1997, found that the EU banana import regime and its licensing procedures were inconsistent with the GATT 1994. The appeals report issued in September 1997 adjusted and upheld the panel findings and found that certain aspects of the EU licensing regime for bananas violated GATT Article X and the WTO Import Licensing Agreement. Both reports were adopted September 25, 1997. Following binding arbitration over the implementation period for these report recommendations, an arbitrator's report was issued in January 1998, granting the EU a 15-month period ending January 1, 1999, in which to comply with the DSB rulings.

In January 1998, the EC Commission[41] proposed a modified banana regime that it claimed would be WTO consistent and would honor the EU's commitments to the ACP nations under the Fourth Lomé Convention. Despite U.S. efforts to convince the EU that the proposal still used two separate criteria to allocate shares of its banana market to Latin American and ACP nations–which therefore continued to violate GATT Article XIII—the modified banana regime was approved by the EC Agriculture Council in June 1998, and a new licensing arrangement for bananas was adopted in October 1998.[42] The EU announced in November 1998 that it had adopted these measures to

[36] Canadian Department of Foreign Affairs and International Trade, news release, "Canada and China Sign Historic Bilateral WTO Agreement," found at Internet address *http://www.dfait-maeci.gc.ca/ input/publication.asp?FileSpec=/Min_Pub_Docs/102853.htm*, retrieved April 18, 2000.

[37] Ibid.

[38] Ibid.

[39] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers*, 2000, p. 36.

[40] For more detail, see USITC, *The Year in Trade: OTAP - 1998*, USITC Publication 3192, May 1999, pp. 53-55.

[41] The Commission for the European Communities (EC Commission) is the legal signatory in trade matters for EU members. As a consequence, the abbreviation "EC" rather than "EU" is used for institutional matters related to legal aspects of trade.

[42] EC Commission Regulation No. 2362/98 of Oct. 28, 1998, *Official Journal*, L Series 293, Oct. 31, 1998.

implement the September 1997 recommendations of the DSB.

On December 15, 1998, the EU requested the establishment of a panel under article 21.5 of the DSU to determine if the implementing measures of the EU conform to WTO rules.[43] Three days later, Ecuador requested reestablishment of the original panel to examine whether the EU measures were in fact consistent with EU obligations under GATT 1994. On December 21, 1998, the USTR announced a list of EU products that would face prohibitive tariff duties of 100 percent *ad valorem* should the EU fail to implement a WTO-consistent banana regime by January 1, 1999.[44]

1999 Developments

At its meeting on January 12, 1999, the DSB agreed to reconvene the original panel to examine the requests by both the EU and Ecuador. The panel was to rule within 90 days whether the EU reforms of its banana import regime were consistent with the 1997 DSB rulings. However, on January 14, 1999, the United States requested authorization from the DSB to suspend concessions to the EU in the amount of $520 million, citing article 22.2 of the Dispute Settlement Understanding that allows a complainant to request authorization to retaliate 20 days after the implementation deadline expires.[45] The $520 million estimate represented the annual economic loss of U.S. exports and profits for U.S. suppliers engaged in the distribution and sale of bananas as a result of the EU failure to comply with the DSB rulings.[46] On January 21, 1999, the EU questioned the U.S. right to seek authority for retaliation under article 22 in the absence of a panel ruling required under article 21.5 showing that a member has failed to comply with its WTO obligations.[47]

On January 29, 1999, the DSB met to consider the EU-requested arbitration to challenge the retaliatory amount requested by the United States.[48] The DSB chairman referred the issue of the amount of compensation to the original panel for arbitration under article 22.6 of the Dispute Settlement Understanding, which calls for the appropriate retaliatory amount to be determined within 60 days after the implementation deadline expires. As a result, the U.S. request to suspend concessions was deferred until March 3, 1999.[49]

Compensation arbitration

In considering whether there was nullification or impairment of U.S. benefits under the revised EU banana import regime, the arbitrators focused on issues under GATT article XIII and GATS article XIII. GATT article XIII was examined with respect to the two separate criteria to allocate market share between Latin American and ACP countries. The GATs issue involved quotas. The EU had established a quota of 857,000 tonnes[50] for ACP nations and had allocated shares under this quota system. Discussion of GATS issues also focused on license allocation procedures and on licenses for "newcomers." On March 2, 1999, the arbitrators announced that they had been unable to rule within the allotted timeframe because they required additional information from the parties on the harm caused by the EU banana regime to U.S. exports.[51]

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43 WTO, "Overview of the State-of-Play of WTO Disputes," April 18, 2000, found at Internet address *http://www. wto.org/wto/dispute/bulletin.htm*, retrieved May 15, 2000.

44 USTR, "USTR Announces List of European Products Subject to Increased Tariffs," press release 98-113, Dec. 21, 1998. The list of products included pecorino cheese, sweet biscuits, bath preparations, candles, plastic plates and sheets, handbags, wallets, felt paper, folding cartons, greeting cards, lithographs, cashmere sweaters, bed linen, batteries, coffee and tea makers, and chandeliers.

45 WTO, "European Communities - Regime for the Importation, Sale and Distribution of Bananas," WT/DS27/43, Jan. 14, 1999, found at Internet address *http://www.wto.org/wto/ddf/ep/public.html*, retrieved May 15, 2000.

46 USTR, "United States to Apply its WTO Retaliatory Rights in Bananas Case," press release 99-01, Jan. 14, 1999.

47 Delegation of the European Commission to the United States, "European Union takes new initiative on bananas," press release No. 2/99, Jan. 21, 1999, found at Internet address *http://www.eurunion.org/news/press/1999/1999002.htm*, retrieved May 15, 2000.

48 The DSB meeting scheduled for Jan. 25, 1999 was postponed when several WTO members (Cote d'Ivoire, Dominica, and St. Lucia) refused to accept the proposed agenda that included the U.S. retaliation request, which they regarded as illegal. See WTO, "EC, US accept Ruggiero compromise on banana dispute," press release [unnumbered, undated], issued Feb. 2, 1999, found at Internet address *http://www.wto.org/wto/new/dsweb.htm*, retrieved May 15, 2000.

49 The DSB chairman also directed the parties to proceed immediately to consultations under article 4 of the Dispute Settlement Understanding in an effort to reach a negotiated solution to the dispute, but in formal consultations on February 12, 1999, the United States and the EU made no progress. See WTO, "Statement by DSB Chairman," press release [unnumbered, undated], issued Jan. 29, 1999, found at Internet address *http://www.wto.org/wto/new/lo010299.htm*, retrieved May 15, 2000.

50 A metric ton of 1000 kilograms is often abbreviated "tonne" to distinguish it from a "short" ton of 2,000 pounds. The abbreviation "mmt" is often used to indication "million metric tons."

51 WTO, "European Communities – regime for the importation, sale and distribution of bananas - Arbitration under Article 22.6 of the DSU - Communication from the Arbitrators," WT/DS27/48, Mar. 2, 1999, found at Internet address *http://www.wto.org/wto/ddf/ep/public.html*, retrieved May 17, 2000.

The USTR announced on March 3, 1999 that, effective immediately, the U.S. Customs Service would begin withholding liquidation on imports valued at $520 million of selected products from the EC. [52] The EU claimed the U.S. action was unacceptable and unlawful without WTO authorization and demanded consultations with the United States in the WTO.[53] On March 8, 1999, the WTO Director-General issued a statement calling on the United States and the EU to find mutually agreed upon solutions in bilateral consultations under article 4 of the Dispute Settlement Understanding.[54]

On April 6, 1999, the arbitrators' report was issued to the EU and the United States, ruling that the EU followed a WTO-inconsistent regime for import, sale, and distribution of bananas.[55] The arbitrators found the level of nullification and impairment to U.S. exports to be $191.4 million. This was significantly less than the initial U.S. calculation of $520 million, because the arbitrators' figure excluded the U.S. estimation of lost profits to U.S. companies.[56] On April 7, 1999, the EU announced that it would comply with the WTO rulings and asked the United States to conform immediately with the WTO decision to reduce the level of the suspension of concessions from $520 million to $191.4 million.[57] The EU reserved its right of appeal.[58]

[52] USTR argued that the United States already had delayed suspending tariff concessions for 30 days as a result of the EU request for arbitration; and must now impose a contingent liability of 100 percent duty on affected products as of March 3, 1999. The United States refrained from collecting higher duties until the release of the arbitrators' final decision. See USTR, "United States Takes Customs Action on European Imports," press release 99-17, March 3, 1999.

[53] Delegation of the European Commission to the United States, "Sir Leon Brittan statement on U.S. customs measures on European imports: banana dispute," press release No. 5/99, March 3, 1999, found at Internet address *http://www.eurunion.org/news/press/1999/1999005.htm*, retrieved May 15, 2000.

[54] WTO, "Statement by the Director-General - General Council, March 8,1999," press release [unnumbered], found at Internet address *http://www.wto.org/wto/press/dgstat8.htm*, retrieved May 15, 2000.

[55] WTO, "European Communities - Regime for the importation, sale and distribution of bananas - Recourse to arbitration by the European Communities under Article 22.6 of the DSU - Decision by the Arbitrators," WT/DS27/ARB, Apr. 9, 1999, found at Internet address *http://www.wto.org/wto/ddf/ep/public.htm*l, retrieved May 17, 2000. The report was circulated to the parties on April 6, 1999 and to other WTO Members beginning April 9, 1999.

[56] USTR, "WTO Finds EU Banana Regime Hurts U.S. Trade," press release 99-31, April 6, 1999.

[57] Delegation of the European Commission to the United States, "EU reacts to WTO banana dispute report," press release No. 17/99, April 7, 1999, found at Internet address *http://www.eurunion.org/news/press/1999/1999017.htm*, retrieved May 15, 2000.

[58] Ibid.

On May 11, 1999, the EU requested the establishment of a panel pursuant to Article 6 of the DSU. In its panel request, the EU claimed that the U.S. decision to withhold liquidation on imports from the EC of the list of products and to impose a contingent liability for 100 percent duties on each individual importation of affected products was in flagrant breach of Articles 3, 21, 22 and 23 of the DSU and Articles I, II, VIII and XI of GATT 1994. On June 16, 1999, the DSB established a Panel pursuant to Article 6 of the DSU. Dominica, Ecuador, India, Jamaica, Japan, and St. Lucia, reserved their rights to participate in the Panel proceedings as third parties. The Panel had substantive meetings with the parties on December 16 and 17, 1999, and February 9, 2000.[59]

Retaliation authorized and subsequent consultations

On April 9, 1999, the United States requested that the DSB authorize suspension of concessions to the EU equivalent to the level $191.4 million of nullification and impairment[60] and that day announced its final list of products to be subject to the retaliatory tariff.[61] On April 19, 1999, the DSB authorized the United States to suspend concessions to the EU as requested,[62] following which the USTR published a final list of products from certain EU members on which 100 percent *ad valorem* duties would apply, retroactive to March 3, 1999.[63]

[59] WTO, "United States–Import Measures on Certain Products From the European Communities," Report of the Panel, WT/DS165/R, Jul. 17, 2000, pp. 2-3, found at internet address *http://www.wto.org/english/tratop_e/dispu_e/distab_e.htm#r165*. On July 17, 2000, the Panel concluded that the United States did not abide by Articles 3.7, 3.8, 21.5, 22.6, 23.1, and 23.2(a) of the DSU and Articles I, II1(a), II1(b), and XI of the GATT. The Panel recommended that the DSB request the United States to bring its measure into conformity with its obligations under the WTO Agreement. Ibid., p. 52.

[60] WTO, "Overview of the State-of-Play of WTO Disputes," April 18, 2000, found at Internet address *http://www. wto.org/wto/dispute/bulletin.htm*, retrieved May 15, 2000.

[61] The USTR final list of products subject to punitive tariff includes: bath preparations, handbags, felt papers, paper card board, folding cartons, lithographs on paper or paper board, bed linens, lead-acid storage batteries, electrothermic coffee or tea makers. See USTR, "USTR Announces Final Product List in Bananas Dispute," press release 99-35, April 9, 1999.

[62] USTR, "WTO Authorizes US Retaliation," press release 99-38, April 19, 1999.

[63] USTR, "Implementation of WTO Recommendations Concerning the EC's Regime for the Importation, Sale, and Distribution of Bananas," 64 *FR* 12092, April 19, 1999.

Following the arbitrator's report, the EC Commission set about to develop various approaches that might bring its banana import regime into conformity with its WTO obligations, which all EU members states could support. Whereas a substantial number of EU member states favored a single-tariff solution, few favored the current tariff level of 75 euro/tonne, several wanted a substantially higher tariff level, and some flatly rejected the single-tariff approach.[64]

November 1999 EU proposed banana regime

In November 1999, the European Commission adopted a proposal to modify its common market organization for bananas, aimed at making the banana regime consistent with the WTO, the Lomé Convention, and with the interests of EU producers and consumers. The EU proposal adopted a two-step approach: Phase 1, which called for a transitional tariff rate quota (TRQ); followed by Phase 2, which automatically established a tariff-only system by January 1, 2006 at the latest.[65]

Phase 1 included the current quota of 2.2 million tons (bound in the GATT Uruguay Round), plus the autonomous quota of 353,000 tons (established following the 1995 EU accession of Austria, Finland, and Sweden), open to all suppliers, both charged a tariff of 75 euro/tonne. Under Phase 1, a new third quota of 850,000 tons would be established, open to all suppliers, at a tariff level that would fill the TRQ. ACP suppliers would receive a preference of up to 275 euro/tonne under this third TRQ.

The new third quota would be open at a level of duty to be determined by a tendering procedure, whereby the allocation of quota shares is met through a "striking price" system.[66] This system would be the lowest bid at which the quota can be filled, which would then be applied to all suppliers for the quantity that they bid.

Phase 2 of a tariff-only regime would automatically enter into force at the latest on January 1, 2006, following the transition period. The level of the flat-tariff would be negotiated under GATT article XXVIII. ACP suppliers would be given an appropriate tariff preference, based on the present WTO waiver for generalized systems of preference, such as the EU's Lomé Convention.[67]

In March 2000, the EC Commission told the Council that it is holding negotiations with interested third countries on the details of the proposed transitional arrangement. If it proves impossible to reach a universally acceptable agreement with these third parties, the Commission said it will withdraw its current proposal and ask the Council for a mandate to negotiate the immediate introduction of a tariff-only system.[68]

The United States rejected the EC Commission's announced two-tier tariff rate quota approach as not being consistent with WTO rules, although in consultations with the EU the United States had discussed tariff rate quota regimes considered WTO-consistent.[69] During these 1999 consultations, the United States expressed concern about various EU proposals. Specifically, the United States was concerned about proposals to halve the Latin American tariff but retain the current regime, auctioning schemes that discriminate against U.S. companies, and a number of aspects about the Commission's licensing procedures. The United States has not flatly rejected any further transition period, but considers the six years that the EU regime has already been in effect as entrenching EU domestic interests even more firmly. Thus, the United States believes that the transition should not be drawn out.[70]

December 1999 Caribbean counterproposal[71]

On December 1, 1999, the prime minister of Dominica presented to the EU a proposal on behalf of

[64] U.S. Department of State telegram, "June 29 banana discussions with Commission," message reference No. 012259, prepared by U.S. Embassy, Paris, July 8, 1999.

[65] EU Commission, "Commission proposes to modify the EU's Banana Regime," press release IP/99/828, Brussels, Nov. 10, 1999, found at Internet address *http://www.europa.eu.int/rapid/*, retrieved May 18, 2000.

[66] EU Commission, "2250th Council meeting - AGRICULTURE - Brussels, 20 March 2000," press release Conseil/00/74, Brussels, Mar. 20, 2000, found at Internet address *http://www.europa.eu.int/rapid/*, retrieved May 18, 2000.

[67] EU Commission, "2218th Council meeting- AGRICULTURE - Brussels, 15 November 1999," press release Conseil/99/345, Brussels, Nov. 15, 1999, found at Internet address *http://www.europa.eu.int/rapid/*, retrieved May 18, 2000.

[68] EU Commission, "2250th Council meeting - AGRICULTURE - Brussels, 20 March 2000," press release Conseil/00/74, Brussels, Mar. 20, 2000, found at Internet address *http://www.europa.eu.int/rapid/*, retrieved May 18, 2000.

[69] U.S. Department of State telegram, "Bananas: Demarch on EU report," message reference No. State 171260, Sep. 13, 1999.

[70] Ibid.

[71] U.S. Department of State telegram, "Bananas: US supports Caribbean," message reference No. State 239477, Dec. 21, 1999.

the Caribbean countries.[72] The United States endorsed the Caribbean banana proposal as a WTO-consistent solution that meets key EU objectives.

The key elements of the Caribbean banana proposal involve a two-tier tariff-rate quota system as a transition period to a negotiated tariff-only banana import regime. The first tier quantity would be established initially at 2.7 million tonnes. The tariff rate would be equal for both Latin American and ACP bananas. There would be no country-specific allocations. Whenever a new country accedes to the EU, the first-tier quota would be increased automatically by that country's recent imports.

The second-tier quota would be established initially at 850,000 tonnes. The tariff rate would be 115 euro/tonne for all Latin American bananas. ACP bananas would enter duty-free. ACP bananas from the most vulnerable countries would receive an additional margin of preference. The total combined quota of 3.55 million tonnes is not expected to reduce prices currently prevailing on the EU market.

[72] For purposes of the bananas case, this represents the Windward Islands, Jamaica, and Belize.

Most of the first-tier import licenses (96.5 percent) would be distributed to operators based on their average annual pre-1993 trade volume. A few first-tier import licenses (3.5 percent) would be distributed to newcomers. Most of the second-tier import licenses (96.5 percent) would be distributed to operators based on their average annual trade volume during a base period of 1995-1997. A few second-tier import licenses (3.5 percent) would be distributed to newcomers. Import licenses in both quotas could be used to import bananas from any source.

The two-tier quota arrangement would be the basis for a transition to a tariff-only system. The period of transition and the methodology for continuous progressive movement toward a tariff-only system would be the subject of negotiations.

The EU and Caribbean proposals differ in three major issues—tariff levels, licensing reference periods, and license eligibility. The EU proposal contains substantially higher tariff rates, seeks a recent reference period under the more restrictive 1993 banana regime, and would make new banana suppliers eligible for licenses. The following table sets out key elements for the two competing proposals at the end of 1999.

November 1999 EU Proposal

Transitional Tariff Quota	• Current quota: 2.200 mmt, at 75 euro/tonne tariff • Current supplemental quota: 0.353 mmt, at 75 euro/tonne tariff • ACP suppliers preference: at 0 euro/tonne tariff • New third quota: 0.850 mmt, (at variable tariff) • Tariff varies to fill quota • ACP suppliers preference: margin up to 275 euro/tonne • Quota allocation through tendering procedure (striking price): = lowest bid taken at which quota can be filled = then applied to all suppliers for the quantities they have bid to supply.
Tariff-only System	• Single tariff rate to be negotiated consistent with GATT article XXVIII • Entry into force no later than January 1, 2006 • ACP countries to receive appropriate tariff preference under WTO waiver for EU generalized system of preferences under the Lomé Convention.

December 1999 Caribbean Counterproposal

First-Tier Tariff Quota	• Total quota: 2.700 mmt • Tariff rate: equal tariff for ACP and Latin bananas • Quota allocation: not country-specific • Import licensing: = 3.5 percent of first-tier quota allocated to newcomers = 96.5 percent of first-tier quota allocated to traditional suppliers = based on a pre-1993 reference period of average import volume

December 1999 Caribbean Counterproposal—*Continued*

Second-Tier Tariff Quota	$ Total quota: 0.850 mmt $ Tariff rate: = ACP bananas (0 euro/tonne) = ACP bananas from vulnerable economies (additional preference) = Latin bananas (115 euro/tonne) $ mport licensing: = 3.5 percent of second tier quota allocated to newcomers = 96.5 percent of second tier quota allocated to qualified operators = based on a 1995-1997 reference period of average import volume
Tariff-only System	$ Progressive movement toward a tariff-only system to be the subject of negotiations, focusing on the period of transition and methodology

Meat Hormone Ban

The European Union continued its ban on imports of beef from cattle treated by hormone-growth promoters in 1999. For more than a decade, the EU ban has effectively cut off U.S. exports of hormone-treated beef. The United States continued to maintain that cattle treated with approved growth hormones posed no health risks to EU consumers and that the EU had so far failed to provide sufficient evidence to validate its claim that residue of hormone-growth promoters contained in U.S. beef posed a health risk.

A 1997 WTO dispute settlement panel report and a subsequent appellate report issued in January 1998 both concluded that the EU 1998 ban on imports of meat and meat products from cattle treated with growth-promoting hormones was inconsistent with the provisions of the WTO Agreement on Sanitary and Phytosanitary (SPS) Measures. A WTO panel examining the EU ban on behalf of Canada made a similar finding.[73] The EU requested four years in which to comply with the WTO findings – two years to conduct additional risk assessments to determine whether the hormone-treated meat is safe, and two years to modify its measures to reflect the findings of the new risk assessment. However, a WTO arbitrator determined that "it would not be proper to include in the reasonable period of time ... an initial phase of scientific studies" and therefore granted the EU 15 months, until May 13, 1999 to comply.[74]

As the deadline approached, U.S. and EU officials discussed possible solutions. The United States proposed labeling U.S. beef in conjunction with lifting the ban. However, the EU responded that it wanted to complete additional risk assessments before it committed to removing the ban. The EU has requested 17 risk assessment studies that were not completed by the end of 1999. In addition, the United States and the EU have disagreed on appropriate labeling. U.S. officials have proposed labeling U.S. exports of meat as sourced from the United States, whereas the EU prefers a label that indicates that the meat has been treated with growth-promoting hormones. Moreover, lifting the ban and adopting labeling regulations would require the EU to implement new legislative.

On March 22, 1999, the USTR published a notice in the *Federal Register* listing products on which 100 percent duties could be imposed in retaliation should the EU fail to meet its WTO obligations by the May 13, 1999 deadline. The list covered over $900 million of EU products, including primarily food items such as meat, Roquefort cheese, and tomatoes. On May 5, 1999, the EU announced that an independent committee of European scientists had issued preliminary findings showing that there were significant health risks linked to beef growth hormones. Ambassador Hugo Paemen, the EU chief envoy to the United States, stated that based on these findings, the EU "is not in a position to lift the ban," and it remains in place.

The EU took no action to implement the DSB recommendations and rulings by the May 13, 1999 deadline, citing a need to perform additional risk assessments. Accordingly, on May 17, 1999, the United States exercised its WTO rights by requesting authorization to suspend tariff concessions on EU goods with an annual trade value equivalent to annual lost exports of U.S. beef. The value of the retaliation represents an estimate of the annual harm to U.S. exports resulting from the EU's failure to lift its ban on imports of U.S. meat.[75] The United States sought WTO authorization to suspend concessions on EU products at a level of EU trade equivalent to lost U.S.

[73] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers*, p. 95.

[74] Joanne Guth, "European Union Hormone Ban: WTO Authorizes U.S. Retaliation," *International Economic Review*, USITC, May/June 1999.

[75] USTR, "WTO Finds U.S. Trade Damaged by EU Beef Import Ban," press release 99-58, July 12, 1999.

exports, which the United States estimated at $202 million. The EU alleged that the cost to U.S. exports was only $53 million and requested WTO arbitration. On July 12, the WTO arbitrators determined the damage to be $116.8 million.[76] The DSB authorized the United States to suspend such concessions on July 26, 1999, and the United States did so on July 29, 1999. On July 19, the United States Trade Representative announced the final list of products that the United States would impose 100 percent *ad valorem* duty. The imposition of those duties was effective for goods entered or withdrawn from their warehouses, on or after July 29, 1999.[77]

Electronic Commerce in the European Union

In Western Europe the use of e-commerce is expected to grow significantly in the coming years as more European households are connected to the Internet (currently only 12 percent of EU residents have home access) and confidence in electronic commerce grows.[78] During 1999, European legislative and programmatic work intensified. In November 1999, EU institutions finalized a directive on electronic signatures. The directive sets out a framework for legal recognition of electronic signatures and includes mechanisms for cooperation with non-EU countries on the basis of mutual recognition.[79] The EU also isnearing agreement on a directive addressing the legal aspects related to electronic commerce. This directive is designed to ensure that electronic commerce benefits from the internal market principles of free movement of services and freedom of establishment. It covers only providers established in the EU. The proposed directive would establish harmonized rules in a number of areas such as liability of intermediaries (e.g., Internet service providers), transparency provisions for commercial communications, and electronic contracts.

Mexico

While economic relations were generally cordial, trade disputes between the United States and Mexico continued in 1999. The United States remained concerned about certain Mexican practices, such as continuing barriers to U.S. exports. These include improper use of antidumping measures in certain cases, inadequate enforcement of intellectual property rights; and anticompetitive practices in the area of telecommunications.

Mexico consolidated its position during the year as the second-largest U.S. trading partner after Canada, and before Japan. U.S.-Mexican trade data are shown in tables A-10, A-11, and A-12. Two-way trade with the United States resulted in a record surplus for Mexico. U.S. exports to Mexico also reached record levels, rising $6 billion (8 percent) to nearly $81.4 billion. However, U.S. imports from Mexico rose even faster, by $16 billion (17 percent), to a record $109 billion. Since the United States accounts for 88 percent of Mexico's exports and 74 percent of its imports, the widening Mexican surplus with the United States largely counterbalanced Mexico's trade deficit with the rest of the world. This deficit amounted in 1999 to $5.4 billion, almost one-third less than in 1998.[80]

The reduction of Mexico's trade deficit was also helped by soaring petroleum prices, especially in the second half of the year.[81] In addition, the easing of economic crises in several countries of the world, and the Government of Mexico's prudent fiscal and monetary policies strengthened the Mexican economy. Growth of the GDP at 3.6 percent, exceeded the target rate of 3 percent.[82]

[76] Ibid.

[77] USTR, "USTR Announces Final Product List in Beef Hormone Dispute," press release 99-60, July 19, 1999. The products from Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, and Sweden within the list included: meat of bovine animals, fresh or frozen; meat of swine (pork); edible offal of bovine animals; Roquefort cheese; onions, other than onion sets or pearls not over 16 mm in diameter, and shallots; truffles; dried carrots; prepared or preserved liver of goose; prepared or preserved liver of any animal other than of goose; rusks, toasted bread and similar toasted products; juices of any other single fruit; roasted chicory and other roasted coffee substitutes and extracts, essences and concentrates; prepared mustard. Products from France, Germany and Italy included: tomatoes, prepared or preserved otherwise than by vinegar or acetic acid. Products of Germany: guts, bladders and stomachs of animals (other than fish); soups and broths; yarn (other than sewing thread) containing 85 percent or more by weight of artificial staple fibers, singles, not put up for retail sale. Products of France: fatty substances derived from wool grease (including lanolin); chocolate and other cocoa preparations in blocks, slabs or bars, filled, not in bulk; lingonberry and raspberry jams; hams, shoulders and cuts thereof with bone in, salted, in brine, dried or smoked; products suitable for use as glue or adhesives not exceeding 1 kg, put up for retail sale.

[78] USTR, *2000 National Trade Estimates Report on Foreign Trade Barriers*, p. 122.

[79] U.S. Department of State telegram, "European Union National Trade Estimates Report -Year 2000," message reference No 1130, prepared by USEU Brussels, Brussels, Feb. 22, 2000.

[80] U.S. Department of State telegram, "Mexico's Trade by Country in 1999," message reference No. 01964, prepared by U.S. Embassy, Mexico City, March 22, 2000.

[81] The average price for Mexican crude exports in 1999 was $15.61 per barrel, compared with $10.16 per barrel in 1998.

[82] Mexico's Ministry of Finance.

U.S. concerns with Mexico's trade-related actions during the year included the manner in which Mexico implemented its TRQ obligations, including restrictions on U.S. dry-bean exports. U.S. authorities also noted that the "discriminatory and capricious enforcement" of Mexico's labeling and sanitary and phytosanitary standards interfered with U.S. exports of several agricultural goods, including grains, seed products, potatoes, apples, poultry, citrus from Florida, and table eggs.[83]

During 1999, the United States continued to press Mexican authorities to improve their enforcement of intellectual property rights protection. In accordance with their antipiracy campaign announced in November 1998, the Mexican Government conducted raids and seizures throughout 1999. In May, Mexico also increased criminal penalties for certain copyright and trademark violations and reclassified copyright and trademark piracy as a felony. Despite these efforts, Mexican copyright piracy remains a major problem for the United States. Estimates of U.S. industry losses from such piracy continue to increase.[84]

Anticompetitive practices in Mexico's telecommunication services also remained a subject of bilateral disputes in 1999. According to U.S. authorities, several aspects of Mexico's telecommunications market inflate the cost of international communications in Mexico. Even though Mexico legally ended the monopoly of Teléfonos de Mexico (TELMEX) in providing commercial, long-distance telecommunication services in 1996, TELMEX maintained a *de facto* monopoly in some areas, notably in denying use of certain essential facilities to its competitors.[85] In its annual review of certain foreign countries' compliance with telecommunications trade agreements,[86] USTR stated on April 4, 1999, that "The USTR is seriously concerned with the telecommunications regulatory environment in Mexico."[87] USTR then initiated an out-of-cycle review of Mexico's telecommunications trade, stating in July that an improved implementation of Mexico's WTO commitments is likely to be found when the review is concluded.[88]

A notable accomplishment in Mexico's quest to reduce its long-standing economic dependence on the United States was a free trade accord with the European Union in November 1999.[89] This FTA is the most important trade agreement Mexico has concluded since NAFTA. Besides Israel, Mexico is presently the only country to have free access to both the United States and Europe—the world's two largest markets.[90] By year-end 1999, Mexico had not completed economic accession negotiations with China. Such negotiations were continuing in early 2000.

Mexico's antidumping practices that affect certain U.S. agricultural exports and continuing U.S. restrictions on the movement of Mexican trucks on U.S. roads are two issues discussed at some detail in the next sections.

Antidumping Practices Affecting U.S. Agricultural Exports

Mexico remained a major user of antidumping measures, notably against agricultural imports. During 1999, Mexico's antidumping duties on imports of high-fructose corn syrup from the United States were the subject of dispute-settlement proceedings under provisions of NAFTA and the WTO. The NAFTA panel did not make a determination by year's end, and it was not until February 24, 2000 that the WTO formally adopted its own panel's ruling in this matter. The WTO found that Mexico had a right under WTO rules to initiate a dumping investigation into high-fructose corn syrup imports from the United States, but concluded that the investigation was not carried out in accordance with the WTO Antidumping Agreement. Mexico declined to appeal the ruling, and thus is expected to implement it soon.[91]

[83] USTR, "*The 2000 National Trade Estimate Report on Foreign Trade Barriers*" found at *http://www.ustr.gov/reports/nte/2000/mexico.pdf* , retrieved on April 5, 2000.

[84] Ibid.

[85] USTR, "Out-of-Cycle Review Highlights Progress on Current Telecommunications Arrangements in Mexico and Concern Regarding End-of-year Policy Decisions," Press Release 99-67, July 29, 1999, p. 24, and USTR, "USTR Releases 2000 Inventory of Trade Barriers," Press Release 00-23, March 31, 2000, pp. 24-25.

[86] USTR reviews compliance annually under Section 1377 of the Omnibus Trade and Competitiveness Act of 1988.

[87] USTR, "Annual Review of Telecommunications Trade Agreements Highlights Concerns Regarding Mexico, South Africa, and Other Countries," Press Release 00-25, April 4, 1999.

[88] USTR, "Out-of-Cycle Review Highlights Progress on Current Telecommunications Arrangements in Mexico and Concern Regarding End-of-year Policy Decisions," Press Release 99-67, July 29, 1999.

[89] The agreement was approved by the European Commission in January 2000, and by the European Parliament in March. Also in March, it was ratified by the Mexican Senate.

[90] The EU-Mexico trade agreement will take effect on July 1, 2000. The accord will be discussed in the next annual Year-in-Trade report, which will cover developments in the year 2000.

[91] USTR, "WTO Adopts Panel Finding Against Mexican Measure on High-Fructose Corn Syrup," press Release 00-14, Feb. 28, 2000. See also "WTO Adopts Ruling on Corn Syrup After U.S., Mexico Decline to Appeal," *International Trade Reporter*, Bureau of National Affairs, March 2, 2000, and April 13, 2000.

The dispute in the WTO was triggered by U.S. protests against a final SECOFI determination in January 1998 that high-fructose corn syrup imports from the United States had been sold at less than fair value. SECOFI found at the time that such imports were threatening the Mexican sugar industry with material injury, and imposed final antidumping duties ranging from $63.75 to $100.60 per metric ton on commercial product HFCS 42 and $55.37 to $175.50 per metric ton on commercial product HFCS 55.[92]

This antidumping case, in aiming to restrict U.S. access to Mexico's artificial sweetener market, was thought to reflect the Mexico's quest to bring forward a scheduled increase in the tariff rate quota of Mexican sugar to the U.S. sugar market.[93] Under NAFTA, Mexico was allowed to ship only 25,000 tons of raw or refined sugar to the United States during FY 1999, as is also the case for FY 2000. Starting with FY 2001 however, the TRQ for sugar will increase tenfold, to 250,000 tons.

Other important Mexican antidumping actions affected other U.S. agricultural products, including cattle, beef, beef offal, and hogs for slaughter.[94] The case against imports of beef and beef offals continued in 1999, but no final determination was made.[95] However, SECOFI issued a final determination concerning live hogs from the United States in October 1999, finding less-than-fair-value U.S. sales, as well as a threat of injury to the Mexican swine industry from such imports. SECOFI imposed compensatory duties of $0.351 per kilogram on live hogs, in addition to the prevailing (in quota) import tariff of 8 percent, applicable to live hog imports from NAFTA countries.[96]

Cross-border Trucking

At the time of this writing, the United States continues to restrict the use of Mexican-registered trucks that limit their movement to a 20-mile commercial zone inside the U.S. border.[97] The U.S. Government was expected to open its border to Mexican trucks to the entire United States on the first day of 2000, when all national limits to land transportation in North America were to end under NAFTA.[98]

U.S. opposition to opening roads to Mexican trucks continued to mount in 1999, with the Teamsters Union being the most vocal. One issue raised was that the number of U.S. border officials available to inspect Mexican trucks seeking entry was insufficient. An audit by the U.S. Department of Transportation (DOT) in 1999 found that too few U.S. inspections of Mexican trucks were being conducted at border crossings relative to the volume of traffic, and that a large portion of those trucks that had been inspected had failed. Because trucks that presented themselves for inspection but did not get inspected are nonetheless allowed to cross the border, the DOT report indicated that a significant number of Mexican trucks that fail to comply with U.S. safety standards might be circulating on U.S. roads.[99]

In May 1999, 253 members of the U.S. House of Representatives addressed a letter to President Clinton, stating that "Until the United States and Mexico agree on comprehensive safety standards, establish and test effective enforcement programs, and staff border facilities with full-time inspectors, current safeguards must remain firmly in place."[100] On December 9, President Clinton signed the Motor Carrier Safety Improvement Act of 1999 to strengthen the enforcement of federal and state highway safety laws in the United States.[101] Title II, sec. 219 of this Act provides for foreign motor vehicle penalties and disqualifications, imposing fines on foreign carriers of up to $10,000 for one incident of safety violation and

[92] For details the high-fructose corn syrup antidumping case, see USITC, *The Year in Trade: OTAP, 1998*, USITC publication 3192, May 1999, pp. 67-68.

[93] Ibid.

[94] U.S. Department of Agriculture, *GAIN Report* #MX9144, Oct. 22, 1999.

[95] See U.S. Department of Agriculture, *GAIN Report* #MX0013, Feb. 1, 2000. On April 28, 2000, SECOFI imposed final antidumping duties of 36 cents per pound on U.S. meat products.

[96] Mexico's *Diario Oficial*, Oct. 20, 1999, and U.S. Department of Agriculture, *GAIN Report* #MX0013, Feb. 1, 2000. For details on Mexican antidumping cases of these meat products, see USITC, *The Year in Trade: OTAP, 1998*, USITC publication 3192, May 1999, pp. 68-70. In June 2000, a U.S. beef producer has requested that a NAFTA resolution panel review the Mexican duties imposed against certain cuts of beef.

[97] Access to the border commercial zone was provided for in a pre-NAFTA bilateral arrangement. See "NAFTA Roundup," *North American Free Trade & Investment Report*," Jan. 15, 2000, p. 11. Regarding current provisions, see also U.S. Department of Transportation, Federal Highway Administration, *NAFTA Transportation Provisions - Trucks*, (found at *http://www.fmcsa.dot.gov/safetyprogs/nafta/naftatrans.htm* on Apr. 4, 2000.

[98] Chapter 12, annex 1212.

[99] USITC, *The Economic Effects of U.S. Imports Restraints, Second Update 1999*, Investigation No. 332-325, USITC publication 3201, May 1999, p. 107, which cited American Trucking Associations, Transport Topics: "Audit: Poor Truck Inspections at Border," Jan. 4, 1999.

[100] U.S. House of Representatives, letter to President Clinton, May 24, 1999, reported as "253 Members Oppose U.S.-Mexico Trans-border Trucking," in the *Washington Trade Daily*, June 25, 1999.

[101] PL 106-159.

fines of up to $25,000 and temporary or permanent disqualification from operating a commercial vehicle in the United States for a pattern of violations.

For its part, DOT embarked on a program of improving safety inspections at the border with Mexico. In 1999 alone, DOT added 27 new inspectors along the Texas and Arizona borders.[102] Nonetheless, DOT believes that a much greater inspection presence is still needed because of the large number of Mexican trucks that wish to enter the United States, many of which, DOT believes, do not comply with U.S. standards. Testifying on March 2, 2000 before the Transportation Subcommittee of the House Appropriations Committee, the DOT Inspector General said that 39 percent of Mexican trucks inspected at the border fail to meet U.S. safety standards, but he said that to conduct a sufficient number of border inspections, at least 126 inspectors would be needed.[103]

Free U.S.-Mexican cross-border trucking is an important dimension in trade relations between the two countries because over 80 percent of bilateral trade is transported over highways. The relatively long transition period between the implementation of most NAFTA provisions in 1994 and the trucking provision in 2000 was originally believed to be necessary for reconciling differences between lower Mexican and higher U.S. truck safety standards. NAFTA originally provided that Mexican vehicles and their drivers would have complied with all U.S. safety standards by the time U.S. restrictions were scheduled to be lifted in 2000.

U.S. postponement of granting access to Mexican trucks on January 1, 2000, was preceded by a U.S. decision not to implement an interim accord under NAFTA that would have permitted Mexican trucks free access beyond the current 20-mile zone to the entirety of the U.S. border states-California, Arizona, New Mexico, and Texas at the end of 1995.[104] However, on December 18, 1995, DOT announced that it would not permit free cross-border trucking in these states as scheduled, because of problems alleged about the safety of Mexican trucks on U.S. roads. DOT indicated at the time that further consultations were necessary between U.S. and Mexican officials.[105]

[102] U.S. Department of State telegram, “XXVI meeting of the U.S.-Mexico Binational Group on Bridges and Border Crossings, El Paso, Oct. 25-28,” message reference No.001652, Washington D.C., Jan. 5, 2000, p.5.

[103] Transcript of this hearing, p. 4, and “Transportation: DOT Official Calls for More Inspectors to Examine Trucks at U.S.-Mexican Border,” *International Trade Daily*, Bureau of National Affairs, March 6, 2000, p. 10.

[104] See also USITC, *The Year in Trade: OTAP, 1995*, USITC publication 2971, August 1996, p 57.

[105] Ibid.

Bilateral consultations on truck safety began in January 1996, and technical discussions among safety officials have continued without reaching a satisfactory solution to date. Mexican officials argued that their country’s safety inspection system was already consistent with that of the United States. In September 1998, SECOFI formally requested the establishment of a NAFTA panel under chapter 20 provisions to resolve the then nearly three-year old dispute. The panel is still actively considering the case at the time of this writing.

Mexico has also responded by not allowing U.S.-registered trucks to pass beyond its border commercial zone, and by tying the issuance of permits for foreign-owned express package delivery services by trucks with large (53-foot) trailers to U.S. implementation of the NAFTA trucking agreement.

Japan

During 1999, the United States continued to monitor its bilateral agreements with Japan, including those covering flat glass, telecommunications, deregulation, insurance, construction, and foreign direct investment.[106] The United States continued to monitor steel import levels and initiated a bilateral dialogue with Japan to address structural problems and anticompetitive practices in this sector. Two of the sectors that garnered the most attention were autos and insurance. Autos account for a large percent of the U.S. trade deficit with Japan and insurance has been a leading U.S. negotiating priority since the signing of two agreements in 1994 and 1996.

U.S. trade with Japan increased in 2000. U.S. exports to Japan decreased from $54.8 billion in 1998 to $54.3 billion in 1999. U.S. imports from Japan increased from $121.3 billion in 1998 to $131.0 billion in 1999. The merchandise trade deficit with Japan increased from $176.1 billion in 1998 to $185.3 billion in 1999 (table A-10). In 1999, leading export items to Japan were airplanes, semiconductor circuits, parts of airplanes or helicopters, and cigarettes (table A-11). The leading imports from Japan in 1999 were motor vehicles, computer units, computer parts, and semiconductor circuits (table A-12).

Autos

During 1999, the United States continued to monitor progress under the 1995 U.S.-Japan

[106] According to the American Chamber of Commerce in Japan, there are 63 bilateral agreements between the United States and Japan. American Chamber of Commerce in Japan, *Making Trade Talks Work*, March 2000, p. 9.

automotive agreement.[107] The agreement was intended to address some of the difficulties experienced by U.S. firms in accessing Japan's vehicle distribution system by eliminating regulations in the automobile aftermarket in Japan and improving opportunities for U.S. original equipment parts suppliers in Japan and with Japanese transplants in the United States. The agreement included 17 objective criteria to evaluate progress in these three areas.[108] At the time of the agreement, Japanese auto producers announced plans to increase their purchases of foreign auto parts in Japan and to expand the production of vehicles and major components in the United States.[109]

Import penetration of foreign passenger vehicles into the Japanese market from the "Big Three"[110] U.S. auto producers declined by 20 percent in 1999 compared to 1998. Many Japanese automotive companies were forced to undertake restructuring to cope with the economic recession in Japan.[111] According to U.S. officials, one of the main problems for U.S. auto manufacturers is access to Japan's auto distribution network. Japanese dealers continue to be reluctant to carry foreign-made autos for fear of jeopardizing their relationships with Japanese manufacturers.[112] In addition, the economic recession in Japan has made it more difficult for foreign vehicle manufacturers to add new dealerships. U.S. auto companies restructured their operations in Japan during 1999 by consolidating or closing less-profitable dealerships.[113]

Exports of U.S.-made auto parts to Japan decreased by 11.5 percent during 1999. In addition, aftermarket parts sales to Japanese auto companies in the United States and to Japanese auto companies in Japan remain low.[114] The decline in U.S. auto parts exports to Japan reflected inadequate steps taken to deregulate the auto parts aftermarket and also reflected the effects of Japan's recession.[115] Despite progress by Japanese producers in implementing their voluntary global business plans, in 1999 the United States continued to urge Japan to take additional market opening and deregulatory measures. The United States proposed that Japan streamline new vehicle registration and consider ways to make incentives offered by Japanese entities more useful to foreign companies. In addition, the United States made several proposals on standards including the elimination of regulatory requirements for the "shaken" inspection system,[116] and steps to make the system more open.[117]

The United States and Japan held their fourth annual review of the Automotive Agreement in Vancouver, British Columbia in October 1999. The United States expressed its concerns about inadequate implementation of the agreement's objectives. The two countries discussed new proposals for achieving progress in deregulation, competition enhancement, and standards issues, and informal meetings were held during November 1999 to follow-up on U.S. requests.[118]

Insurance

The Japanese insurance market is composed of three sectors: traditional life insurance, nonlife insurance, and a third sector that includes personal accident, cancer, and hospitalization insurance. The first two sectors account for 95 percent of the market. Foreign insurance providers have been most successful in the remaining 5 percent of the market.

During 1999, the United States and Japan conducted reviews of their 1994 and 1996 bilateral insurance agreements.[119] Under the 1996 agreement, Japan had agreed that five criteria were to be met before the start of a two and one-half year period before liberalization of the smaller, third sector of the

[107] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers,* March 2000, p. 232.

[108] Ibid.

[109] Ibid.

[110] The "Big Three" includes DaimlerChrysler, Ford, and General Motors.

[111] U.S. Department of Commerce and USTR, "Report to President William Jefferson Clinton of the Interagency Enforcement Team Regarding the U.S.-Japan Agreement on Autos and Auto Parts," June 3, 1999, found at Internet address *http://www.ita.doc.gov/td/auto/japan.html*, retrieved March. 17, 2000.

[112] Ibid.

[113] Ibid.

[114] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers,* March 2000, p. 232.

[115] U.S. Department of Commerce and USTR, "Report to President William Jefferson Clinton of the Interagency Enforcement Team Regarding the U.S.-Japan Agreement on Autos and Auto Parts," June 3, 1999, found at Internet address *http://www.ita.doc.gov/td/auto/japan.html*, retrieved March 17, 2000.

[116] "Shaken" is the Japanese term for inspection system.

[117] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers*, March 2000, p. 233. For additional information regarding U.S. requests in the automotive parts sector, see USITC, *The Year In Trade: OTAP 1998*, USITC Publication 3192, May 1999, p. 62.

[118] Ibid.

[119] For background information on the 1994 and 1996 agreements, see, USITC, *The Year in Trade: OTAP*, 1994, USITC pub. 2894, pp. 81 and 82 and USITC, *The Year in Trade: OTAP 1996*, USITC publication 3024, pp. 97 and 98, respectively.

market. Japan had agreed to not allow liberalization of the third sector of the market "as long as a substantial portion of the life and nonlife areas is not deregulated.[120] In 1998, there was disagreement between the United States and Japan as to whether Japan had met the five specific criteria for liberalization of the primary sectors.[121]

In April 1999, bilateral consultations were held on the two insurance agreements. The consultations included an assessment of Japan's implementation of the agreements, issues relating to product approval, resources and technology, the Policyholder Protection Organization, rating organizations, and administrative and regulatory changes in Japan's insurance sector. While the market share for U.S. insurance companies has increased during the past two years, the United States expressed concerns about Japan's implementation of key provisions of the insurance agreements related to rating organizations' activities and potential radical changes occurring in the third sector. These changes include sales practices involving group personal accidental insurance and sales of third sector products by Japanese firms. The United States also indicated that it was concerned about the conduct of product approvals, including the transparency of that process.[122]

Another insurance development occurred in October 1999 when the United States included a list of requests to Japan under the Enhanced Initiative on Deregulation and Competition Policy. The U. S. list included a significant increase in personnel for the financial supervisory staff to work on the expanded flow of insurance product applications; the adoption of a modernized and streamlined product approval system; and additional financial supervisory efforts to conduct all communications with the companies that it regulates in a fair and transparent manner, as called for in the Administrative Procedures Law. In addition to these requests, the United States expressed serious concerns about Japanese plans to expand the role of the postal insurance system into product lines offered by private insurers.[123] The next set of consultations occurred during March 2000.

Japan-China WTO Agreement

On July 9, 1999, Japan and China concluded a bilateral agreement on China's accession to the WTO.[124] The 1999 agreement covering services, coupled with a 1997 agreement on goods, completed Japan and China's bilateral negotiations, subject to technical verification before submission to the WTO Secretariat. The agreement was satisfactory in areas of particular interest to Japan, including telecommunications, construction, distribution, professional and financial services, and the monitoring of transport. However, Japan expressed hope that China would make further liberalization efforts in telecommunications and distribution services during the next round of WTO negotiations.[125]

Electronic Commerce in Japan

The development of the Internet and e-commerce lags in Japan compared to other developed countries, although the Japanese government predicts rapidly rising demand for these services. Only 11 percent of Japanese homes were connected to the Internet in 1999, compared to 37 percent in the United States. The Ministry of Posts and Telecommunications plans to conduct a census in FY 2000 to determine more precisely how many people are using the Internet. The Ministry has predicted that the number of people using the Internet in Japan could reach 58 million, or 46 percent of the population, by FY 2005. Some of the reasons for the lower numbers of Internet users in Japan are the high cost of accessing the Internet, and market access barriers in the telecommunications market. The United States and Japan have held discussions on e-commerce issues since 1998, including the development of regulatory frameworks, privacy, tariffs, tax treatment, consumer protection, intellectual property protection, and other topics. [126]

China

U.S. trade relations with China in 1999 were highlighted by negotiations for China's membership in the WTO. Chinese Premier Zhu Rongji traveled to the United States, and on April 8 presented an offer to the government of the United States. No agreement was

[120] USTR, "United States-Japan Bilateral Insurance Agreement," press release no. 98-61, July, 1998.

[121] American Chamber of Commerce in Japan, "ACCJ Viewpoint: Insurance Industry Issues: Proposal for Solutions," found at Internet address *http://www.accj.or.jp/News/viewNews.asp?XID=1372*, retrieved on March 2000.

[122] USTR, *2000 Trade Policy Agenda and 1999 Annual Report*, March 2000, p. 226.

[123] Ibid.

[124] U.S. Department of State telegram, "Japan and China Complete WTO Bilateral Agreement," message reference no. 005667, prepared by U.S. Embassy, Tokyo, July 9, 1999.

[125] "Text:Japan-China Joint Statement", *Inside U.S. Trade*, July 16, 1999.

[126] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers*, March 2000, pp. 230-231.

reached on this offer, and negotiations slowed for several months. On November 15, 1999, U.S. Trade Representative Charlene Barshefsky and Chinese Trade Minister Shi Guangsheng signed a bilateral trade agreement that would form a major part of China's accession to the WTO. In May 2000, the U.S. House of Representatives approved the agreement with passage of permanent normal trade relations (PNTR) with China, and the U.S. Senate is currently considering similar legislation. This section summarizes trade relations with China in 1999, and outlines the provisions of U.S.-China bilateral trade negotiations in 1999. Since the issue of China's accession to the WTO was one of the major unfolding events of the year, this section also will briefly describe the status of bilateral accession negotiations at year end and steps remaining before China can become a member of the WTO.

The U.S.-China Bilateral WTO Agreement

President Clinton visited China in June 1998, and Chinese Premier Zhu Rongji traveled to the United States in April 1999. During Rongji's visit, the Chinese reportedly offered a range of concessions in its bid to gain entry to the WTO. Specific provisions included trade barrier and market access issues in agriculture, automobiles, banking, chemicals, direct sales, the film industry, insurance, information technology, telecommunications, tourism, and other areas.[127] The Chinese presented an offer to the United States for WTO accession, though President Clinton was not prepared to sign an agreement. Although a full bilateral WTO agreement was not signed in April, on April 8, 1999 U.S. Trade Representative Charlene Barshefsky announced "broad progress toward an expansive market access agreement with China."[128] The market access commitments locked in on April 8 included "China's full participation in the three global agreements negotiated in the WTO since the Uruguay Round: the Information Technology Agreement, the Basic Telecommunications Services Agreement, and the Financial Services Agreement. In addition, China agreed to participate in the APEC Sectoral Liberalization Initiative."[129]

On November 15, 1999, the U.S. Trade Representative and the National Economic Council Director announced the successful completion of bilateral talks on China's accession to the WTO. In a joint statement, Barshefsky and Sperling said, "We are glad that after 13 years of negotiation, China and the United States have agreed upon a strong, commercially viable WTO agreement for China."[130]

Table 4-1 presents a summary of the November 15 agreement. The summary is based on a USTR release of mutually agreed protocol provisions, antidumping and subsidies methodology, product-specific safeguards, state-owned enterprises, agriculture, industrial products, tariffs, quotas and licenses, distribution rights, services, grandfathering, telecommunications, insurance, banking, securities, professional services, motion pictures, and textiles.[131]

Agreement on U.S.-China Agricultural Cooperation

On April 10, 1999, U.S. Trade Representative Barshefsky and Chinese Minister for Foreign Trade and Economic Cooperation Shi Guangsheng announced the signing of an agricultural agreement that would lift long-standing prohibitions on the export of U.S. citrus, grain, beef, and poultry to China. The agreement includes specific measures to lift the ban on exports of citrus from Arizona, California, Florida, and Texas. China also agreed to recognize the U.S. certification system for meat and poultry, a move that will allow U.S. products immediate access to all segments of the Chinese market. Finally, the agreement lifts China's 26-year-old ban on the import of U.S. wheat and other grains from the Pacific Northwest. In signing the agreement, China acknowledged that the parasiteTCK smuck does not pose a risk to China's domestic wheat production, and will allow the import of U.S. wheat and and other grain at or below a specific tolerance for TCK (30,000 spores per 50 grams).[132] At year end, steps were already underway to ensure compliance with the agreement and strengthen the U.S.-China agricultural trading relationship.[133]

[127] Orbis Publications, *China Watch*, April 15, 1999.

[128] USTR, "Statement of Ambassador Charlene Barshefsky Regarding Broad Market Access Gains Resulting from China WTO Negotiations," press release 99-34, April 8, 1999.

[129] Ibid.

[130] USTR, "U.S., China Sign Historic Trade Agreement," press release 99-95, November 15, 1999.

[131] USTR, *Summary of U.S.-China Bilateral WTO Agreement*, released February 2, 2000.

[132] USTR, "U.S., China Sign Bilateral Agriculture Agreement," press release 99-36, April 10, 1999.

[133] In compliance with the agricultural agreement, in January 2000, a team of Chinese quarantine specialists completed the first preprogram initiation inspection of citrus-producing regions in Arizona, California, Florida, and Texas. On March 22, 2000, China issued new rules governing the importation of U.S. citrus, meat, and wheat. By April 3, 2000, the U.S. Trade Representative and the U.S. Secretary of Agriculture announced the first direct shipment

Table 4-1
Summary of United States–China Bilateral WTO Agreement

Sector/Provision	Details of Agreement
Protocol provisions	Commitments in China's WTO Protocol and Working Party Report establish rights and obligations enforceable through WTO dispute settlement procedures. We have agreed on key provisions relating to antidumping and subsidies, protection against import surges, technology transfer requirements, offsets, and practices of state–owned and state–invested enterprises. These rules are of special importance to U.S. workers and business.
	China has agreed to implement the TRIMs Agreement upon accession, eliminate and cease enforcing trade and foreign exchange balancing requirements, as well as local content requirements, refuse to enforce contracts imposing these requirements, and only impose or enforce laws or other provisions relating to the transfer of technology or other knowhow in accordance with the WTO agreements on protection of intellectual property rights and trade–related investment measures.
	These provisions also will help protect American firms against forced technology transfers. China has agreed that, upon accession, it will not condition investment approvals, import licenses, or any other import approval process on performance requirements of any kind, including local content requirements, offsets, transfer of technology, or requirements to conduct research and development in China.
Antidumping and subsidies methodology	The agreed protocol provisions ensure that American firms and workers will have strong protection against unfair trade practices, including dumping and subsidies. The United States and China agreed to maintain the current antidumping methodology (treating China as a nonmarket economy) in future antidumping cases. This provision will remain in force for 15 years after China's accession to the WTO. Moreover, when the United States applies its countervailing duty law to China, it will be able to take the special characteristics of China's economy into account when identifying and measuring any subsidy benefit that may exist.
Product–specific safeguard	The agreed provisions for the protocol package also ensure that American domestic firms and workers will have strong protection against rapid increases of imports.
	The Product–Specific Safeguard provision sets up a special mechanism to address increased imports that cause or threaten to cause market disruption to a U.S. industry. This mechanism, which is in addition to other WTO safeguards provisions, differs from traditional safeguard measures. It permits the United States to address imports solely from China that are a significant cause of material injury through measures such as import restrictions. Moreover, the United States will be able to apply restraints unilaterally based on legal standards that differ from those in the WTO Safeguards Agreement. This could permit action in more cases. The Product–Specific Safeguard will remain in force for 12 years after China accedes to the WTO.
State–owned and state–invested enterprises	The Protocol addresses important issues related to the Chinese government's involvement in the economy. China has agreed to ensure that state–owned and state–invested enterprises will make purchases and sales based solely on commercial considerations, such as price, quality, availability and marketability, and that it will provide U.S. firms with the opportunity to compete for sales and purchases on nondiscriminatory terms and conditions.
	China has also agreed that it will not influence these commercial decisions, either directly or indirectly except in a WTO consistent manner.
	Purchases of goods or services by these state–owned and state–invested enterprises do not constitute government procurement and thus are subject to WTO rules.
	The status of state–owned and state–invested enterprises under the WTO Agreement on Subsidies and Countervailing Measures has been clarified.

Table 4-1—*Continued*
Summary of United States-China Bilateral WTO Agreement

Sector/Provision	Details of Agreement
Agriculture	The Agreement would eliminate barriers and increase access for U.S. exports across a broad range of commodities.
	Significant cuts in Chinese tariffs will be completed by January 2004. Overall average for agricultural products will be 17.5 percent and for U.S. priority products 14 percent (down from 31 percent).
	A tariff rate quota system is established for imports of bulk commodities, e.g., wheat, corn, cotton, barley, and rice, that provides a share of the TRQ for private traders. Specific rules on how the TRQ will operate and increased transparency in the process will help ensure that imports occur. Significant and growing quota quantities are subject to tariffs averaging between 1 percent and 3 percent.
	The tariff rate quota system is immediately eliminated for barley, peanut oil, sunflower-seed oil, cottonseed oil, and is phased out for soybean oil.
	The right is established to import and distribute products without going through a state-trading enterprise or middleman.
	Export subsidies on agricultural products are eliminated.
	China also has agreed to the elimination of Sanitary and Phytosanitary (SPS) barriers that are not based on scientific evidence
Industrial products	China would lower tariffs and eliminate broad systemic barriers to U.S. exports, such as limits on who can import goods and distribute them in China, as well as barriers such as quotas and licenses on U.S. products.
Tariffs	Tariffs cut from an average of 24.6 percent to an average of 9.4 percent overall and 7.1 percent on U.S. priority products.
	China will participate in the Information Technology Agreement and eliminate all tariffs on products such as computers, telecommunications equipment, semiconductors, computer equipment, and other high-technology products.
	In the auto sector, China will cut tariffs from the current 80 percent to 100 percent level to 25 percent by mid-2006, with the largest cuts in the first years after accession.
	Auto parts tariffs will be cut to an average of 10 percent by mid-2006.
	In the wood and paper sectors, tariffs will drop from present levels of 12 percent to 18 percent on wood and 15 percent to 25 percent on paper, down to levels generally between 5 percent and 7.5 percent.
	China will also be implementing the vast majority of the chemical harmonization initiative. Under that initiative, tariffs will be at zero, 5.5 percent and 6.5 percent for products in each category.
Elimination of quotas and licenses	WTO rules bar quotas and other quantitative restrictions. China has agreed to eliminate these restrictions with phaseins limited to 5 years.
	China will eliminate existing quotas upon accession for the top U.S. priorities (e.g., optic fiber cable). It will phase out remaining quotas, generally by 2002, but no later than 2005.
	Quotas will grow from current trade levels at a 15 percent annual rate in order to ensure that market access increases progressively.
	Auto quotas will be phased out by 2005. In the interim, the base-level quota will be $6 billion (the level prior to China's auto industrial policy), and this will grow by 15 percent annually until elimination.

Table 4-1—*Continued*
Summary of United States–China Bilateral WTO Agreement

Sector/Provision	Details of Agreement
Right to import and distribute	Trading rights and distribution are among the top concerns for U.S. manufacturers and agricultural exporters. At present, China severely restricts trading rights (the right to import and export) and the ability to own and operate distribution networks. Under the Agreement, trading rights and distribution services will be progressively phased in over three years. China also will open up sectors related to distribution services, such as repair and maintenance, warehousing, trucking, and air courier services.
Services	China has made commitments to phase out most restrictions in a broad range of services sectors, including distribution, banking, insurance, telecommunications, professional services such as accountancy and legal consulting, business and computer-related services, motion pictures and video and sound recording services. China will also participate in the Basic Telecommunications and Financial Services Agreements.
Grandfathering	China will grandfather the existing level of market access already in effect at the time of China's accession for U.S. services companies currently operating in China. This will protect existing American businesses operating under contractual or shareholder agreements or licenses from new restrictions as China phases in their commitments
Distribution and related services	China generally prohibits foreign firms from distributing products other than those they make in China, or from controlling their own distribution networks. Under the Agreement, China has agreed to liberalize wholesaling and retailing services for most products, including imported goods, throughout China in 3 years. In addition, China has agreed to open up the logistical chain of related services such as maintenance and repair, storage and warehousing, packaging, advertising, trucking and air express services, marketing, and customer support in 3 to 4 years.
Telecommunications	China now prohibits foreign investment in telecommunications services. For the first time, China has agreed to permit direct investment in telecommunications businesses. China will also participate in the Basic Telecommunications Agreement.
	China has agreed to implement the procompetitive regulatory principles embodied in the Basic Telecommunications Agreement, including interconnection rights and independent regulatory authority, and will allow foreign suppliers to use any technology they choose to provide telecommunications services.
	China will phase out all geographic restrictions for paging and value-added services in two years, mobile voice and data services in 5 years, and domestic and international services in 6 years.
	China will permit 50 percent foreign equity share for value-added and paging services two years after accession, 49 percent foreign equity share for mobile voice and data services five years after accession, and 49 percent foreign equity for domestic and international services 6 years after accession.
Insurance	China agreed to award licenses solely on the basis of prudential criteria, with no economic-needs test or quantitative limits on the number of licenses issued.
	China will progressively eliminate all geographic limitations within 3 years. Internal branching will be permitted consistent with the elimination of these restrictions.
	China will expand the scope of activities for foreign insurers to include group, health, and pension lines of insurance, phased in over 5 years. Foreign property and casualty firms will be able to insure large-scale commercial risks nationwide immediately upon accession.
	China agreed to allow 50 percent ownership for life insurance. Life insurers may also choose their own joint venture partners. For nonlife, China will allow branching or 51 percent ownership on accession and wholly owned subsidiaries in 2 years. Reinsurance is completely open upon accession at 100 percent with no restrictions.

Table 4-1—*Continued*
Summary of United States–China Bilateral WTO Agreement

Sector/Provision	Details of Agreement
Banking	Currently, foreign banks are not permitted to do local currency business with Chinese clients, although a few can engage in local currency business with their foreign clients. China imposes severe geographic restrictions on the establishment of foreign banks.
	China has committed to full market access in 5 years for foreign banks.
	Foreign banks will be able to conduct local currency business with Chinese enterprises starting 2 years after accession.
	Foreign banks will be able to conduct local currency business with Chinese individuals from 5 years after accession.
	Foreign banks will have the same rights (national treatment) as Chinese banks within designated geographic areas.
	Both geographic and customer restrictions will be removed in 5 years.
	Nonbank financial companies can offer auto financing upon accession.
Securities	China will permit minority foreign–owned joint ventures to engage in fund management on the same terms as Chinese firms. By 3 years after accession, foreign ownership of these joint ventures will be allowed to rise to 49 percent. As the scope of business expands for Chinese firms, foreign joint venture securities companies will enjoy the same expansion in scope of business. In addition, 33 percent foreign–owned joint ventures will be allowed to underwrite domestic equity issues and underwrite and trade in international equity and all corporate and government debt issues.
Professional services	China has made strong commitments on professional services in law, accounting, management consulting, tax consulting, architecture, engineering, urban planning, medical and dental services, and computer and related services. China's commitments will lead to greater market access opportunities and increased certainty for American companies doing business in China.
Motion pictures, videos, sound recordings	China will allow 20 films to be imported on a revenue–sharing basis in each of the three years after accession. U.S. firms can form joint ventures to distribute videos, software entertainment, and sound recordings and to own and operate cinemas.
Textiles	China's protocol package will include a provision drawn from the 1997 bilateral textiles agreement, which permits U.S. companies and workers to respond to increased imports of textile and apparel products. This textile safeguard will remain in effect until December 31, 2008, which is 4 years after the WTO Agreement on Textile and Clothing expires.

Source: USTR, *Summary of U.S.–China Bilateral WTO Agreement*.

[133]-*Continued*
of U.S. meat to China, an air shipment from San Francisco bound for Shanghai. In the weeks prior, China also bought its first shipment of wheat from the Pacific Northwest, and shipments of citrus sailed from ports in Florida and California. Secretary Glickman said the shipments "demonstrate the tangible benefits of increased trade with China," and that he "hopes and expects these shipments are only the first of many more sales to come. " See USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 211. And USTR, "First Direct Shipment of U.S. Meat Departs for China," press release 00-24, April 3, 2000.

Remaining Issues for China's Accession to the WTO

To become a member of the WTO, China must complete three phases of the accession process—negotiation, WTO approval, and implementation. In the negotiation phase, multilateral and bilateral negotiations rules require China to complete negotiations on how it will implement WTO rules, finish documenting its commitments in its protocol and working party reports, and complete negotiations with all country members of its WTO working party. Table 4-2 presents the country members of the China WTO working party.[134]

At a meeting of the China-WTO working party on March 21, 2000, the Chairman reported that out of the 37 WTO country members expressing interests in negotiating with China on market-access in goods and services, only 10 had not completed such negotiations. These 10 members included the European Union, Costa Rica, Ecuador, Guatemala, the Kyrgyz Republic, Latvia, Malaysia, Mexico, Poland, and Switzerland.[135] In addition, China is still negotiating specific terms for how it will adhere to the obligations and responsibilities of WTO membership. These multilateral negotiations should end with the acceptance of two documents—the protocol, which contains the terms of accession and commitments affirming China's adherence to WTO guidelines and principles, and the working party report, which provides a narrative on the results of the negotiations and specific commitments made by China about how it will meet WTO requirements.[136]

In the WTO approval phase, the WTO General Council must accept China's accession package.[137] Then in the implementation phase, China must complete all domestic requirements outlined in its accession package, and implement the agreements it has signed. Thirty days after China formally notifies the WTO of such implementation, it becomes a full member of the organization.[138]

Permanent Normal Trade Relations

U.S. trade relations with China are currently based on the bilateral trade agreement on trade relations that first took effect on February 1, 1980. The 1980 agreement is subject to automatic renewal at three-year intervals. The most recent three-year renewal was on February 1, 1998, and the next renewal of the agreement will be in February, 2001.

China's receipt of NTR tariff treatment is currently renewed on an annual basis. To maintain NTR treatment, the President must waive section 402 of the 1974 Trade Act, the Jackson-Vanik Amendment. The President notified Congress of his decision to waive Jackson-Vanik on June 2, 2000. The administration is currently pursuing enactment of legislation that would terminate application of Jackson-Vanik to China and authorize the President to grant permanent normal trade relation (PNTR) to China.[139] On May 24, 2000,

[134] World Trade Organization, "Working Party on the Accession of China," document WT/ACC/CHN/Rev.1, November 15, 1996. Found at Internet address *http://wto.org*. Retrieved March 10, 2000.

[135] WTO, "Meeting of the Working Party on the Acession of China: Summing Up by the Chairman," March 21, 2000.

[136] U.S. General Accounting Office, Report to Congressional Committees, *World Trade Organization: China's Membership Status and Normal Trade Relations Issues*, March 2000, p. 9.

[137] Before the approval phase, each member must decide whether or not to invoke the nonapplication clause of article XIII of the agreement establishing the WTO. This clause permits either a WTO member or an incoming member to refuse to apply WTO commitments to one another, and does not require any reason for the action. In the past, the United States has always invoked nonapplication when it had not given countries permanent normal trade relations before these countries joined the WTO or the GATT. U.S. General Accounting Office, Report to Congressional Committees, *World Trade Organization: China's Membership Status and Normal Trade Relations Issues*, March 2000, p. 16-17.

[138] U.S. General Accounting Office, Report to Congressional Committees, *World Trade Organization: China's Membership Status and Normal Trade Relations Issues*, March 2000, p. 11.

[139] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 211.

Table 4-2
WTO Working Party on the Accession of China

Argentina	Egypt	Malaysia	Slovak Republic
Australia	European Community	Mexico	Slovenia
Bangladesh	Hong Kong	Myanmar	Sri Lanka
Bolivia	Hungary	New Zealand	Switzerland
Brazil	India	Norway	Thailand
Canada	Indonesia	Pakistan	Tunisia
Chile	Israel	Peru	Turkey
Columbia	Jamaica	Philippines	United States
Cuba	Japan	Poland	Uruguay
Czech Republic	Korea	Romania	Venezuela
Ecuador	Kuwait	Singapore	Zimbabwe

Source: WTO "Working Party on the Accession of China." Nov. 15, 1996.

the U.S. House of Representatives approved PNTR for China by a vote of 237-197.[140] Similar legislation is presently being considered in the U.S. Senate.[141]

Electronic Commerce in China

While the Chinese government recognizes the potential of electronic commerce to promote exports and increase competitiveness, the industry is still in its infancy. The number of people with access to the Internet has increased from approximately 2 million in 1998 to 9 million in 1999, and it is projected to exceed 20 million in 2000. At the present, electronic commerce sales and contracts are not legally binding. The lack of legal certainty and the government's concern for security issues are challenges for the development of e-commerce in China.[142]

Other Trade Developments and Agreements

There were several developments in the U.S.-China trade relationship during 1999. These included Zhu Rongji's April 8 offer in Washington, the U.S.-China Agreement on Agricultural Cooperation on April 10, and a sanitary and phytosanitary agreement on bovine embryos, also signed in April.[143] After these April initiatives, however, the General Accounting Office noted that trade negotiations between the United States and China were "affected by overall U.S.-China relations, including the May 1999 accidental bombing by the North Atlantic Treaty Organization of the Chinese embassy in Belgrade, Yugoslavia; U.S. concerns regarding human rights, proliferation of weapons of mass destruction, and espionage; and cross-strait tensions between Taiwan and China."[144]

On November 15, 1999, the United States and China concluded the comprehensive bilateral WTO accession agreement. China committed to reduce both tariff and nontariff barriers to U.S. exports of industria goods, agricultural products, and services. China agreed to specific rules to address import surges, antidumping and subsidies practices, and to end the application of export performance, local content, offsets, technology transfer, and similar requirements on imports and investment.[145]

Other trade developments included informal consultations in November 1999 to determine a schedule and agenda for upcoming annual meetings under the 1989 and 1995 Bilateral Agreements on International Trade in Commercial Space Launch Services.[146] In addition, the 1999 Agreement on U.S.-China Agricultural Cooperation began to take effect. Following this agreement, the first Chinese preprogram initiation inspection of citrus-producing regions in Arizona, California, Florida, and Texas was completed in January 2000.[147] China announced new rules governing the importation of U.S. citrus, meat, and wheat on March 22, 2000. The first direct shipment of U.S. meat to China left San Francisco on a plane bound for Shanghai on April 2.[148]

During 1992-99, U.S. exports to China have increased almost 77 percent, despite a 7.9 percent export decline in 1999. U.S. exports to China are dominated by higher-valued capital goods and industrial supplies, which account for about 85 percent of U.S. exports to China. The 1999 decline, in part, reflected a slowdown in China's domestic economy. Much of the export decline was in two major sectors—aircraft and machinery. Exports to China in these categories decreased by 20 percent in 1999.[149]

China continued to be a growing supplier of U.S. goods imports. Purchases from China increased 14.9 percent in 1999, but accounted for only 8 percent of total U.S. goods imports in 1999. The increase in U.S. imports from China is accompanied by a shift of some types of low-skill production processes from other parts of Asia to China. U.S. imports from China are primarily low value-added consumer goods such as toys, footwear, apparel, and some areas of consumer electronics. Consumer goods account for almost 70 percent of U.S. imports from China.[150] Statistical information on U.S.-China trade is continued in tables A-13 to A-15.

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[140] Washington Post, *Chinese Leader Telephones Thanks for Trade Bill Vote*, May 29, 2000.

[141] Inside U.S. Trade, *Lott Sees Deliberate Approach to China, Faces Conflicting Pressures*, June 9, 2000.

[142] For more information, see: USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers*, p. 51.

[143] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 211-213.

[144] U.S. General Accounting Office, Report to Congressional Committees, *World Trade Organization: China's Membership Status and Normal Trade Relations Issues*, March 2000, p. 7.

[145] Ibid.

[146] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 215

[147] Ibid., p. 212

[148] USTR, "First Direct Shipment of U.S. Meat Departs for China," press release 00-24, April 3, 2000.

[149] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers*, p. 41.

[150] Ibid.

Taiwan

During 1999, Taiwan completed virtually all substantive discussions with members of the WTO, including the United States, regarding its accession. The WTO Working Party held two meetings in 1999 to review details of Taiwan's Working Party Report, market-access schedules, and new trade regulations–in particular arrangements regarding liberalization of its agricultural markets. In addition to Taiwan starting implementation of a 1998 bilateral agreement with the United States, other developments included the lifting of Taiwanese bans on imports of chicken, pork belly, and pork offal; agreements on the importation of motorcycles of more than 700 cc, liberalization of Taiwan's wire-line telecommunications markets,[151] and certification of U.S. meat imports.[152] Taiwan also agreed to the application of internationally approved minimum residue levels for pesticides,[153] the extension of tariff reductions on 15 agricultural products, and a waiver on tariffs for 15 aircraft components as a part of its bid to join the WTO Agreement on Trade in Civil Aircraft.[154]

Further, Taiwan continued its two-year phaseout of clinical trials as part of the registration process for new drugs; signed on to a March 1999 mutual recognition agreement designed to eliminate duplicate testing of information technology equipment. As a part of its commitment to join the Agreement on Government Procurement, Taiwan's new Government Procurement Law went into partial effect in May 1999.[155]

As an amendment to its Securities and Exchange Law, in early 1999 Taiwan removed more restrictions on the foreign employment and ownership of securities firms. The limit on foreign ownership in listed companies was raised from 30 percent to 50 percent. For qualified foreign institutional investors, restrictions on capital flows were removed, although they are still subject to limits on portfolio investment.[156]

In 1999, 43 percent of all imports seized by U.S. customs came from Taiwan, making it the largest source of counterfeit goods in the world during that year. The United States is particularly concerned about inadequate Taiwanese enforcement against counterfeit U.S. software, video games, and other optical media. To address these concerns, Taiwan issued a new directive requiring the use of legal software by Taiwanese government offices in February 1999. As of July 1, 1999, Taiwan also required all optical media products produced in Taiwan, including CDs, VCDs, CD-ROMs, and DVDs, to bear source identification codes. At the same time, the Taiwan Bureau of Standards, Meteorology and Inspection was authorized to perform random factory visits to ensure compliance.[157]

Finally, on June 10, 1999, the United States, Taiwan, Japan, Korea, and the European Commission announced a new, multilateral Joint Statement on Semiconductors designed to ensure fair and open global trade in semiconductors. The statement follows the 1996 bilateral United States-Japan Joint Statement on Semiconductors, which expired July 31, 1999. Under this agreement, industry leaders will continue to meet at the World Semiconductor Council to discuss and engage in cooperation concerning global issues such as standardization, environmental concerns, worker health and safety, intellectual property rights, trade and investment liberalization, and worldwide market development. Key provisions on competition include a commitment by all parties to barrier-free trade in semiconductors in markets worldwide, the principle that competitiveness of companies and their products and not the intervention of governments should be the key determinant of industrial success, and that trade should conform to principles outlined in GATT and WTO.[158]

Implementation of the U.S.-Taiwan Bilateral WTO Agreement

As a part of its WTO accession bid, Taiwan signed and is beginning implementation of a bilateral agreement with the United States. The agreement was signed in February 1998, and includes many provisions that have been in addressed by Taiwan in both 1998 and 1999.

[151] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 207.

[152] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers,* p. 381

[153] USTR, “U.S. and Taiwan Reach Agreement on Pesticide Standards,” press release 99-65, July 27, 1999. Also see: USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program,* p. 207.

[154] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers,* p. 380.

[155] Ibid., p. 384.

[156] Ibid.

[157] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers*, p. 383.

[158] USTR, “United States, Japan, European Union, Korea, and Taiwan Announce New Accord on Semiconductor Trade Practicies,” press release 99-50, June 10, 1999.

Highlights of the bilateral agreement include commitments by Taiwan to:

- reduce its overall tariff rates below 5 percent;
- reduce tariffs and discriminatory taxes on imported automobiles;
- open trade in a full range of products, including chemicals, medical equipment, furniture, toys, steel, paper, construction and agricultural equipment, wood, civil aircraft, and distilled spirits;
- improve access for telecommunications service providers so that foreign companies can hold controlling interest and reduce excessively high interconnection charges for new telecommunications companies;
- accede to the WTO's Government Procurement Agreement and establish new arbitration procedures for resolving disputes involving major projects undertaken by Taiwanese authorities;
- remove import bans on pork, chicken, variety meats, and rice, as well as provide immediate access for most of these products.[159]

Implementation of many of these commitments continued in 1999, but full implementation will occur after Taiwan becomes a full WTO member.[160]

[159] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 207-208.

[160] As a specialized United Nations agency, the GATT acknowledged UN General Assembly Resolution 2758 of October 25, 1971, recognizing only one China. Although some GATT members considering Chinese Taipei's (Taiwan's) application interpreted this resolution to mean that Chinese Taipei should not accede to the GATT before the People's Republic of China, other members did not agree. Nonetheless, both sides agreed to establish the Working Party on the Accession of Chinese Tapei in 1992.

Status of Taiwan's WTO Bid

Although China was one of the founding members of the WTO's predecessor organization—GATT, –Taiwan lost its membership following the communist takeover of the Chinese mainland. Taiwan returned to the GATT as an observer in 1965, but was forced out again in 1972, shortly after the Chinese mainland replaced it in the United Nations. In 1987, Taiwan began seeking reentry to the GATT, and in 1990 filed a formal application for membership under the name of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu. On September 29, 1992, the GATT established a working party to examine Taiwan's Foreign Trade Memorandum and to draft a protocol of accession. Meanwhile, the GATT offered Taiwan observer status, which allowed it to participate in related meetings before becoming a full member. On January 1, 1995, the WTO was established to replace the GATT, and Taiwan was granted observer status on January 31, 1995. On December 1, 1995, Taiwan switched its membership application from the GATT to the WTO.[161]

Bilateral consultation with all member states is one prerequisite for entry to the WTO. Table 4-3 presents the 43-member working party on the accession of the separate customs territory of Taiwan, Penghu, Kinmen, and Matsu.[162] As of the end of 1999, Taiwan had

[161] Government of Taiwan, *The Republic of China Yearbook 1999.* Found at Internet address *http://www.gio.gov.tw*, retrieved on April 14, 2000.

[162] World Trade Organization, "Working Party on the Accession of the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu," document WT/ACC/TPKM/6, March 11, 1997, found at Internet address *http://wto.org*, retrieved April 14, 2000.

Table 4-3
WTO Working Party on the Accession of the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu

Argentina	Egypt	Madagascar	Senegal
Australia	El Salvador	Malaysia	Singapore
Bangladesh	European Union	Mexico	Slovak Republic
Bolivia	Guatemala	Mongolia	South Africa
Brazil	Honduras	New Zealand	Sri Lanka
Canada	Hong Kong	Norway	Switzerland
Chile	Hungary	Pakistan	Thailand
Colombia	India	Peru	Turkey
Costa Rica	Indonesia	Philippines	United States
Czech Republic	Japan	Poland	Uruguay
Ecuador	Korea	Romania	

Source: WTO "Working Party on the Accession of the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu." Mar. 11, 1997.

reached bilateral agreements with all Working Party members. Although the United States had completed its review of China's accession package, other WTO members continued to work on verification and rectification of Taiwan's documents.[163]

Electronic Commerce in Taiwan

Taiwan supports international efforts to facilitate global electronic commerce, and in 1998 unveiled electronic commerce policy guidelines that emphasize the primacy of the private sector in electronic commerce development. In practice, however, Taiwan's approach to electronic commerce is still evolving. In 1998, Taiwan authorities proposed an amendment to the Taiwan Telecommunications Law that would have required time-consuming inspections and approval of all hardware and software encryption modules. The amendment was deleted from the legislation, which was approved that October. In the area of software sales, imports through traditional channels are subject to import duties up to 1.3 percent. However, assessment of duties for software sold and downloaded over the Internet is still under discussion and no conclusion has yet been reached. In the area of online banking, securities transactions, and other transactions, Taiwan is deliberating whether to establish a compulsory security standard controlling all transactions. The Ministry of Finance announced on December 24 that it is now considering allowing competing security standards in Taiwan.[164] Electronic commerce was discussed during Assistant U.S. Trade Representative Joseph Papovich's visit to Taiwan in November, 1999.[165]

Korea

U.S.-Korean trade relations were again calm in 1999, reflecting the continued relaxation of trade frictions in recent years. Korea has made progress in liberalizing both its domestic economy and trade regime. The Korean economic crisis that began in 1997 and continued into 1998 spurred some liberalizations and also diverted attention and energy away from trade frictions. President Kim Dae-jung, inaugurated in early 1998, has been more favorably inclined toward reform than previous presidents. Also, the International Monetary Fund rescue package has called for liberalizations as a condition of its loans. Korea's economy rebounded in 1999 from the slump that began in late 1997, growing 10.7 percent in 1999, after declining 6.7 percent in 1998.[166]

One bilateral trade issue involving the United States and Korea in 1999 stood out above the others. In April, the United States requested a WTO dispute-settlement panel regarding Korea's imports of beef. Lesser issues included a U.S. request for a WTO dispute-settlement panel regarding procurement of airport construction in Korea and monitoring of the 1998 U.S.-Korea Memorandum of Understanding dealing with Korean practices that discourage imports of U.S. automobiles.

Korea and China concluded a bilateral agreement on China's accession to the WTO in August 1997.[167]

Beef

In 1997, Korean imports of beef were below its annual minimum market access quota of 167,000 metric tons. In 1998, Korea imported only 53 percent of its 187,000 metric ton commitment.[168] Meetings between the two governments in September and November 1998 and January 1999 failed to reach agreement on a plan to establish a market-driven beef import system in Korea. The United States then requested WTO dispute settlement consultations on February 1, 1999. No settlement was reached in consultations held in March. The United States then requested the formation of a WTO dispute- settlement panel, which was established in May. Australia also filed a complaint, which was added to U.S complaint before the dispute-settlement panel. The first meeting of the combined panel was held in December 1999, and Canada and New Zealand became third parties to the process.[169]

Background

Korean beef imports have been governed by three agreements between Korea and the United States negotiated in 1990 and 1993.[170] These agreements

[163] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 207.

[164] USTR, *2000 National Trade Estimate Report on Foreign Trade Barriers*, p. 386.

[165] U.S. Department of State Telegram, "Short But Useful IPR Talks with Taiwan," message reference number 03346, prepared by AIT, Nov. 23, 1999.

[166] Florence Lowe-Lee, "Economic Trends," *Korea Insight*, Korea Economic Institute of America, March 2000.

[167] U.S. Department of State telegram, "China's WTO Accession: ROK-China Bilateral Agreement," message reference No. 5209, prepared by U.S. Embassy, Seoul, Sept. 3, 1997.

[168] Korean commitments and existing bilateral agreements are discussed in the following section.

[169] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 202.

[170] Australia and New Zealand were also parties to the 1990 agreement and the first of the two 1993 agreements.

stemmed from a 1989 GATT panel ruling that found that Korea could no longer justify restrictions on imports of beef on balance-of-payments grounds. These restrictions had a long history and consisted of a virtual ban on beef imports in the years leading up to the GATT panel ruling.[171] These agreements established a simultaneous buy/sell system to phase out Korean government involvement in the importation of beef.[172] The second of the 1993 agreements, which was part of the Uruguay Round negotiations, established the expansion of the quota to 225,000 metric tons and an end to mandatory markups by importing entities in 2000, with an end to the quota and involvement by the state-trading entity in 2001. In addition, the agreement calls for "complete private sector autonomy regarding product quantity, price, quality, and supplier" in 2001, and "no government restrictions on product utilization."[173] The U.S. and Korean Governments have met quarterly to review Korea's implementation of the two 1993 accords on imports of foreign beef.

Under the regime that evolved after the agreements, all imports of beef are made through the Livestock Products Marketing Organization, the state-trading entity, and approximately 10 "super groups" such as restaurants, meat processors, or retail stores that control distribution of imported beef to segments of the Korean market. Retail sale of imported beef is only allowed in specially designated stores that, with few exceptions, are not allowed to sell Korean beef. The Korean contention is that the separate retail stores are necessary to prevent the fraudulent sale of imported beef as Hanwoo (Korean) beef. Importing entities charged markups over the import price to their customers, as mandated by the Korean Government, although the markups were to be lowered over time and phased out by 2000.[174]

[171] USITC, *Operation of the Trade Agreements Program: 40th Report, 1988*, USITC publication 2208, July 1989, p. 129.

[172] U.S. Department of State telegram, "WTO Dispute Settlement Body Mtg 28 Apr 1999: Instructions," message reference No. 80945, prepared by U.S. Department of State, Washington, DC, May 3, 1999, "Record of Understanding between Korea and the United States on Agricultural Market Access in the Uruguay Round," Dec. 13, 1993 and U.S. Department of State telegram, "Disharmony in Korea's Trade Policy Apparatus," message reference No. 2737, prepared by U.S. Embassy, Seoul, May 13, 1999.

[173] USTR, *1997 National Trade Estimate Report on Foreign Trade Barriers*, p. 235.

[174] "Record of Understanding between Korea and the United States on Agricultural Market Access in the Uruguay Round," Dec. 13, 1993.

Korean imports of beef regularly exceeded the announced quota levels through 1996.[175] There was a small shortfall in 1997, followed by a much larger one in 1998. In 1998, Korea significantly expanded its domestic support to cattle producers in reaction to the economic downturn. Subsequently, the United States initiated a series of meetings to discuss market-oriented reforms in the beef import regime to offset Korea's failure to meet its minimum quota commitments,[176] culminating in the establishment of the dispute-settlement panel in May 1999.[177]

In its complaint against Korea before the WTO dispute-settlement panel, the United States alleges a regulatory scheme that discriminates against imported beef by, among other things, confining sales of imported beef to specialized stores, limiting the manner of its display, and otherwise constraining the opportunities for the sale of imported beef. The United States also alleges that Korea provides domestic support to the cattle industry in Korea in amounts that cause Korea to exceed its aggregate measure of support as reflected in Korea's WTO schedule. The United States contends that these restrictions apply only to imported beef, thereby denying national treatment to beef imports, and that the support to the domestic industry amounts to domestic subsidies that contravene the WTO Agreement on Agriculture.[178]

Other Issues

Airport Procurement

On June 16, 1999, the WTO Dispute Settlement Body established a panel at the request of the United

[175] WTO, "Korea-Measures Affecting Imports of Fresh, Chilled, and Frozen Beef: Report of the Panel," WT/DS161/R, WT/DS169/R, July 31, 2000, p. 49.

[176] U.S. Department of State telegram, "Instructions for U.S. Delegation to the WTO Committee on Agriculture, March 25-26, Geneva," message reference No. 52844, prepared by U.S. Department of State, Washington, DC, Mar. 23, 1999.

[177] Korean beef imports rebounded significantly in 1999. U.S. exports of beef to Korea were higher in 1999 than in any previous year in the 1990s–double the 1998 figure and 16 percent higher than the previous peak in 1995.

[178] WTO, "Overview of the State-of-play of WTO Disputes," found at Internet address *http://www.wto.org/wto/dispute/bulletin.htm*, retrieved Apr. 26, 2000.

On July 31, 2000, the dispute settlement panel circulated its report, which concluded that Korea's import regime for beef discriminates against imports from the United States and other foreign suppliers, and that the excessive amount of subsidies that Korea provides to its cattle industry violates its reduction commitments on domestic support. USTR, "WTO Panel Finds that Korea Maintains WTO-Inconsistent Restrictions on U.S. Beef Imports," press release 00-58, Aug. 2, 2000.

States to consider a complaint about certain procurement practices of the Korean Airport Construction Authority. The complaint stems from allegations of U.S. firms that the construction authority and successor organizations have discriminated against foreign firms interested in bidding for airport construction projects. The United States contends that during negotiations on Korea's accession to the WTO Agreement on Government Procurement (GPA), Korea assured that airport procurement would be conducted by GPA-covered entities. The Korean Government contends that the construction authority is a privately financed entity not covered by its GPA commitments.[179] The dispute-settlement panel was formed on September 8, 1999, and held meetings in October and November 1999.[180]

Automobiles

In October 1998, the United States and Korea signed a Memorandum of Understanding (MOU) ending a section 301 investigation by the United States on "certain acts, policies, and practices ot the Government of the Republic of Korea that pose barriers to imports of U.S. autos into the Korean market."[181] The United States continues to monitor the 1998 MOU with Korea on automobiles, having the first formal review of Korea's implementation in April 1999 and detailed consultations in December 1999. The U.S. Government feels that many specific provisions of the MOU are on track, but remains concerned about the lack of substantial increases in market access for foreign motor vehicles in Korea.[182]

Electronic Commerce in Korea

Korea has an Electronic Commerce Basic Law and an Electronic Signatures Law that went into effect on July 1, 1999. These laws encourage private sector development of electronic commerce in Korea and codify authorization of electronic signatures as legally binding on consumers and businesses. In 2000, the Korean Government anticipates enactment of additional laws to support electronic commerce, including laws covering the security of electronic payment systems.[183]

Brazil

Following a year of economic turmoil and eroding investor confidence in the country's economic policies, the Brazilian Government sharply devalued its currency and adopted a floating exchange rate regime in January 1999. That devaluation, which made Brazilian goods more competitive in world markets, set the stage for an export-led economic recovery that by year end 1999 enabled Brazil to resume economic growth, improve its foreign trade balance, and restore international investor confidence.[184] Increased exports to the United States, especially exports of civil aircraft, coffee, and automobile parts, contributed significantly to Brazil's improved trade performance, and the United States was Brazil's most important export market in 1999. U.S. exports to Brazil totaled $12.3 billion in 1999, a decline of $2 billion from 1998, while U.S. imports from Brazil totaled nearly $11.3 billion, an increase of more than $1 billion from 1998. U.S.-Brazilian trade data are shown in tables A-22 through A-24.

Brazil is the largest economy participating in the Southern Common Market (Mercosur). Formed in 1991,[185] Mercosur is a South American customs union (a free trade area with a common external tariff) whose other members are Argentina, Paraguay, and Uruguay. The Mercosur customs union became operative January 1, 1995. Bolivia and Chile are associate members of Mercosur—they participate in the Mercosur free trade area, but not in the Mercosur common external tariff arrangement. The four Mercosur customs union partners have participated in international fora such as the WTO and the negotiations for the Free Trade Areas of the Americas jointly based on common Mercosur positions.[186]

[179] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, pp. 200-201 and U.S. Department of State telegram, "DUSTR Fisher's Meetings in Seoul: Government Procurement," message reference No. 1041, prepared by U.S. Embassy, Seoul, Feb. 18, 1999.

[180] On May 1, 2000, the dispute settlement panel circulated its report, which rejected the U.S. complaint. WTO, "Korea–Measures Affecting Government Procurement: Report of the Panel," WT/DS163/R, May 1, 2000.

[181] 62 F.R. 55843. For background, see USITC, *The Year in Trade, OTAP 1998*, USITC publication 3192, pp. 78-80.

[182] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, pp. 196-197 and U.S. Department of State telegram, "US-ROK Motor Vehicle consultations, December 8-9, 1999," message reference No. 86, prepared by U.S. Embassy, Seoul, Jan 5, 2000.

[183] USTR, *2000 Trade Policy Agenda and 1999 Annual Report of the President of the United States on the Trade Agreements Program*, p. 271.

[184] U.S. Department of State telegram, "U.S. Was Brazil's Star Export Market in 1999," message reference No. 00414, prepared by U.S. Embassy Brasilia, Feb. 3, 2000.

[185] Mercosur was notified to the WTO in 1992, and currently is being examined by the WTO Committee on Regional Trade Agreements. WTO, "Regional Integration and the Multilateral Trading System," found at *http://www.wto.org/wto/develop/regional.htm* retrieved April 28, 2000.

[186] U.S. Department of State telegram, "Common Mercosur WTO Positions," message reference No. 02328, prepared by U.S. Embassy Montevideo, Nov. 23, 1999.

Mercosur launched trade negotiations with the EU in early 2000, and the two trade blocs hope to conclude an EU-Mercosur free trade agreement some time after 2001.[187]

Solid Wood Packaging Material

On November 5, 1999, the Brazilian Government published a new measure that requires all imported shipments crated in wood or containing solid wood packaging materials[188] originating from the United States, China, Japan, North Korea, and South Korea be accompanied by phytosanitary certificates stating that the wood packaging materials has been treated by heat or fumigation. The stated purpose of this requirement is to avoid the potential introduction of the Asian long-horned beetle (*Anaplophora glabripennis*) into Brazil via infected packaging materials. Consequently, effective January 5, 2000, wood-containing packages without the required phytosanitary certificate are to be fumigated or incinerated upon arrival in Brazil.[189] This Brazilian phytosanitary measure created some difficulties for U.S. exporters in early 2000. However, the matter was satisfactorily resolved when, on April 14, 2000, the United States was removed from the list of countries required to comply with Brazil's solid wood packaging materials regulations.[190]

This new phytosanitary requirement affects all products from designated proscribed countries shipped to Brazil.[191] The Brazilian Government initially had requested that U.S.-origin solid wood packing material be fumigated in the United States by a private company and be endorsed by the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture with a U.S. phytosanitary certificate issued. But the inspection service does not issue phytosanitary certificates for these packaging materials.[192] Therefore, U.S. shipments with the packaging materials were to be held at the Brazilian port-of-entry at the importer's expense until the shipments were repackaged in Brazil.[193] In March 2000, to alleviate growing congestion at Brazilian ports due to the new regulation, the Brazilian Government issued revised instructions authorizing shipments to continue to their final Brazilian destination and for packaging materials not in compliance to be destroyed at that location.[194]

U.S. officials negotiated with the Brazilian Government to review the requirement and to provide assurances that U.S.-origin solid wood packaging materials poses no pest risk. The Asian beetle is confined to quarantined areas in Chicago and New York, and the U.S. measures prevent the spread of the beetle to other parts of the United States and ensure that the beetle is not associated with U.S.-origin solid wood packaging materails.[195, 196] Based on these negotiations, Brazilian authorities committed to removing the United States from the group of countries subject to mitigation for the Asian long-horned beetle. However, Brazil is to reinstate the use of phytosanitary certificates if either the current U.S. infestation of the Asian long-horned beetle spreads beyond Illinois and New York, or if Brazilian officials detect the beetle in a future U.S. shipment.[197]

[187] U.S. Department of State telegram, "EU Trade Agreements Manual," message reference No. 05823, prepared by U.S. Mission to the EU, Brussels, Sept. 21, 1999, and U.S. Department of State telegram, "EU: Ministerial with Mercosur, Chile, and Bolivia," message reference No. 00727, prepared by U.S. Embassy Lisbon, Feb. 25, 2000.

[188] Plywood, particle boards, wood resin materials, and other processed wood materials are not listed in the Brazilian regulation as solid wood packaging material, and therefore are exempt. U.S. Department of Agriculture, "Solid Wood Packaging Materials to Brazil," found at *http://www.aphis.usda.gov/ppq/swp/SWPBrazil.html*, retrieved April 7, 2000.

[189] U.S. Department of State telegram, "Draft 2000 National Trade Estimate: Brazil," message reference No. 00319, prepared by U.S. Embassy, Brazil, Jan. 28, 2000.

[190] U.S. Department of Agriculture, "Solid Wood Packaging Materials to Brazil," found at *http://www.aphis.usda.gov/ppq/swp/SWPBrazil.html*, retrieved April 28, 2000.

[191] U.S. Department of State telegram, "Ambassador Harrington's Call on Agriculture Minister Pratini de Morais," message reference No. 00930, prepared by U.S. Embassy, Brasilia, March 20, 2000.

[192] U.S. Department of Agriculture, "Solid Wood Packaging Materials to Brazil," found at *http://www.aphis.usda.gov/ppq/swp/SWPBrazil.html*, retrieved April 7, 2000.

[193] U.S. Department of Agriculture, "Solid Wood Packaging Materials to Brazil," found at Internet address *http://www.aphis.usda.gov/ppq/swp/SWPBrazil.html*, retrieved April 7, 2000.

[194] U.S. Department of State telegram, "Ambassador's Call on Brazilian Finance Minister Malan," message reference No. 01267, prepared by U.S. Embassy, Brasilia, Apr. 14, 2000.

[195] The U.S. Department of Agriculture manages a quarantine and eradication program for the Asian beetle in the United States. U.S. Department of Agriculture, "Solid Wood Packaging Materials to Brazil," found at Internet address *http://www.aphis.usda.gov/ppq/swp/SWPBrazil.html*, retrieved April 7, 2000.

[196] U.S. Department of State telegram, "Ambassador Harrington's Call on Agriculture Minister Pratini de Morais," message reference No. 00930, prepared by U.S. Embassy, Brasilia, March 20, 2000.

[197] U.S. Department of Agriculture, "Solid Wood Packaging Materials to Brazil," found at Internet address *http://www.aphis.usda.gov/ppq/swp/SWPBrazil.html*, retrieved April 28, 2000.

Biotechnology: Genetically Modified Soybeans

Brazil has an approval process for genetically modified agricultural products that resulted in the approval of Roundup Ready® soybeans[198] in 1998 from a U.S. producer. However, the Brazilian Government subsequently withdrew its approval in response to an injunction issued by a Brazilian federal judge on June 21, 1999.[199] The request for the injunction was made by Greenpeace, a Brazilian consumer protection advocacy group, and a Brazilian government agency,[200] citing the need for environmental impact studies of the genetically modified soybeans.[201] The injunction, which Monsanto Company and several Brazilian government ministries are appealing, prohibits both the commercial sale in Brazil and commercial-scale planting of genetically modified soybean seeds. One Brazilian concern may be that the country remain a zone free of genetically modified soybeans in order to maintain its access to the European Union soybean market.[202] To date, the Brazilian Government has yet to reapprove genetically modified soybeans for use on the Brazilian market, while the issue remains in Brazilian courts.

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[198] Roundup® is an herbicide commonly used to kill weeds. Roundup Ready® soybeans are genetically modified to be tolerant of Roundup® herbicide. Information found at Monsanto Company, "Technology Overview," found at Internet address *http://www.roundupready.com/soybeans/rrtechnology.htm*, retrieved April 7, 2000.

[199] U.S. Department of State telegram, "Judicial Action and NGOs Threaten GMO Soybean Season," message reference No. 02302, prepared by U.S. Embassy, Brasilia, June 24, 1999.

[200] Despite the fact that Brazil's Ministry of the Environment approved the sale of the genetically modified soybeans, a subordinate agency of that ministry, the Brazilian Institute for the Environment and Natural Resources, was a co-petitioner in filing for the injunction.

[200]—*Continued*

[201] At the time of the original approval request, the requirement for an environmental impact study in Brazil was waived because Monsanto Company presented studies conducted in the United States. The injunction obliges Monsanto and its local Brazilian subsidiary, Monsoy, to prepare an environmental impact report specifically for Brazil.

[202] Ibid.

CHAPTER 5
Administration of U.S. Trade Laws and Regulations

This chapter surveys activities related to the administration of U.S. trade laws during 1999. It covers: the import relief laws; the unfair trade laws; certain other trade provisions, including the U.S. Generalized System of Preferences (GSP), the Caribbean Basin Economic Recovery Act (CBERA), the Andean Trade Preference Act (ATPA), section 232 of the Trade Expansion Act of 1962 on impairment of national security, and the Agricultural Adjustment Act on interference with programs of the U.S. Department of Agriculture; programs affecting textile and apparel imports; and U.S. trade sanctions.

Import Relief Laws

The United States has enacted several safeguard laws, as well as a trade adjustment assistance program. The U.S. global action safeguard law, which is based on Article XIX of GATT 1994 and the Uruguay Round Agreement on Safeguards, is set forth in sections 201-204 of the Trade Act of 1974.[1] U.S. bilateral action safeguard laws are set forth in section 406 of the Trade Act of 1974 (market disruption from imports from Communist countries)[2] and sections 301-304 of the North American Free-Trade Agreement (NAFTA) Implementation Act.[3] The trade adjustment assistance provisions are set forth starting with section 221 of the Trade Act of 1974.[4]

Safeguard Actions

During 1999, the Commission completed three safeguard investigations, on lamb meat, steel wire rod, and welded line pipe, all under the U.S. global safeguard law; no investigations were pending at year end. At the end of 1999, the United States had two global safeguard measures in place on imports of wheat gluten and lamb meat, both of which were the subject of review by WTO dispute settlement panels. Commission remedy recommendations with respect to two additional imported products, steel wire rod and welded line pipe, were pending before the President at year end. During 1999, the Commission prepared a mid-term monitoring report with respect to developments in the domestic wheat gluten industry.[5]

The Commission submitted its report to the President in the lamb meat investigation in April 1999.[6] The six Commissioners unanimously found that the domestic lamb meat industry was threatened with serious injury, and a plurality of three Commissioners recommended that the President impose a remedy in the form of a tariff-rate quota. In July 1999 the President imposed a tariff-rate quota on imports of lamb meat for a period of 3 years and 1 day, but in an amount different from that recommended by the Commissioners.[7] The Commission submitted its report to the President in its steel wire rod investigation in July 1999.[8] The Commissioners were equally divided in their injury vote;[9] the three Commissioners making an affirmative determination recommended that the President increase duties on the imported product. As of year end, the President had not acted on the Commission's report.[10] The Commission submitted its

[1] 19 U.S.C. 2251 et seq.
[2] 19 U.S.C. 2436.
[3] 19 U.S.C. 3351 et seq.
[4] 19 U.S.C. 2271 et seq.

[5] Inv. No. TA-204-2, *Wheat Gluten* (Dec. 1999).
[6] Inv. No. TA-201-68, *Lamb Meat* (Apr. 1999).
[7] Proclamation 7208 of July 7, 1999, as modified by Proclamation 7214 of July 30, 1999.
[8] Inv. No. TA-201-69, *Certain Steel Wire Rod* (July 1999).
[9] Under U.S. law (sec. 330(d)(1) of the Tariff Act of 1930, 19 U.S.C. 1330(d)(1)), when the Commissioners are equally divided in their injury determination, the President may choose the determination of either group of Commissioners as the determination of the Commission.
[10] In February 2000, the President announced that he was considering the determination of Commissioners voting in the affirmative as the determination of the Commission, and that he was imposing a remedy in the form of a tariff-rate quota on imports of steel wire rod for a period of 3 years and 1 day. Proclamation 7273 of February 16, 2000.

report to the President on welded line pipe in December 1999.[11] The Commission made an affirmative determination by a vote of 5-1, and recommended that the President impose a tariff-rate quota on imports of welded line pipe. The Commission's recommendation was pending before the President at year end.[12]

In June 1999, the European Communities requested establishment of a WTO dispute settlement panel to review the U.S. safeguard measure on wheat gluten. The panel was established in July 1999, and by year end 1999 the panel had received the first written submissions from the parties and held the first round of oral arguments.[13] In October 1999, New Zealand and Australia requested establishment of a WTO panel to review the U.S. safeguard measure on lamb meat. The panel for lamb meat was established in November 1999, and the process of selecting panelists was underway at year end 1999.[14]

Adjustment Assistance

The Trade Adjustment Assistance (TAA) program, set forth with section 221 of the Trade Act of 1974, authorizes the Secretaries of Commerce and Labor to provide trade adjustment assistance to firms and workers, who are adversely affected by increased imports. Initially authorized under the Trade Expansion Act of 1962, the current program is scheduled to expire on September 30, 2001. In 1993, a new subchapter was added to the TAA provisions to provide transitional assistance to workers separated, or threatened to be separated, from their employment as a result of increased imports from, or shifts in production to, Canada or Mexico under the NAFTA.[15]

The TAA system of readjustment allowances to individual workers is administered by the U.S. Department of Labor through its Employment and Training Administration in the form of monetary benefits for direct trade readjustment allowances and service benefits that include allocations for job search, relocation, and training. Industrywide technical consultation provided through Department of Commerce-sponsored programs is designed to restore the economic viability of U.S. industries adversely affected by international import competition.[16]

Assistance to Workers

The Department of Labor instituted 2,583 investigations during fiscal year (FY) 1999 (October 1, 1998, through September 30, 1999) on the basis of petitions filed for trade adjustment assistance. Petitioners for TAA assistance represented a broad spectrum of manufacturing industries. The FY 1999 figure represents an increase from the 1,442 TAA petitions instituted in FY 1998. The results of the TAA investigations completed in FY 1999, including those in progress from the previous fiscal year, are shown in table 5-1.

The number of completed TAA cases, including partial certifications and denied, terminated, or withdrawn petitions, increased from 1,390 cases in FY 1998 to 2,515 cases in FY 1999. As shown in table 5-1, there were 157,810 workers certified in FY 1999, an increase from the number certified in FY 1998. For workers to be certified as eligible to apply for TAA, the Secretary of Labor must determine that workers in a firm have become, or are threatened to become, totally or partially separated; that the firm's sales or production have decreased absolutely; and that increases in like or directly competitive imported products contributed importantly to the total or partial separation and to the decline in the firm's sales or production. Workers certified for TAA are provided with a certification of eligibility and may apply for TAA benefits at the nearest office of the State Employment Security Agency.

Table 5-2 presents data on benefits and services provided under the TAA program. Expenditures for FY 1999 increased to $195.7 million from $151.8 million in FY 1998. In addition, there was an increase in the number of workers applying for such benefits (from 24,175 new recipients in FY 1998 to 33,000 recipients in FY 1999. The Department of Labor also provided training, job search, and relocation allowances valued at $94.3 million in FY 1999, a decrease from $96.7 million allocated during FY 1998, while, the numbers of workers utilizing these services increased from FY 1998 to FY 1999.

[11] Inv. No. TA-201-70, *Circular Welded Carbon Quality Line Pipe* (Dec. 1999).

[12] In February 2000, the President announced that he was imposing higher tariffs on imports of welded line pipe for a period of 3 years and 1 day, but was excluding from the higher tariffs the first 9000 tons entered per year from each supplying country. Proclamation 7274 of February 18, 2000.

[13] *United States – Definitive Safeguard Measures on Imports of Wheat Gluten from the European Communities*, (WT/DS 166). The panel is scheduled to issue its final report in July 2000.

[14] *United States – Safeguard Measures on Imports of Lamb Meat from New Zealand and Australia* (WT/DS 177 and 178). The panel is scheduled to issue its final report in November 2000.

[15] Sec. 250 of the Trade Act of 1974 (19 U.S.C. 2331), as augmented by sec. 502 of the NAFTA Implementation Act.

[16] Sections 251 through 264 of the TAA.

Table 5-1
Results of petitions filed under the Trade Adjustment Assistance program, FY 1998 and FY 1999

Item	Number of investigations or petitions		Number of workers	
	FY 1998	FY 1999	FY 1998	FY 1999
Completed certifications	889	1,618	99,547	155,878
Partial certifications	1	8	192	1,932
Petitions denied	423	758	41,162	79,379
Petitions terminated or withdrawn	77	131	1,715	2,083
Total	1,390	2,515	142,616	239,272

Source: Preliminary (January 2000) data maintained by the U.S. Department of Labor, Employment and Training Administration, Division of Trade Adjustment Assistance.

Table 5-2
Benefits and services provided under the Trade Adjustment Assistance program, FY 1998 and FY 1999

Item	Estimated number of participants	
	FY 1998	FY 1999
	Trade readjustment allowance benefits	
Number of new recipients	24,175	33,000
Total expenditures (*million dollars*)	151.8	195.7
	Training, job search, and relocation services	
Number entering training	21,675	25,000
Number receiving a job search allowance	243	250
Number receiving a relocation allowance	330	400
Total allocations to States (*million dollars*)	96.7	94.3

Source: Preliminary (January 2000) data maintained by the U.S. Department of Labor, Employment and Training Administration, Division of Trade Adjustment Assistance.

NAFTA Transitional Assistance to Workers

The NAFTA Implementation Act[17] established the Transitional Adjustment Assistance program (NAFTA-TAA). That program, which began operation January 1, 1994, provides training, job search, and relocation assistance to workers in companies affected by imports from Canada or Mexico or by shifts of U.S. production to those countries.[18] Data for FY 1999 from the Department of Labor indicate that 979 petitions were filed for assistance under the NAFTA-TAA program, compared with 812 such filings in FY 1998. Petition activity under the program in FY 1998 and FY 1999 is summarized in table 5-3. As shown, there were 516 completed certifications in FY 1999, covering 68,467 workers.

FY 1999 figures show that there were 1,800 new recipients of NAFTA-TAA assistance, a decrease from the 2,066 workers that entered the program in FY 1998 (table 5-4). There was, however, an increase in the number of workers entering training - 4,400 workers in FY 1999, compared with 3,888 workers in FY 1998. The Department of Labor provided direct benefits to workers of $14.0 million in FY 1999, a decrease from $17.6 million in FY 1998, but expenditures for

[17] NAFTA Implementation Act, Title V, NAFTA Transitional Adjustment Assistance and Other Provisions, Public Law No. 103-182, 107 Stat. 2057, sec. 501-507 (Dec. 8, 1993).

[18] Petitioners may apply for and, if eligible, be certified under both the TAA and NAFTA-TAA programs. However, such dual-certified workers are only permitted to receive benefits from either the TAA program or the NAFTA-TAA program and must indicate their preferred program.

Table 5-3
Results of petitions filed under the NAFTA Transitional Adjustment Assistance program, FY 1998 and FY 1999

Item	Estimated number of investigations or petitions		Estimated number of workers	
	FY 1998	FY 1999	FY 1998	FY 1999
Petitions filed	812	979	88,033	118,033
Worker groups certified	446	516	53,572	68,467
Petitions denied	353	379	35,833	45,436
Petitions terminated	41	39	([1])	([1])

[1] Not available.

Source: Preliminary (January 2000) data maintained by the U.S. Department of Labor, Employment and Training Administration, Division of Trade Adjustment Assistance.

Table 5-4
Benefits and services provided under the NAFTA Transitional Adjustment Assistance program, FY 1998 and FY 1999

Item	Estimated number of participants	
	FY 1998	FY 1999
	Trade readjustment allowance benefits	
Number of new recipients	2,066	1,800
Total expenditures (*million dollars*)	17.6	14.0
	Training, job search, and relocation services	
Number entering training	3,888	4,400
Number receiving a job search allowance	46	60
Number receiving a relocation allowance	143	370
Total allocations to States (*million dollars*)	30.0	36.8

Source: Preliminary (January 2000) data maintained by the U.S. Department of Labor, Employment and Training Administration, Division of Trade Adjustment Assistance.

training, job search, and relocation services increased to $36.8 million in FY 1999 from $30.0 million in FY 1998.

Assistance to Firms and Industries[19]

The U.S. Department of Commerce's Economic Development Administration (EDA) certified 173 firms as eligible to apply for trade adjustment assistance during FY 1999. This figure represents a slight increase from the 167 firms certified in the previous fiscal year. To be certified as eligible to apply for trade adjustment assistance, a firm must show that increased imports of articles like, or directly competitive with, those produced by the firm contributed importantly to declines in its sales, production, or both, and to the separation, or threat of separation, of a significant portion of the firm's workers. Following certification, a firm may apply for technical assistance to develop and implement its economic recovery strategy.

The EDA administers its technical assistance programs through a nationwide network of 12 Trade Adjustment Assistance Centers (TAACs). The TAACs are nonprofit, nongovernment organizations established to help firms qualify for, and receive assistance in, adjusting to import competition. Technical services are provided to certified firms through TAAC staffs and independent consultants under contract with TAACs. Typical technical services include assistance in marketing (e.g., the design of new brochures and websites), identifying appropriate management information system hardware and software, and developing and completing quality

[19] Information obtained from the Planning and Development Assistance Division, Economic Development Administration, U.S. Department of Commerce. The trade adjustment assistance program was extended through June 30, 1999, under the Omnibus Appropriations Bill for FY 1999.

assurance programs. The TAACs' funding for technical services to firms adversely affected by international import competition was $9.5 million during FY 1999, unchanged from the amount awarded in FY 1998.

In addition to trade adjustment assistance for firms, the EDA also provided $1.5 million in FY 1999 in defense conversion funding to the TAACs, unchanged from the amount provided in FY 1998. These expenditures assist trade-injured firms in areas that have also experienced economic dislocations from defense expenditure cutbacks.

The Omnibus Appropriations Act of 1998 also provided $5 million in FY 1999 to assist the Alaskan salmon fishing industry, which was suffering economic losses due to low fish runs in certain areas of Alaska, reduced export sales due to the Asian financial crisis, and reduced domestic sales due to increased competition from foreign farmed salmon. In FY 1999, EDA awarded a $200,000 grant to the Alaska Seafood Marketing Institute to prepare a strategic marketing plan for the Alaskan salmon fishing industry. The remaining funds are expected to be awarded to implement the technical assistance tasks outlined in the strategic marketing plan.

Laws Against Unfair Trade Practices

Several actions were taken in 1999 pursuant to U.S. laws against unfair trade practices. The U.S. Department of Commerce (Commerce) issued 19 new antidumping orders and six new countervailing duty orders during 1999, following completion of investigations by Commerce and the Commission. During 1999, the Commission completed three investigations under section 337 of the Tariff Act of 1930 involving allegations of patent, trademark, or copyright infringement or other unfair methods of competition. The Commission issued three exclusion orders prohibiting the importation of merchandise. Finally, the USTR was involved in a number of actions directed against unfair trade practices.[20]

Section 301 Investigations

Section 301 of the Trade Act of 1974 (the Trade Act) is the principal U.S. statute for addressing foreign unfair practices affecting U.S. exports of goods or services.[21] Section 301 may be used to enforce U.S. rights under bilateral and multilateral trade agreements and may also be used to respond to unreasonable, unjustifiable, or discriminatory foreign government practices that burden or restrict U.S. commerce. Interested persons may petition the USTR to investigate a foreign government policy or practice, or the USTR may self-initiate an investigation.

If the investigation involves a trade agreement and consultations do not result in a settlement, section 303 of the Trade Act requires the USTR to use the dispute settlement procedures that are available under the subject agreement. If the matter is not resolved by the conclusion of the investigation, section 304 of the Trade Act requires the USTR to determine whether the practices in question deny U.S. rights under a trade agreement or whether they are unjustifiable, unreasonable, or discriminatory, and burden or restrict U.S. commerce. If the practices are determined to violate a trade agreement or to be unjustifiable, the USTR must take action. If the practices are determined to be unreasonable or discriminatory, and to burden or restrict U.S. commerce, the USTR must determine whether action is appropriate and, if so, what action to take. The time period for making these determinations varies according to the type of practices alleged.

In 1999, the principal developments under the section 301 law concerned the imposition of additional duties on certain imports from the European Union following WTO dispute settlement proceedings regarding the EU's banana import regime and the EU's beef hormone ban.[22] In each instance, the WTO Dispute Settlement Body authorized the United States to suspend the application of tariff concessions granted to the EU and its Member States. Accordingly, the United States imposed additional 100 percent ad valorem duties on certain imports from the European Union.[23] The EU subsequently challenged one aspect of the suspension of concessions in the banana case before the WTO, and that challenge is ongoing.[24] The issue in the case concerns the U.S. decision on March 3, 1999 to suspend liquidation and to increase the bonding requirement on certain imports from the EU prior to the final WTO ruling affirming that the EU banana regime is WTO-inconsistent.

In a related development in 1999, the EU also challenged the section 301 statute itself before the WTO, alleging that the U.S. statute is inconsistent with U.S. obligations under the Dispute Settlement Understanding and GATT 1994.[25] Specifically, the EU alleged that the U.S. statute contains strict timetables that require the United States to make unilateral determinations about alleged WTO violations by other WTO members prior to the completion of the dispute

[20] The section immediately following addresses such actions, and an overview is presented in table 5-5.

[21] See sections 301-309 of the Trade Act of 1974, as amended (19 U.S.C. 2411-2419).

[22] For more detail about these two cases, see Chapter 2 of this report.

[23] See 64 *Federal Register* 19209, Apr. 19, 1999, and 64 *Federal Register* 40638, July 27, 1999.

[24] See 64 *Federal Register* 57689, Oct. 26, 1999.

[25] See 64 *Federal Register* 14037, Mar. 23, 1999.

settlement process at the WTO. In December 1999, the WTO rejected the EU allegations and ruled that the section 301 statute is WTO-consistent.[26]

The USTR initiated one new section 301 investigation in 1999 which concerned certain measures and practices undertaken by Canada and the Province of Ontario regarding sports fishing and tourism services in the border waters between Ontario and Minnesota that allegedly discriminate against U.S. lodges and fishing guides.[27] The investigation was terminated in November 1999 following bilateral consultations in which Canada and Ontario agreed to lift the discriminatory practices.[28] An ongoing 301 investigation concerning so-called "split run" magazines in Canada was also terminated in 1999 following bilateral consultations in which Canada agreed to address U.S. concerns.[29] A number of other active 301 investigations are the subject of ongoing WTO dispute settlement proceedings.[30] Table 5-5 contains a listing of active 301 cases.

Super 301

The "super 301" law directs the USTR to review trade expansion priorities each year and to identify so-called "priority foreign country practices" which, if eliminated, are likely to have the most potential to increase U.S. exports.[31] The identification of a "priority foreign country practice" would trigger the initiation of a section 301 investigation with specified procedures and timetables. The "super 301" law was originally enacted in the Omnibus Trade and Competitiveness Act of 1988.[32] It expired in 1990, but was modified and renewed by several subsequent Executive Orders and by the Uruguay Round Agreements Act.[33]

In 1999, President Clinton issued an Executive Order that extended the "super 301" authority for three years.[34] In the 1999 "super 301" report, the USTR did not identify any "priority foreign country practices," but it did identify the following overall trade expansion priorities: (1) launching a new round of global trade negotiations; (2) ensuring that WTO Members fully implement existing commitments; (3) enforcing U.S. rights under existing trade agreements and U.S. laws; and, (4) integrating China and other economies into the world trading system.[35] In addition, the "super 301" report announced the initiation of seven WTO dispute settlement cases.

Special 301

The "special 301" law provides that, each year, the USTR shall identify countries that deny adequate and effective protection of intellectual property rights (IPR) or that deny fair and equitable market access for persons who rely on intellectual property protection.[36] A country may be found to be denying adequate and effective IPR protection even if it is in full compliance with its obligations under the WTO TRIPS Agreement. In addition, the "special 301" law directs the USTR to identify so-called "priority foreign countries." Such countries have the weakest IPR protection which results in the greatest adverse impact (actual or potential) on the relevant U.S. products. The identification of a "priority foreign country" would trigger the initiation of a section 301 investigation with specified procedures and timetables.

In the annual "special 301" review process, the USTR has adopted a policy of naming countries to the so-called "watch list" or to the "priority watch list" if the countries' IPR laws and practices do not provide adequate and effective IPR protection, but the deficiencies do not warrant identification of the countries as "priority foreign countries." The "priority watch list" is for countries with significant IPR problems that warrant close monitoring and bilateral consultation. A country that is identified on the "priority watch list" may make progress and be downgraded to the "watch list" or removed from any listing; alternatively, a country that fails to make progress may be elevated from the "watch list" to the "priority watch list" or from the "priority watch list" to the list of "priority foreign countries."

[26] See USTR, Press Release 99-102, Dec. 22, 1999.

[27] See USTR, Press Release 99-68, July 29, 1999.

[28] See USTR, Press Release 99-94, Nov. 4, 1999.

[29] See USTR, Press Release 99-46, May 26, 1999 and, for more detail, see USITC, *The Year in Trade, OTAP 1999*, pp. 4-2 to 4-5.

[30] See USTR, *2000 Trade Policy Agenda and 1999 Annual Report*, pp. 287.

[31] See section 310 of the Trade Act of 1974, as amended (19 U.S.C. 2420).

[32] See section 1302 of the Omnibus Trade and Competitiveness Act of 1988 (Pub. L. 100-418; 102 Stat. 1176).

[33] See Executive Order 12901 of March 3, 1994, 59 *Federal Register* 10727, as amended by Executive Order 12973 of September 27, 1995, 60 *Federal Register* 51665, and see section 314(f) of the Uruguay Round Agreements Act (Pub. L. 103-465).

[34] See Executive Order 13116 of March 31, 1999, 64 *Federal Register* 16333, Apr. 5, 1999.

[35] USTR, "Identification of Trade Expansion Priorities," Press Release 99-40, Apr. 30, 1999, .

[36] See section 182 of the Trade Act of 1974, as added by section 1303 of the Omnibus Trade and Competitiveness Act of 1988 (Pub. L. 100-418; 102 Stat. 1179), as amended (19 U.S.C. 2242).

Table 5-5
Summary of section 301 investigations active during 1999

Docket No.	Summary and actions occurring during course of investigation
Docket No. 301-62	***European Union and the Meat Hormone Directive*** In 1987, the President announced his intention to impose prohibitive duties on certain imports from the European Union in response to the adoption and implementation of the Meat Hormone Directive which banned imports of meat produced from animals treated with growth hormones. Following a long series of bilateral consultations during the ensuing years, USTR eventually resorted to the WTO dispute settlement process. In 1997, the WTO found that the EU's ban was inconsistent with its WTO obligations. Subsequent bilateral consultations regarding the implementation of the recommendations of the WTO panel report were ongoing in 1998. By 1999, when the EU had not implemented the WTO recommendations, the United States requested and received authorization from the WTO to retaliate against imports from the European Union.[1]
Docket No. 301-100 (see also 301-94)	***European Union and the Banana Import Regime*** In September 1994, Chiquita Brands International Inc. and the Hawaii Banana Industry Association filed a section 301 petition alleging that various acts, policies and practices of the European Union with respect to the importation, sale and distribution of bananas were discriminatory. USTR initiated a 301 investigation in October 1994. In September 1995, USTR terminated the initial 301 investigation and initiated a second, expanded 301 investigation of the European Union's banana import regime. Following a series of bilateral and multilateral consultations during the ensuing years, USTR eventually resorted to the WTO dispute settlement process. In 1997, the WTO found that the EU's banana import regime was inconsistent with its obligations under the WTO. Subsequent bilateral and multilateral consultations regarding the implementation of the recommendations of the WTO panel report were ongoing in 1998. By 1999, when the EU had not implemented the WTO recommendations and conformed its banana import regime with its obligations under the WTO, the United States requested and received authorization from the WTO to retaliate against imports from the European Union.[2]
Docket No. 301-107	***Australia and Subsidies Affecting Leather*** In 1996, the Coalition Against Australian Leather Subsidies filed a section 301 petition alleging that the Government of Australia granted subsidies to the automotive leather industry that violate the Subsidies Agreement, and USTR initiated a 301 investigation. Following a series of bilateral consultations during the ensuing years, USTR eventually resorted to the WTO dispute settlement process, and in May 1999, the WTO found that the Australian subsidies violate Australia's WTO obligations.[3] Bilateral consultations regarding the implementation of the recommendations of the WTO panel report were ongoing in 1999.
Docket No. 301-118	***Mexico and Practices Affecting High Fructose Corn Syrup*** On April 2, 1998, the Corn Refiners Association, Inc. filed a section 301 petition alleging that the Government of Mexico denies fair and equitable market opportunities for U.S. exporters of high fructose corn syrup (HFCS) by facilitating an agreement between the Mexican sugar industry and Mexican soft drink bottlers to limit the use of HFCS. A section 301 investigation was initiated in May 1998, and in May 1999, USTR announced that it would continue consultations with the Government of Mexico with the aim of securing fair and equitable market access for U.S. HFCS producers.[4] In a related development before the WTO, USTR successfully challenged Mexico's imposition of antidumping duties on imports of U.S. HFCS.[5]
Docket No. 301-119	***Canada and Practices Affecting Tourism and Sport Fishing*** On March 15, 1999, the Border Waters Coalition Against Discrimination in Services Trade filed a section 301 petition alleging that certain acts, policies and practices of the Government of Canada and the Province of Ontario discriminate against U.S. providers of tourism services. A section 301 investigation was initiated in April 1999, and in July 1999, USTR requested consultations pursuant to the North American Free Trade Agreement.[6] In November 1999, USTR announced that the Province of Ontario had agreed to eliminate the discriminatory measures.[7]

See footnotes at end of table.

Table 5-5—*Continued*
Summary of section 301 investigations active during 1999

[1] For more detail about the WTO case, pp. 58-59 of this report.
[2] For more detail about the WTO case, see pp. 53-58 of this report.
[3] See USTR, Press Release 99–45, May 25, 1999.
[4] See USTR, Press Release 99–44, May 14, 1999, and 64 *Federal Register* 28860, May 27, 1999.
[5] For more detail about the WTO case, see pp. 60-61 of this report.
[6] See USTR, Press Release 99–68, July 29, 1999.
[7] See USTR, Press Release 99–94, Nov. 5, 1999.

Source: Compiled by USITC from: USTR, *2000 Trade Policy Agenda and 1999 Annual Report, pages 284–287; USTR, Report to Congress on Section 301 Developments Required by Section 309(a)(3) of the Trade Act of 1974* (June 1996 – January 1998); and USTR, *Section 301 Table of Cases*, available at *http://www.ustr.gov/reports/301report/act301.htm*.

In the 1999 "special 301" review, the USTR identified three priority IPR issues: (1) full and effective implementation of WTO TRIPS obligations; (2) the elimination of pirate production of optical media, such as CDs, VCDs, DVDs and CD-ROMs; and, (3) the elimination of the use of pirate software by ministries of foreign governments.[37] The USTR also announced that the United States would initiate WTO consultations with Argentina, Canada and the European Union regarding IPR issues. Overall, the USTR identified fifty-seven countries that deny adequate and effective IPR protection, but no countries were identified as "priority foreign countries." Sixteen countries were placed on the "priority watch list," and thirty-seven countries were placed on the "watch list." The USTR noted that China and Paraguay were the subject of formal monitoring to ensure that each country complies with previous commitments made under a bilateral IPR agreement. In addition, the USTR announced that special, out-of-cycle reviews would be conducted of the IPR regimes in nine countries and that a special review of the progress of all developing countries in fully and effectively implementing their TRIPS obligations would be initiated in December 1999. One final noteworthy development in 1999 was that the Administration "announced their intention to develop a cooperative approach on health-related intellectual property matters to ensure that the application of U.S. trade law related to intellectual property remains sufficiently flexible to respond to [a] legitimate public health crisis."[38] This new policy was a response to the global AIDS crisis.

[37] See USTR, "USTR Announces Results of Special 301 Annual Review," Press Release 99-41, Apr. 30, 1999.
[38] See USTR, "The Protection of Intellectual Property and Health Policy," Press Release 99-97, Dec. 1, 1999.

Antidumping Investigations

The present antidumping law is contained in title VII of the Tariff Act of 1930, as amended.[39] The antidumping law provides relief in the form of special additional duties that are intended to offset margins of dumping. Antidumping duties are imposed when 1) the Department of Commerce (the administering authority) has determined that imports are being, or are likely to be, sold at less than fair value (LTFV) in the United States, and 2) the Commission has determined that a U.S. industry is materially injured or threatened with material injury or that the establishment of an industry in the United States is materially retarded by reason of such imports. Most investigations are conducted on the basis of a petition filed with Commerce and the Commission by, or on behalf of, a U.S. industry.

In general, imports are considered to be sold at LTFV when the U.S. price (i.e., the purchase price or the exporter's sales price, as adjusted) is less than the foreign market value, which is usually the home-market price or, in certain cases, the price in a third country, or a constructed value, calculated as set out by statute.[40] The antidumping duty is designed to equal the difference between the U.S. price and the foreign-market value. The duty specified in an antidumping duty order reflects the dumping margin found by Commerce during its period of investigation. This rate of duty will be applied to subsequent imports if no request for annual reviews is received by Commerce. If a request is received, Commerce will calculate the antidumping duties for that year for each entry.

[39] 19 U.S.C. 1673 et seq.
[40] 19 U.S.C. 1677b; 19 CFR part 353, subpart D.

Commerce and the Commission each conduct preliminary and final antidumping investigations in making their separate determinations.[41] In 1999, the Commission completed 45 preliminary and 39 final antidumping injury investigations.[42] Antidumping duties were imposed as a result of affirmative Commission and Commerce determinations in 19 of the 39 final investigations on products from 14 different countries. The antidumping duty orders put into effect in 1999 are shown in the following tabulation (in alphabetical order by country). Details of all antidumping actions and orders, including suspension agreements[43] in effect in 1999, are presented in tables A-25 and A-26. Table 5-6 summarizes the number of antidumping investigations during 1997-99.[44]

Country	Item
Belgium	Stainless steel plate in coils
Canada	Stainless steel plate in coils
China	Preserved mushrooms
France	Stainless steel sheet and strip
Germany	Stainless steel sheet and strip
India	Preserved mushrooms
Indonesia	Preserved mushrooms
Indonesia	Extruded rubber thread
Italy	Stainless steel plate in coils
Italy	Stainless steel sheet and strip
Japan	Hot-rolled carbon steel flat products
Japan	Stainless steel sheet and strip
Korea	Stainless steel plate in coils
Korea	Stainless steel sheet and strip
Mexico	Stainless steel sheet and strip
South Africa	Stainless steel plate in coils
Taiwan	Stainless steel plate in coils
Taiwan	Stainless steel sheet and strip
United Kingdom	Stainless steel sheet and strip

Countervailing Duty Investigations

The U.S. countervailing duty law is set forth in title VII of the Tariff Act of 1930, as amended. It provides for the levying of special additional duties to offset foreign subsidies on products imported into the United States.[45] In general, procedures for such investigations are similar to those under the antidumping law. Petitions are filed with Commerce (the administering authority) and with the Commission. Before a countervailing duty order can be issued, Commerce must find a countervailable subsidy, and the Commission must make an affirmative determination of material injury, threat of material injury, or material retardation by reason of the subsidized imports.

Six new countervailing duty orders were imposed in 1999 as a result of investigations involving both Commerce and the Commission. In 1999, the Commission completed 12 preliminary and eight final injury investigations.[46] Details of countervailing duty

[41] Upon the filing of a petition, the Commission has 45 days to make a determination of whether there is a reasonable indication of material injury or threat of material injury to an industry or of a material retardation of the establishment of an industry. This is known as the preliminary phase of the investigation. If this determination is affirmative, Commerce continues its investigation and makes preliminary and final determinations concerning whether the imported article is being, or is likely to be, sold at LTFV. If Commerce reaches a final affirmative dumping determination, the Commission has 45 days to make its final injury determination. If the Commission's reasonable indication or preliminary phase determination is negative, both the Commission and Commerce terminate further investigation.

[42] The figures in this section do not include court-remanded investigations on which new votes were taken or investigations terminated before a determination was reached.

[43] An antidumping investigation may be suspended through an agreement before a final determination by the U.S. Department of Commerce. An investigation may be suspended if exporters accounting for substantially all of the imports of the merchandise under investigation agree either to eliminate the dumping or to cease exports of the merchandise to the United States within six months. In extraordinary circumstances, an investigation may be suspended if exporters agree to revise prices to completely eliminate the injurious effect of the imports. A suspended investigation is reinstituted should LTFV sales recur. See 19 U.S.C. 1673(c).

[44] When a petition alleges dumping or subsidies for more than one like product and/or by more than one country, separate investigations generally are instituted for imports of each product from each country and each such investigation may be given a separate number. For this reason, the numbers of investigations instituted and determinations made may exceed the number of petitions filed. Moreover, an investigation based on a petition filed in one calendar year may not be completed until the next year. Thus, the number of petitions filed may not correspond closely to the number of determinations made; further, the numbers set forth in this tabulation do not include determinations made following court-ordered remands.

[45] A subsidy is defined as a bounty or grant bestowed directly or indirectly by any country, dependency, colony, province, or other political subdivision on the manufacture, production, or export of products. See 19 U.S.C. 1677(5),and 1677-1(a).

[46] The figures in this section do not include court-remanded cases on which new votes were taken or investigations terminated before a determination was reached.

Table 5-6
Results of antidumping duty investigations, 1997-99

Antidumping duty investigations	1997	1998	1999
Investigations instituted	15	36	61
Preliminary Commission determinations:			
Negative	1	1	10
Affirmative (includes partial affirmatives)	15	33	35
Terminated	1	0	4
Final Commerce determinations:			
Negative	1	0	0
Affirmative	17	18	38
Suspended	1	0	0
Final Commission determinations:			
Negative	2	6	18
Affirmative (includes partial affirmatives)	15	9	21
Terminated	1	0	0

Source: Compiled by the U.S. International Trade Commission.

actions and outstanding orders, including suspension agreements[47] in effect in 1999, are presented in tables A-27 and A-28. Table 5-7 summarizes the number and type of countervailing duty investigations during 1997-99.[48] The countervailing duty orders put into effect in 1999 are shown in the following tabulation (in alphabetical order by country):

Country	Item
Belgium	Stainless steel plate in coils
France	Stainless steel sheet and strip
Italy	Stainless steel plate in coils
Italy	Stainless steel sheet and strip
Korea	Stainless steel sheet and strip
South Africa	Stainless steel plate in coils

[47] A countervailing duty investigation may be suspended through an agreement before a final determination by Commerce if the subsidizing country or exporters accounting for substantially all of the imports of the merchandise under investigation agree to eliminate the subsidy, to completely offset the net subsidy, or to cease exports of the merchandise to the United States within six months or extraordinary circumstances are present and the government or exporters agree to completely eliminate the injurious effect of the imports of the merchandise under investigation. A suspended investigation is reinstituted if subsidization recurs. See 19 U.S.C. 1671(c).

[48] Because a petition will sometimes name more than one product and/or country and because each product and country named is designated as a separate investigation when proceedings are formally instituted, the number of investigations instituted and determinations made generally exceeds the number of petitions filed.

Reviews of Outstanding Antidumping and Countervailing Duty Orders

Section 751 of the Tariff Act of 1930 requires Commerce, if requested, to conduct annual reviews of outstanding antidumping and countervailing duty orders to determine the amount of any net subsidy or dumping margin and to determine compliance with suspension agreements. Section 751 also authorizes Commerce and the Commission, as appropriate, to review certain outstanding determinations and agreements after receiving information or a petition that shows changed circumstances. In these circumstances, the party seeking revocation or modification of an antidumping or countervailing duty order or suspension agreement has the burden of persuading Commerce and the Commission that circumstances have changed sufficiently to warrant review and revocation. Based on either of these reviews, Commerce may revoke a countervailing duty or antidumping duty order in whole or in part or terminate or resume a suspended investigation. The Commission completed 4 changed circumstances investigations under section 751(b) in 1999.

The Uruguay Round Agreements Act amended section 751 of the Tariff Act of 1930 to require both Commerce and the Commission to conduct sunset reviews of outstanding orders 5 years after their publication to determine whether revocation of an order would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy

Table 5-7
Results of countervailing duty investigations, 1997-99

Countervailing duty investigations	1997	1998	1999
Investigations instituted	6	12	16
Preliminary Commission determinations:			
Negative	0	1	4
Affirmative (includes partial affirmatives)	6	10	8
Terminated	1	0	4
Final Commerce determinations:			
Negative	0	0	4
Affirmative	4	1	12
Final Commission determinations:			
Negative	4	0	1
Affirmative (includes partial affirmatives)	0	1	7

Source: Compiled by the U.S. International Trade Commission.

and material injury.[49] Special rules apply to the conduct of sunset reviews of transition orders (orders in effect on January 1, 1995, the date on which the WTO Agreement entered into force for the United States). During 1999, Commerce and the Commission instituted 208 full or expedited sunset reviews of existing antidumping and countervailing duty orders. In 1999, Commerce and the Commission completed 55 full or expedited sunset reviews, resulting in 14 orders being revoked and 41 orders being extended for five additional years (see table A-29). Another 40 sunset reviews (31 of which had been instituted in 1999) were terminated by Commerce and the Commission without conducting either a full or expedited review; these outstanding AD or CVD reviews were terminated because a domestic industry did not petition to retain the AD or CVD order (see tables 5-8 and 5-9).

Section 337 Investigations

Section 337 of the Tariff Act of 1930, as amended, authorizes the Commission, on the basis of a complaint or on its own initiative, to conduct investigations on certain import trade practices.[50] Section 337 declares unlawful the importation, sale for importation, or the sale within the United States after importation of articles that infringe a valid and enforceable U.S. patent, registered trademark, registered copyright, or registered mask work, for which a domestic industry exists or is in the process of being established.[51]

If the Commission determines that a violation exists, it can issue an order excluding the subject imports from entry into the United States, or order the violating parties to cease and desist from engaging in the unlawful practices.[52] The President may disapprove a Commission order within 60 days of its issuance for policy reasons.

In 1999, as in previous years, most of the complaints filed with the Commission under section 337 alleged infringement of U.S. patents by imported merchandise. In 1999, there were also two new investigations based on registered trademark infringement. The Commission completed a total of 13 investigations under section 337 in 1999, including a formal enforcement proceeding relating to a previously concluded investigation. As in recent years, the section 337 caseload was highlighted by investigations involving complex technologies, particularly in the computer field. Significant among these were investigations involving CD-ROM controllers, video graphics display controllers, various types of memory chips and related integrated circuit devices, and processes for semiconductor fabrication. In addition, several section 337 investigations involved other sophisticated technologies, including excimer laser systems for vision correction surgery, rare-earth

[49] 19 U.S.C. 1675(c).

[50] 19 U.S.C. 1337.

[51] Also unlawful under section 337 are other unfair methods of competition and unfair import acts, or in the sale of imported articles, the threat or effect of which is to destroy or substantially injure a domestic industry, to prevent the establishment of an industry, or to restrain or monopolize trade and commerce in the United States. Examples of other unfair acts are misappropriation of trade secrets, common law trademark infringement, misappropriation of trade dress,

[51]—*Continued*
false advertising, and false designation of origin. Unfair practices that involve the importation of dumped or subsidized merchandise must be pursued under antidumping or countervailing duty provisions, not under section 337.

[52] Section 337 proceedings at the Commission are conducted before an administrative law judge under the Administrative Procedure Act, 5 U.S.C. 551 et seq. The administrative law judge conducts an evidentiary hearing and makes an initial determination. The Commission may adopt the determination by deciding not to review it, or it may choose to review it. If the Commission finds a violation, it must determine the appropriate remedy, the amount of any bond to be collected while its determination is under review by the President, and whether public interest considerations preclude the issuance of a remedy.

Table 5-8
Antidumping duty orders revoked in 1999, as of Jan. 1, 2000

Country and commodity	Effective date of original action
Armenia:	
Solid urea	07/14/87
Australia:	
Canned Bartlett pears	03/23/73
Austria:	
Railway track maintenance equipment	02/17/78
Azerbaijan:	
Solid urea	07/14/87
Brazil:	
Ferrosilicon	03/14/94
Hot-rolled lead and bismuth carbon steel products	03/22/93
Canada:	
Red raspberries	06/24/85
Sugar and syrup	04/09/80
Racing plates (aluminum horseshoes)	02/27/74
Elemental sulfur	12/17/73
Steel jacks	09/13/66
Chile:	
Fresh cut flowers	03/20/87
China:	
Ferrosilicon	03/11/93
Tungsten ore concentrates	11/21/91
Colombia:	
Fresh cut flowers	03/18/87
Ecuador:	
Fresh cut flowers	03/18/87
Finland:	
Rayon staple fiber	03/21/79
France:	
Hot-rolled lead and bismuth carbon steel products	03/22/93
Large power transformers	06/14/72
Georgia:	
Solid urea	07/14/87
Germany:	
Hot-rolled lead and bismuth carbon steel products	03/22/93
Barium carbonate, precipitated	06/25/81
Animal glue and inedible gelatin	12/22/77
Israel:	
Industrial phosphoric acid	08/19/87
Oil country tubular goods	03/06/87
Italy:	
Brass fire protection equipment	03/01/85
Large power transformers	06/14/72
Japan:	
Benzyl paraben	02/13/91
Laser light-scattering instruments	11/19/90
Telephone systems	12/11/89
Microdisks	04/03/89
Nitrile rubber	06/16/88
Cellular mobile telephones and subassemblies	12/19/85
Calcium hypochlorite	04/18/85
High powered microwave amplifiers	07/20/82
Impression fabric of manmade fibers	05/25/78
Acrylic sheet	08/30/76
Steel wire rope	10/15/73
Synthetic methionine	07/10/73
Roller chain other than bicycle	04/12/73
Bicycle speedometers	11/ 22/72
Large power transformers	06/14/72
Fishnetting of manmade fiber	06/09/72
Television receivers	03/10/71
Kazakstan:	
Ferrosilicon	04/07/93
Solid urea	07/14/87

Table 5-8—*Continued*
Antidumping duty orders revoked in 1999, as of Jan. 1, 2000

Country and commodity	Effective date of original action
Kenya:	
Fresh cut flowers	04/23/87
Korea:	
Carbon steel wire rope	03/26/93
Telephone systems and subassemblies	02/07/90
Color television receivers	04/30/84
Kyrgyzstan:	
Solid urea	07/14/87
Latvia:	
Solid urea	07/14/87
Mexico:	
Carbon steel wire rope	03/25/93
Fresh cut flowers	04/23/87
Moldova:	
Solid urea	07/14/87
New Zealand:	
Fresh kiwifruit	06/02/92
Brazing copper wire and rod	12/04/85
Russia:	
Ferrosilicon	06/24/93
South Africa:	
Brazing copper wire and rod	01/29/86
Spain:	
Potassium permanganate	01/19/84
Sweden:	
Seamless stainless steel hollow products	12/03/87
Stainless steel plate	06/08/73
Taiwan:	
Telephone systems and subassemblies	12/11/89
Color television receivers	04/30/84
Ukraine:	
Ferrosilicon	04/07/93
United Kingdom:	
Hot-rolled lead and bismuth carbon steel products	03/22/93
Venezuela:	
Ferrosilicon	06/24/93

Source: Compiled by the U.S. International Trade Commission from data maintained by the International Trade Administration of the U.S. Department of Commerce.

magnets used in electronic products, condensers used in automobile air conditioners, conductive coated abrasives used in industrial applications, and amino fluoro ketone compounds used in basic medical and pharmaceutical research. Other section 337 investigations active during 1999 concerned agricultural tractors, beer products, disposable cameras, lumbar supports used in automobile seats, compact multipurpose tools, lavatory faucets, and cigarettes and related packaging.

Three exclusion orders were issued during 1999. Several investigations were terminated by the Commission without determining whether section 337 had been violated. Generally, these terminations were based on a settlement agreement or consent order. At the close of 1999, there were 10 section 337 investigations pending at the Commission, including two advisory opinion proceedings, a reconsideration proceeding, and a bond forfeiture proceeding. Commission activities involving section 337 actions in 1999 are presented in table A-30.

As of December 31, 1999, a total of 50 outstanding exclusion orders based on violations of section 337 were in effect, including 29 of these orders involving unexpired patents. Table A-31 lists the investigations in which these exclusion orders were issued.

Table 5-9
Countervailing duty orders revoked in 1999, as of Jan. 1, 2000

Country and commodity	Effective date of original action
Brazil:	
Hot-rolled lead and bismuth carbon steel products	03/22/93
Agricultural tillage tools	10/22/85
Cotton yarn	03/15/77
Castor oil products	03/16/76
Canada:	
Live swine and fresh chilled & frozen pork	08/15/85
Chile:	
Fresh cut flowers	03/19/87
France:	
Hot-rolled lead and bismuth carbon steel products	03/22/93
Germany:	
Hot-rolled lead and bismuth carbon steel products	03/22/93
India:	
Certain iron-metal castings	10/16/80
Israel:	
Oil country tubular goods	03/06/87
Netherlands:	
Fresh cut flowers	03/12/87
Peru:	
Fresh cut flowers	04/23/87
Sweden:	
Rayon staple fiber	05/15/79
Turkey:	
Welded carbon steel pipe and tube	03/07/86
United Kingdom:	
Hot-rolled lead and bismuth carbon steel products	03/22/93
Venezuela:	
Ferrosilicon	05/10/93

Source: Compiled by the U.S. International Trade Commission from data maintained by the International Trade Administration of the U.S. Department of Commerce.

Other Import Administration Laws and Programs

Tariff Preference Programs

Generalized System of Preferences

The U.S. Generalized System of Preferences (GSP) program authorizes the President to grant duty-free access to the U.S. market for certain products that are imported from designated developing countries and territories. It has been enhanced to allow duty-free treatment for certain products when imported only from countries designated as least-developed beneficiary developing countries. The program is authorized by title V of the Trade Act of 1974, as amended (19 U.S.C. 2461 et seq.). The GSP program expired on June 30, 1999, and was extended retroactively through September 30, 2001, by Public Law 106-170 signed by the President on December 17, 1999. By offering unilateral tariff preferences, the GSP program reflects the U.S. commitment to three broad goals: to promote economic development in developing and transitioning economies through increased trade, rather than foreign aid; to reinforce U.S. trade policy objectives by encouraging beneficiaries to open their markets, comply more fully with international trading rules, and assume greater responsibility for the international trading system; and to help maintain U.S. international competitiveness by lowering costs for U.S. business and lowering prices for American consumers.

Countries are designated as "beneficiary developing countries" under the program by the President. The President cannot designate certain developed countries named in the statute and also may not designate countries that afford preferential treatment to the products of a developed country, that has, or is likely to have, a significant adverse effect on U. S. commerce or countries that do not afford adequate protection to intellectual property rights or internationally recognized worker rights to their workers.[53] The President also designates the articles

[53] 19 U.S.C. 2462(b).

that are eligible for duty-free treatment, but may not designate articles that he determines to be "import-sensitive" in the context of the GSP. Certain articles (like, footwear, textiles, and apparel) are designated by statute as "import-sensitive" and thus not eligible for duty-free treatment under the GSP program.[54] The statute also provides for graduation of countries from the program when they become high-income countries and for removal of eligibility of articles, or articles from certain countries, under certain conditions.

Each year (unless otherwise specified in a *Federal Register* notice), the Trade Policy Staff Committee conducts a review process in which products can be added to, or removed from, the GSP program or in which a beneficiary's compliance with the eligibility requirements can be reviewed. On December 23, 1999, the TPSC in a *Federal Register* notice (64 F.R. 72136) announced the petitions on products accepted for the annual GSP review for 1999. The USTR requested the Commission to provide advice concerning possible modifications to the GSP for the products in the 1999 Annual GSP Review.

In June 1999, the President proclaimed certain modifications to the GSP implementing decisions. The modifications provided for the redefinition of a regional association within the GSP system to include Cambodia as part of the Association of South East Asian Nations. Members of a regional association may accumulate their value-added contributions on GSP imports, making it easier for these countries to meet the 35 percent value-added requirement of the GSP rule of origin. Modifications also resulted in granting of de minimis waivers for certain articles and restoration to preferential treatment of eligible articles from certain beneficiary countries as well as the exclusion of specified articles from certain beneficiary countries from eligibility for preferential treatment under GSP when shipments exceeded the competitive need limits for calendar year 1998. Modifications also included the addition of Gabon and Mongolia as eligible countries under the GSP, the restoration of Mauritania as a GSP and a least developed beneficiary developing country, and the correction of the named GSP designation for Congo and Zaire to Brazzaville and Kinshasa. Finally, modifications included the granting of waivers of the competitive need limits for nine Harmonized Tariff Schedule (HTS) subheadings for certain countries.

Several other actions were taken under the GSP in 1999. In January 1999, the Trade Policy Staff Committee initiated a review to consider the designation of Mongolia as a beneficiary developing country under the GSP. Also in January 1999, the Committee announced: the acceptance of a petition to review the status of India for its alleged failure to provide equitable and reasonable access to its soda ash market; and that petitions concerning the enforcement of internationally recognized worker rights in Guatemala and Cambodia were not accepted for review. In April 1999, the USTR solicited comments related to the reinstatement of Mauritania as a beneficiary developing country under the GSP. In December 1999, USTR restored duty-free treatment under the GSP for one article from South Africa and gave two articles duty-free treatment for all beneficiary developing countries.

A total of $13.6 billion in duty-free imports entered under the GSP program in 1999,[55] accounting for more than 10.3 percent of total U.S. imports from GSP beneficiaries and 1.3 percent of total U.S. imports (table 5-10). Angola was the leading GSP beneficiary in 1999, followed by Thailand, Brazil, Indonesia, and India (table 5-11). Appendix table A-32 shows the top 20 GSP products or product categories in 1999, and table A-33 shows the overall sectoral distribution of GSP benefits.

Caribbean Basin Economic Recovery Act

Eligible imports from 24 countries and territories in the Caribbean and Central America entered the United States free of duty or at reduced duties under the Caribbean Basin Economic Recovery Act (CBERA) during 1999.[56] CBERA has been operative since January 1, 1984, and, as amended, the Act currently has no statutory expiration date.[57]

[54] 19 U.S. C. 2463.

[55] The U.S. GSP program expired on June 30, 1999, and was extended retroactively through September 30, 2001 by legislation signed by the President on December 17, 1999. Because of the lapse of GSP benefits, articles otherwise eligible for GSP duty-free entry were subject to ordinary MFN duties during the period of GSP lapse unless another valid preferential tariff benefit, such as that provided by the Caribbean Basin Economic Recovery Act or the Andean Trade Preference Act was claimed and accorded. Duties paid on articles otherwise eligible for GSP duty-free entry during the GSP lapse period were eligible to be refunded once the program again became operative. Procedures for such refunds were announced in a notice issued by the U.S. Customs Service, "Procedures If the Generalized System of Preferences Program Expires," 64 F.R. 34847.

[56] The 24 countries designated for CBERA benefits are listed in table A-35.

[57] See Public Law 98-67, title II, 97 Stat. 384, 19 U.S.C. 2701 et seq. Relatively minor amendments were made to CBERA by Public Laws 98-573, 99-514, 99-570, and 100-418. CBERA was significantly expanded by the Caribbean Basin Economic Recovery Expansion Act of 1990, Public Law 101-382, title II, 104 Stat. 629, 19 U.S.C. 2101 note.

Table 5-10
U.S. imports for consumption[1] from GSP beneficiaries and the world, 1999

(Million dollars)

	All GSP beneficiaries	World
Total imports	131,069	1,014,545
Total GSP-eligible products[2]	22,797	485,713
Non-LDBC eligible products	20,443	267,883
LDBC eligible products	2,354	217,831
Total duty-free under GSP[3]	13,574	13,574
Duty-free under non-LDBDC GSP	11,420	11,420
Duty-free under GSP-LDBDC	2,155	2,155
Total of GSP eligible products not benefitting from duty-free treatment under the GSP	9,223	472,139
GSP program exclusions	4,537	4,537
All other	4,686	467,602
Noneligible products imports	108,272	528,832

[1] Customs-value basis; excludes imports into the Virgin Islands.
[2] Includes imports from all beneficiary countries for the articles that are designated as eligible articles under GSP. Non-LDBC eligible products are those for which a rate of duty of "free" appears in the Special rate column of the HTS followed by the symbols "A" or "A*" in parenthesis. The symbol "A" indicates that all beneficiary countries are eligible for duty-free treatment for all articles in the designated provisions and the symbol "A*" indicates that certain beneficiary countries, specified in general note 4(d) of the HTS, are not eligible for duty-free treatment with respect to any article provided for in the designated provision. LDBDC eligible products are those for which a rate of duty of "free" appears in the Special rate column of the HTS followed by the symbol "A+" in parenthesis. The symbol "A+" indicates that all least-developed beneficiary developing countries are eligible for duty-free treatment for all articles in the designated provisions. For a variety of reasons, all imports from beneficiary countries under HTS provisions that appear to be eligible for GSP treatment do not always receive duty-free entry under the GSP.
[3] Nearly $107 million of trade was reported by the U.S. Department of Commerce in 1999 as receiving preferential duty-free treatment under GSP program, when in fact it was duty-free under normal trade relations (NTR). The trade was excluded.

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

CBERA is the trade-related component of the Caribbean Basin Initiative (CBI).[58] President Reagan launched CBI in 1982 to promote export-led economic growth and economic diversification in the countries in the Caribbean Basin.[59]

A wide range of Caribbean products is eligible for duty-free entry under CBERA. Excluded by statute from duty-free entry, however, are canned tuna, petroleum and petroleum derivatives, certain footwear, some watches and watch parts, and most textiles and apparel. Certain agricultural products, including sugar, dairy products, cotton, peanuts, and beef, may receive duty-free entry subject to U.S. quotas and/or health requirements. Other restrictions apply to ethyl alcohol produced from non-Caribbean feedstock. Handbags, luggage, flat goods (such as wallets, change purses, and eyeglass cases), work gloves, and leather wearing apparel are not eligible for CBERA duty-free entry. However, CBERA duty levels on these articles were reduced by a total of 20 percent, but not more than 2.5 percent of value added, beginning January 1, 1992, in five equal installments.

Total U.S. imports from CBERA beneficiary countries in 1999 were almost $19.4 billion. Imports under CBERA preferences were valued at 13.6 percent of the total (table 5-12). The leading items afforded duty-free entry under CBERA in 1999 were cigars and other tobacco products, gold and platinum jewelry, sugar, and pineapples (table A-34). In 1999, four countries–the Dominican Republic, Costa Rica, Guatemala, and Trinidad and Tobago–accounted for more than 75 percent of all U.S. imports under the CBERA preference program (table A-35).[60]

[58] For a more detailed description of the CBERA, including country and product eligibility, see USITC, *Caribbean Basin Economic Recovery Act: Impact on the United States, Fourteenth Report*, 1998, USITC publication 3234, Sept. 1999.
[59] President, "Address Before the Permanent Council of the Organization of American States," *Weekly Compilation of Presidential Documents*, Mar. 1, 1982, # 217-223.

[60] Section 213(a) of CBERA (19 U.S.C. 2703(a)) establishes criteria, or rules of origin, to determine which articles are eligible for duty-free treatment under the Act.

Table 5-11
U.S. imports for consumption and imports under the GSP from leading beneficiaries and total, 1999

(Million dollars)

			Imports of GSP articles	
Rank	Beneficiary	Total imports	GSP-eligible	GSP duty-free[1]
1	Angola	2,229	2,149	2,009
2	Thailand	14,291	3,257	1,953
3	Brazil	11,254	2,787	1,894
4	Indonesia	9,388	1,927	1,276
5	India	9,061	1,800	990
6	Philippines	12,378	1,246	821
7	Venezuela	9,277	555	529
8	South Africa	3,191	506	448
9	Russia	5,705	524	416
10	Chile	2,823	600	337
	Top 10	79,598	15,350	10,672
	Total	131,069	22,797	13,574

[1] Nearly $107 million of trade was reported by the U.S. Department of Commerce in 1999 of receiving preferential duty-free treatment under the GSP program, when in fact it was duty-free under normal trade relations (NTR). This trade is excluded.

Note.—Calculations based on unrounded data. Excludes Virgin Island trade. The import data represent U.S. general imports of all textile and apparel articles covered by the formal MFA-that is, articles of cotton, wool, manmade fibers, vegetable fibers, and silk blends.

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

Table 5-12
U.S. imports for consumption from CBERA countries, 1997-99

Item	1997	1998	1999
Total imports from CBERA countries (1,000 dollars)	16,572,402.4	17,124,281.1	19,364,762.4
Total under CBERA preferences (1,000 dollars)	3,207,842.4	3,224,563.9	2,637,199.7
Percent of total	19.4	18.8	13.6

Note.—Value of imports under CBERA has been reduced by the the value of MFN duty-free imports and ineligible items that were misreported as entering under the program.

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

Decreased trade under the CBERA program can be attributed in part to Hurricane Mitch, but also due to the elimination of tariffs for some products, which allowed freer trade without the CBERA program.

Andean Trade Preference Act

Eligible imports from Bolivia, Colombia, Ecuador, and Peru entered the United States free of duty under the Andean Trade Preference Act (ATPA) during 1999.[61] ATPA has been operative since December 4, 1991 and is scheduled to expire on December 4, 2001.[62] ATPA is the trade-related component of the Andean Trade Initiative. To combat the production of illegal narcotics in the Andean region, President Bush launched the initiative in 1990 to help beneficiaries promote export-oriented industries.[63]

ATPA benefits were modeled after CBERA, but some limits are linked to GSP. A wide range of Andean products are eligible for duty-free entry.[64] ATPA excludes from duty-free entry the same list of articles excluded under CBERA— handbags, luggage, flat goods (such as wallets, change purses, and eyeglass cases), work gloves, and leather wearing apparel are not eligible for ATPA duty-free entry. However, ATPA duties on these articles were reduced by a total of 20 percent, but not more than 2.5 percent ad valorem, beginning January 1, 1992, in five equal annual installments.

Total U.S. imports from the four Andean countries totaled $9.8 billion in 1999. Imports under ATPA preferences (shown by country in table A-36) were valued at $1.75 billion, or 18 percent of the total (table 5-13). The leading items afforded duty-free entry under ATPA in 1999 were refined copper cathodes, fresh cut roses, pigments dispersed in nonaqueous media, and fresh cut chrysanthemums, standard carnations, anthuriums, and orchids (table A-37).

U.S. imports from the four ATPA countries rose 18 percent in 1999, with a 6 percent increase under ATPA-covered products. U.S. imports from Colombia, the major beneficiary, increased 32 percent overall and 12 percent under the agreement. Petroleum led Colombia's growth in total U.S. imports, followed by organic chemicals. Petroleum also is Colombia's largest export category. U.S. pigment imports from Colombia, which more than tripled, led ATPA growth and comprised Colombia's second largest export category under ATPA, after fresh cut flowers.

[61] For a more detailed description of the ATPA, including country and product eligibility, see USITC, *Andean Trade Preference Act: Impact on the U.S., Sixth Report, 1998*, publication 3234, Sept. 1999.

[62] 19 U.S.C. 3202

[63] President, "Remarks Following Discussions With President Rodrigo Borja Cevallos of Ecuador," *Weekly Compilation of Presidential Documents*, July 23, 1990, pp. 1140-1143.

[64] Section 204(a) of ATPA (19 U.S.C. 3203(a)) establishes rules of origin to determine which articles are eligible for duty-free treatment under the Act.

Table 5-13
U.S. imports for consumption from Andean countries, 1997-99

Item	1997	1998	1999
Total imports from Andean countries (1,000 dollars)	8,673,563.8	8,361,036.4	9,830,216.6
Total under ATPA preferences (1,000 dollars)	1,352,855.1	1,645,196.5	1,750,278.9
Percent of total	15.6	19.7	17.8

Note.—Value of imports under ATPA has been reduced by the value of MFN duty-free imports and ineligible items that were misreported as entering under the program.

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

Total U.S. imports from Ecuador increased 4 percent, led by petroleum, and under ATPA U.S. imports from Ecuador rose by nearly 12 percent, led by tuna, skipjack, and roses. Total U.S. imports from Bolivia rose nearly 2 percent, but Bolivian imports under ATPA decreased 12 percent due to major decreases in the value of gold and platinum chains. U.S. imports from Peru fell overall by 3 percent and under ATPA by 0.2 percent. The decrease under ATPA can be attributed to decreases in imports of precious metals, while the total decrease was affected by petroleum and coffee. The decline in 1999 imports from Peru could be the result of unusually high imports from that country in 1998. Data for 1999 reflect a return to a more typical import level for Peru.[65]

National Security Import Restrictions

Section 232 of the Trade Expansion Act of 1962 authorizes the President, on the basis of a formal investigation and report by the Secretary of Commerce, to impose restrictions on imports that threaten to impair the national security of the United States.[66] Among the most important criteria considered by the Department of Commerce are:

- requirements of the defense and essential civilian sectors;
- maximum domestic production capacity;
- quantity, quality, and availability of imports;
- impact of foreign competition on the economic welfare of the essential domestic industry; and
- other factors relevant to the unique circumstances of the specific case.

The President has 90 days to decide on appropriate action after receipt of the secretary's findings. The section 232 authority to adjust imports has been used sparingly in the past. It has most notably been employed in connection with the imposition of quotas, fees, or economic sanctions on imports of petroleum products. In 1999, one such investigation was initiated by the Department of Commerce.[67] While Commerce found that petroleum imports do threaten to impair U.S. national security, the Department did not recommend that the President use his Section 232 authority to adjust imports. It concluded that ongoing programs and activities were more appropriate to improving U.S. national security than an import adjustment.[68]

Agricultural Adjustment Act

Under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), the President may impose import fees or quantitative limitations to restrict imports that render ineffective or materially interfere with the operation of any U.S. Department of Agriculture program. The President acts on the basis of a Commission investigation and report, although he may take emergency action pending receipt of that report. Following advice of the Secretary of Agriculture and the Commission investigation, the President may modify, suspend, or terminate import restrictions because of changed circumstances. However, there were no investigations conducted or actions in effect under section 22 during 1999.

The Uruguay Round Agreements Act prohibits the imposition of quantitative limitations or fees on articles that are the product of a WTO member. The prohibition applies to all articles except wheat as of January 1, 1995.[69]

U.S. Textile and Apparel Trade Program

The Uruguay Round Agreement on Textiles and Clothing

The Agreement on Textiles and Clothing (ATC) entered into force as part of the WTO agreements in 1995 and created special interim rules for trade in textiles and apparel (sector goods). The ATC replaced the 1974 Multifiber Arrangement, which was negotiated under the GATT and which permitted the

[65] Compiled from the official statistics of the U.S. Department of Commerce.

[66] 19 U.S.C. 1862.

[67] *Federal Register*, (64F.R. 23820), May 4, 1999, pp. 23820-21.

[68] U.S. Deparment of Commerce, "The Effect on the National Security of Imports of Crude Oil and Refined Petroleum Products," p. ES-9, found at Internet address *http://www.bxa.doc.gov/pdf/Sec.2320il/199.pdf*, retrieved July 24, 2000.

[69] With the exception of the tariff rate quotas in effect on wheat, fees and quantitative limitations on agricultural products under section 22 (subsection f) were converted to bound tariffs and tariff rate quotas under a process known as tariffication. Tariffs may not be raised above a bound level without compensating affected parties. The special tariff rate quotas on wheat expired in September 1995.

use of quotas without compensation.[70] Under the ATC, WTO countries with Multifiber Arrangement quotas in place–the United States, European Union, Canada, and Norway–are to eliminate the quotas and integrate sector goods into the GATT regime over a 10-year transition period ending on January 1, 2005. As sector goods are integrated into the GATT regime, they become subject to the same GATT rules as trade in other sectors.

Quota elimination under the ATC involves the integration of articles into the GATT regime, including the removal of quotas on those goods, and the acceleration of growth rates for quotas on articles not yet integrated into the GATT regime during the transition period ("growth-on-growth" provision). WTO countries were to integrate at least 16 percent of their sector trade into the GATT regime in 1995 and an additional 17 percent in 1998 based on their respective 1990 import volumes. They are to integrate at least another 18 percent in 2002 and the remainder on January 1, 2005.[71] Under the growth-on-growth provision, importing countries were to increase existing quota growth rates for major WTO suppliers by 16 percent in 1995 and by another 25 percent in 1998; they are to increase the growth rates by another 27 percent in 2002.[72] For the 22 small WTO suppliers (countries accounting for 1.2 percent or less of an importing country's total quotas in 1991), quota growth rates advanced by one stage—they increased by 25 percent in 1995 and by 27 percent in 1998.

The ATC also allows WTO countries during the 10-year transition period to set new quotas on imports of sector goods not yet integrated into the GATT regime by applying a "transitional safeguard" when imports cause or threaten serious damage to a domestic industry. These quotas may remain in place for up to 3 years or until the article is integrated into the GATT regime.

[70] The MFA, a multilateral agreement governing most world trade in sector goods during 1974-94, provided a general framework and guiding principles for bilateral agreements between textile importing and exporting countries for the purpose of setting quotas or for unilateral action by an importing country. The MFA was established to deal with market disruption in tariff and apparel trade in developed countries, while permitting developing countries to share in expanded export opportunities.

[71] The WTO reported that almost none of the articles integrated by the developed countries in 1995 were subject to quota and that the articles integrated in 1995 and 1998 were relatively less value-added items such as yarn and fabric, rather than finished apparel. WTO, *Comprehensive Report of the Textiles Monitoring Body to the Council for Trade in Goods on the Implementation of the Agreement on Textiles and Clothing During the First Stage of the Integration Process*, document G/L/179 (97-3288), July 31, 1997, paras. 15 and 70, found at Internet address *http://www.wto.org/wto/ddf*, retrieved Jan. 28, 1998.

[72] The acceleration of quota growth rates is based on rates specified in the bilateral MFA agreements in place on December 31, 1994. The base growth rates vary by country and article, but ranged from less than 1 percent to 7 percent. Assuming a 6-percent base rate for a major supplier, the annual quota growth rate would be 6.96 percent during 1995-97, 8.7 percent during 1998-2001, and 11.05 percent during 2002-04.

U.S. Quota Activity in 1999

The United States currently has quotas on textiles and apparel from 48 countries, which together accounted for 84 percent of the total value of U.S. sector imports in 1999. U.S. quotas are being phased out for Mexico under NAFTA and the other 37 WTO countries under the ATC (table 5-14). The 10 non-WTO members subject to quotas, led by China and Taiwan, are ineligible for ATC benefits.[73]

Quota Actions with WTO Countries

The Committee for the Implementation of Textile Agreements (CITA), an interagency group that administers the U.S. textile and apparel trade agreements program, requested consultations with Pakistan in December 1998 for the purpose of establishing a quota on its shipments of combed cotton yarn.[74] Following unsuccessful consultations with Pakistan, CITA established a quota of 5,262,665 kilograms on the Pakistani yarn for the 12-month period beginning on March 17, 1999. According to CITA, imports of combed cotton yarn from Pakistan had risen significantly, and the U.S. industry had experienced declining production and shipments, downward pricing pressures, a substantial increase in inventories, deteriorating financial performance, two mill closures, and job losses. In March 2000, the United States extended the quota for another year, increasing it by 6 percent to 5,578,425 kilograms.

The WTO Textiles Monitoring Body, which supervises the implementation of the ATC provisions, recommended that the United States rescind the quota on cotton yarn from Pakistan. The United States

[73] Imports of sector goods from non-WTO countries are subject to quotas imposed by the President under section 204 of the Agricultural Act of 1956 (7 U.S.C. 1854), which provides the President with the basic statutory authority to enter into agreements with foreign governments to limit their exports of sector goods to the United States.

[74] Information on Pakistan is from *Federal Register* notices of CITA, "Establishment of an Import Limit for Certain Cotton Textile Products Produced or Manufactured in Pakistan" (64 F.R. 12290), Mar. 12, 1999; "Request for Public Comments on Bilateral Textile Consultations with the Government of Pakistan" (63 F.R. 72288), Dec. 31, 1998; and "Establishment of an Import Limit for Certain Cotton Textile Products Produced or Manufactured in Pakistan" (65 F.R. 14544), Mar. 14, 2000.

Table 5-14
Trading partners with which the United States has textile and apparel quotas, as of Mar. 23, 2000, and U.S. imports of textiles and apparel from these partners in 1999

(Million dollars)

Parnters	Imports
WTO members subject to the ATC	
Bahrain	100
Bangladesh	1,754
Brazil	130
Bulgaria	78
Colombia	409
Costa Rica	831
Czech Republic	36
Dominican Republic	2,385
Egypt	424
El Salvador	1,363
Fiji	68
Guatemala	1,244
Honduras	2,164
Hong Kong	4,465
Hungary	51
India	2,384
Indonesia	1,959
Jamaica	345
Kenya	39
Kuwait	10
Macau	1,047
Malaysia	810
Mauritius	232
Myanmar (Burma)	192
Pakistan	1,475
Philippines	2,156
Poland	39
Qatar	114
Romania	98
Singapore	337
Slovak Republic	28
South Korea	2,887
Sri Lanka	1,470
Thailand	2,074
Turkey	1,183
United Arab Emirates	333
Uruguay	12
Total	34,726
Non-WTO members subject to section 204 of the Agricultural Act of 1956	
Belarus	46
Cambodia	587
China	6,129
Former Yugoslav Republic of Macedonia	62
Laos	12
Nepal	165
Oman	143
Russia	166
Taiwan	2,709
Ukraine	52
Total	10,071
WTO member subject to the North American Free-Trade Agreement	
Mexico	8,621

Note.—The import data represent U.S. general imports of all textile and apparel articles covered by the former MFA—that is, articles of cotton, wool, manmade fibers, vegetable fibers, and silk blends.

Source: U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel.

informed the Textiles Monitoring Body that it was unable to comply with it's recommendation.[75] Pakistan has asked the WTO Dispute Settlement Body to set up a panel to rule on the U.S. quota.[76]

The United States reached agreement with Turkey in April 1998 to set a new quota on cotton and manmade fiber underwear from Turkey for the period from June 1, 1998, through December 31, 2002, and to increase Turkey's quotas for certain knit shirts of cotton and manmade fibers and wool apparel fabrics.[77] The Textiles Monitoring Body reviewed the new U.S. quota on underwear from Turkey and in March 2000 announced that the new limit "had not been demonstrated to be in conformity with the provisions of the ATC."[78]

Quota Actions with non-WTO Members

In January 1999, the United States and Cambodia signed a three-year textile agreement that provides for 12 quotas on selected apparel articles from Cambodia. Under the agreement, Cambodia also agreed to improve cooperation and information sharing to prevent illegal textile transshipments and to increase market access in Cambodia for U.S. exporters. In addition, for the first time in a U.S. bilateral textile agreement, the United States obtained a commitment from Cambodia to improve labor conditions in its textile and apparel sector. If the United States determines that Cambodia's labor conditions comply with international labor standards by December 1 of each agreement year, U.S. quotas could be increased by 14 percent for the following agreement year, in addition to the annual quota growth rate of 6 percent.[79] On May 4, 2000, the United States announced that it would grant Cambodia a 5-percent quota increase for 2000 because Cambodia signed a signed a labor pact with the International Labor Organization.[80]

CITA requested consultations with Belarus in September 1999 for the purpose of setting a quota on its shipments of glass fiber fabric.[81] According to CITA, imports of such fabric from Belarus rose from 456,093 square meters in the 12-month period ending May 1998 to 6,480,552 square meters in the 12-month period ending May 1999. Following unsuccessful consultations with Belarus, the United States set a quota of 6,480,552 square meters on its shipments for the 12-month period beginning September 17, 1999. In February 2000, the two countries agreed on a new limit of 11,500,000 square meters for calendar year 2000. In addition, a sublimit of 1,000,000 square meters was created for glass fiber fabric weighing 185 grams or less per square meter.

Market Access Agreement with China

In November 1999, the United States signed a market access agreement with China which, among other things, incorporated textile provisions from a Memorandum of Understanding between the two countries dated February 1, 1997. These provisions state that should China accede to the WTO, the United States is obligated to phase out quotas on imports of Chinese textiles and apparel as of January 1, 2005, the same date as that for other WTO members. However, the agreement allows the United States to apply selective safeguards (quotas) on imports of sector goods from China for 4 additional years beyond the termination of textile quotas for WTO members (i.e., from January 1, 2005 to December 31, 2008). The agreement also states that no safeguards established during the four-year period will remain in effect beyond one year, without reapplication, unless both countries agree. In addition to the textile-specific safeguard, the agreement also provides for a product-specific safeguard that would allow the United States to apply a safeguard measure on imports of

[75] WTO, Textiles Monitoring Body, Fifty-Sixth Meeting of the TMB, Note by the Chairman, document G/TMB/19 (99-2684), June 29, 1999, found at Internet address *http://www.wto.org*, retrieved Mar. 22, 2000.

[76] WTO, TMB, "Overview of the State-of-play of WTO Disputes," found at Internet address *http://www.wto.org/wto/dispute/bulletin.htm#_Toc472401424*, retrieved on May 9, 2000.

[77] CITA, "Establishing and Increasing Import Limits for Certain Cotton, Wool, and Man-Made Fiber Textile Products Produced or Manufactured in Turkey," *Federal Register* (63 F.R. 27923), May 21, 1998, p. 27923.

[78] WTO, Textiles Monitoring Body, *Report of the Sixty-First Meeting*, document G/TMB/R/60 (00-0349), Jan. 28, 2000, found at Internet address *http://www.wto.org*, retrieved Mar. 23, 2000.

[79] USTR official, telephone conversation with USITC staff, Feb. 16, 1999.

[80] U.S. Department of State telegram, "U.S. Announces Quota Increase After Cambodia Signs ILO Monitoring Agreement," message reference No. 000860, May 5, 2000, prepared by U.S. Embassy, Phnom Penh.

[81] Information on Belarus is from *Federal Register* notices of CITA, "Request for Public Comments on Bilateral Textile Consultations with the Government of Belarus," (64 F.R. 51962) Sept. 21, 1999; "Establishment of an Import Limit for Certain Man-Made Fiber Textile Products Produced or Manufactured in Belarus," (64 F.R. 71982) Dec. 22, 1999; and "Settlement of a Call and Establishment of an Import Limit for Certain Man-Made Fiber Textile Products Produced or Manufactured in Belarus," (65 F.R. 15315) March 22, 2000.

Chinese goods for 12 years following China's accession to the WTO.

Outward Processing Program for Macedonia and Romania

In September 1999, the United States signed textile agreements with Macedonia and Romania under an Outward Processing Program for Textiles and Apparel, marking the first time that the program has been extended to countries outside the Western Hemisphere. Under the agreements, which took effect on January 1, 2000, U.S. imports of wool apparel from Macedonia and Romania will be eligible to enter quota free, provided that the garments are assembled from fabrics made in the United States. USTR said the agreements with Romania and Macedonia were intended to promote "economic development in two countries whose economies were adversely affected by the conflict in Kosovo, while enhancing export growth of [U.S.] domestic wool fabric producers."[82] In 1999, U.S. imports of wool apparel totaled $29 million for Macedonia and $17 million for Romania.

Textile and Apparel Related Legislation

In May 2000, the U.S. Congress passed the Trade and Development Act of 2000, which grants expanded trade benefits to 48 eligible countries in sub-Saharan Africa under title I, the African Growth and Opportunity Act, and 24 Caribbean Basin Economic Recovery Act (CBERA) beneficiary countries under title II, the United States-Caribbean Basin Trade Partnership Act. Chief among the trade benefits in the legislation is preferential treatment for certain textiles and apparel from sub-Saharan African and CBERA countries. The legislation also suspends or reduces U.S. tariffs on imports of worsted wool fabrics and their inputs in an effort to improve the competitiveness of the U.S. tailored clothing industry and, as part of an accord with the European Union, changes the rules of origin for certain textile articles.

[82] Office of the United States Trade Representative, "United States Signs Textile Agreements with Macedonia and Romania," press release No. 99-75, Sept. 17, 1999. For detailed information on the agreements, see CITA, "Implementation and Enforcement of the Outward Processing Program for Textiles and Apparel," *Federal Register* (64 F.R. 69746) Dec. 14, 1999.

African Growth and Opportunity Act

The Africa Growth and Opportunity Act (AGOA) grants duty-free benefits under the Generalized System of Preferences to imports of qualifying apparel from eligible sub-Saharan African countries for 8 years beginning October 1, 2000. It also eliminates existing U.S. quotas on imports of textiles and apparel from sub-Saharan African countries, and allows imports of such goods from all such countries to enter free of quota during the eight-year period.[83] The only countries now subject to such quotas are Kenya and Mauritius. The AGOA grants preferential treatment (duty- and quota-free benefits) to sub-Saharan African countries contingent upon their adoption of enforcement measures to prevent unlawful transshipments of textiles and apparel from third countries.

The AGOA grants unlimited preferential treatment to apparel from sub-Saharan African countries made of fabrics produced in the United States of U.S. yarns. If the U.S. fabrics used in the production of such apparel are cut into garment parts in these countries rather than the United States, the garments must also be sewn together with U.S. thread. Sub-Saharan African countries also receive unlimited preferential treatment for knit-to-shape sweaters in chief weight of cashmere or containing 50 percent or more by weight of wool measuring 18.5 microns in diameter or finer (merino wool); apparel wholly assembled from fabric or yarn not available in commercial quantities in the United States;[84] and handloomed, handmade, and folklore articles.

The AGOA also grants preferential treatment to a specified amount of imports of sub-Saharan African apparel made from fabrics that are produced in those countries of their own or U.S. yarns (regional fabrics). Imports of sub-Saharan African apparel made of regional fabrics will be subject to an annual cap beginning on October 1, 2000, equal to 1.5 percent of the total quantity of U.S. apparel imports in the preceding 12-month period, and rising in each of the seven succeeding one-year periods in equal increments, to 3.5 percent in the final one-year period beginning on

[83] As noted earlier, the United States will eliminate quotas on textiles and apparel from all WTO countries as of January 1, 2005. Imports of textiles and apparel from non-WTO countries will continue to be subject to control under section 204 of the Agricultural Act of 1956.

[84] Apparel articles assembled from fabric or yarn not available in commercial quantities in the United States are identified in annex 401 of NAFTA (e.g., apparel of silk or linen fabric, velveteen or fine-wale corduroy cotton fabric, and hand-woven Harris Tweed wool fabric).

October 1, 2007.[85] A special rule allows apparel entered under the cap from lesser developed sub-Saharan African countries to be made of third-country fabrics for the first 4 years, through September 30, 2004.[86] Apparel of regional or third-country fabrics subject to the cap are subject to a "surge mechanism," under which the U.S. Secretary of Commerce may suspend duty-free treatment on any such article whenever the Secretary determines that the article is being imported in such increased quantities as to threaten or cause serious damage to the U.S. industry.

The AGOA eliminates existing U.S. quotas on textiles and apparel from Kenya and Mauritius within 30 days after these countries adopt an effective visa system to prevent the transshipment of textiles and apparel from third countries and the use of counterfeit documents relating to importation of the articles into the United States. This requirement for an effective visa system applies to other sub-Saharan African countries if they are to receive the preferential treatment. The AGOA also requires sub-Saharan African countries to enact legislation or promulgate regulations that would permit the U.S. Customs Service verification teams to have the access necessary to investigate alleged transshipments, and contains criteria regarding production and export record-keeping requirements, country-of-origin documentation, and penalties for exporters who engage in transshipments.

United States-Caribbean Basin Trade Partnership Act

The United States-Caribbean Basin Trade Partnership Act (the Act) allows imports of qualifying apparel from CBERA countries to enter free of duty and quota during a transition period beginning on October 1, 2000, and ending on the earlier of September 30, 2008, or the date on which the FTAA, or a similar free trade agreement between the United States and CBERA beneficiary countries, enters into force. The preferential treatment (duty- and quota-free benefits) is essentially equivalent to that granted to similar goods of NAFTA partner Mexico, which competes with CBERA countries for apparel assembly work from U.S. firms. The Act grants unlimited preferential treatment to CBERA apparel assembled from fabrics made in the United States of U.S. yarns. If the U.S. fabrics used in the production of such apparel are cut into garment parts in CBERA countries rather than the United States, the apparel must also be sewn together with U.S. thread. Unlimited preferential treatment is also granted to CBERA textile luggage assembled from U.S. fabrics made of U.S. yarns.

The Act also grants preferential treatment for limited amounts of knit apparel articles other than socks that are made of fabrics knitted in CBERA countries (regional knit fabrics), provided that the fabrics are produced of U.S. yarns. Knit apparel eligible for the preferential treatment includes garments cut and assembled from knit fabrics or knit-to-shape directly from yarns (sweaters). For apparel made of regional knit fabrics, the Act grants preferential treatment to not more than 4.2 million dozen outerwear T-shirts and 250 million square meter equivalent (SMEs) of other qualifying knit apparel, for the one-year period beginning on October 1, 2000. Both caps are to be increased by a compound growth rate of 16 percent in each succeeding one-year period through September 30, 2004, and they will remain at those levels in each one-year period thereafter through September 30, 2008.

The Act provides preferential treatment separately for brassieres from CBERA countries. For the one-year period beginning on October 1, 2001, and in each of the six succeeding one-year periods, brassieres of a firm controlling production will be eligible for preferential treatment only if the aggregate cost of the U.S. fabric components used in its brassiere production during the preceding one-year period is at least 75 percent of the aggregate declared customs value of the fabric contained in all of the firm's brassieres that are entered during that period. If the U.S. Customs Service finds that a firm has not satisfied this requirement, then the firm's brassieres will be ineligible for preferential treatment during any succeeding one-year period until the aggregate cost of the U.S. fabric components used in its brassiere production is at least 85 percent of the aggregate declared customs value of the fabric contained in all of the firm's brassieres that are entered during the preceding one-year period.

The Act also grants preferential treatment to apparel assembled from fibers, fabric, or yarn not widely available in commercial quantities in the United States or CBERA countries, as specified in annex 401 of NAFTA (e.g., apparel made of velveteen or fine-wale corduroy cotton fabric, hand-woven Harris tweed wool fabric, and silk or linen fabric). The Act also grants preferential treatment to CBERA handloomed, handmade, and folklore articles.

[85] Assuming that all U.S. imports of sub-Saharan African apparel in calendar year 1999 entered under the cap, these countries would have fill 60 percent of the cap of 212 million square meter equivalents (SMEs), based on total apparel imports of 14.1 billion SMEs and 128.2 million SMEs from sub-Saharan Africa.

[86] The AGOA defines a lesser developed sub-Saharan African country as one that had a per capita gross national product of less than $1,500 in 1998, as measured by the World Bank. All but six of these countries (Botswana, Gabon, Mauritius, Namibia, Seychelles, and South Africa) meet the definition of a lesser developed country.

Rules of Origin

Section 405 of the Trade and Development Act of 2000 changes the rules of origin for certain dyed and printed fabrics and flat goods (e.g., bed sheets and scarves) made of these fabrics. Under the current rules of origin, which were implemented on July 1, 1996, as required by section 334 of the Uruguay Round Agreements Act, the country of origin for fabrics and flat goods is the country in which the base fabric was made, regardless of any further finishing operations performed in other countries. The legislation restores the rules of origin in effect before July 1996 for nonwool fabrics and flat goods, which permitted the processes of dyeing and printing to confer origin, when accompanied by two or more finishing operations.

The Clinton administration requested the rules change in order to implement the terms of an August 1999 agreement with the European Union settling a dispute over the rules. In May 1997, the EU filed a request with the WTO for consultations with the United States, claiming that the rules adversely affected its exports of dyed and printed fabrics and flat goods to the U.S. market. The EU stated that as a result of the U.S. rules change, its exports of these articles had lost their quota-free access to the U.S. market, and EU exporters had to comply with any U.S. quota or visa requirements applicable to the country of origin of the base fabric. In addition, EU silk accessories such as scarves had to be marked as a product of the country in which the base fabric was formed (mainly China), rather than as a product of the EU country in which the fabric was printed, dyed, and otherwise finished (e.g., Italy or France), as was the usual case under the previous rules.

Fine Wool Fabrics

Title V of the Trade and Development Act of 2000 reduces U.S. tariffs on worsted wool fabrics for use in making tailored clothing and suspends the tariffs on fine wool yarns, fibers, and tops for 3 years beginning on January 1, 2001. The tariff changes are intended to improve the competitiveness of the U.S. tailored clothing industry relative to its counterpart in Canada, whose lower fabric duties have enabled the industry there to greatly expand its exports of men's suits to the U.S. market under NAFTA. Title V creates two tariff rate quotas for the purpose of granting duty reductions to a specified amount of worsted wool fabrics certified by the importer as suitable for use in making men's or boys' suits, suit-type jackets, and trousers.[87] One TRQ will permit 2.5 million SMEs of fabrics having average fiber diameters greater than 18.5 microns to enter each year at 19.3 percent ad valorem, the same rate as that for men's and boys' suit-type jackets made of worsted wool fabrics.[88] The other TRQ will allow 1.5 million SMEs of fabrics having average fiber diameters of 18.5 microns or less (the lower the number, the finer the fabric) to enter each year at 6 percent ad valorem, the same rate as Canada's on the finer fabrics.[89] Imports in excess of the TRQ limits will be subject to the normal trade relations rate (28.3 percent in 2001). Title V also suspends the tariffs on wool yarns, fibers, and tops having average fiber diameters of 18.5 microns or less.[90]

Title V authorizes the President to take action to ensure that the TRQs are allocated fairly to firms that make men's and boys' worsted wool tailored clothing in the United States and that apply for an allocation based on the amount of worsted wool suits made during the prior calendar year. The President has the authority to modify the TRQ limits in response to requests from U.S. producers of men's and boys' worsted wool tailored clothing, subject to a review of U.S. market conditions, but by not more than 1.0 million SMEs in any of the 3 years. Title V also provides for the establishment of a trust fund for wool research, development, and promotion and for a partial refund of duties paid by specified U.S. manufacturers on imports of the wool fabrics, yarns, fibers, and tops, without regard to micron level, in each of the years 2000, 2001, and 2002.

Since implementation of the United States-Canada Free Trade Agreement in 1989,[91] U.S. imports of men's and boys' wool suits from Canada have grown by sixfold, to 1.3 million suits valued at $157 million in 1999. NAFTA contains a tariff preference level that permits specified amounts of wool apparel from

[87] The fabrics are classifiable under HTS subheadings 5111.11.70, 5111.19.60, 5112.11.20, and 5112.19.90.

[88] The 19.3 percent rate will be subject to the same staged duty reductions as those agreed to by the United States in the Uruguay Round of multilateral trade negotiations for men's and boys' wool suit-type jackets (HTS subheading 6203.31.00). The tariff on these items will be reduced to 18.8 percent in 2001, 18.4 percent in 2002, and 18 percent in 2003, the last year of the temporary duty reductions for the fabrics.

[89] The President is authorized to reduce the 6 percent rate, as necessary, to equalize the rate with that of Canada.

[90] The duty suspension applies to wool yarns under HTS subheading 5107.10.00 (normal trade relations rate of 6.9 percent ad valorem in 2001) and to wool fibers and tops under headings 5101.11 - 5101.30, 5103.10, 5103.20, 5104.00, 5105.21, and 5105.29. Wool tops are used in the manufacture of worsted yarn and are a loose, untwisted rope of fibers that have been combed to straighten the fibers and remove the short fibers.

[91] In 1994, the CFTA was suspended and its duty phaseout schedules were incorporated into NAFTA.

Canada to enter the United States free of duty even though the garments do not meet the NAFTA rules of origin (e.g., the suits are made of European fabric).[92]

U.S. Textile and Apparel Trade in 1999

U.S. imports of textiles and apparel in 1999 increased by 10 percent, or 2.7 billion SMEs, over the 1998 level, to 28.6 billion SMEs valued at $64 billion.[93] The import growth in 1999 was widespread on a product basis, with apparel and other madeup and miscellaneous textiles accounting for three-fourths of the increase and intermediate inputs such as yarns and fabrics accounting for the remainder. Apparel is the principal import, accounting for almost 50 percent (14.1 million SMEs) of the import quantity but 80 percent ($51 billion) of the import value in 1999.

Geographically, almost one-half of the 1999 increase in U.S. textile and apparel imports came from countries in the Western Hemisphere benefiting from preferential market access, namely NAFTA partners Mexico and Canada, and CBERA countries. The NAFTA partners expanded their textile and apparel shipments by 16 percent in 1999, to 4.1 billion SMEs ($8.6 billion) for Mexico and 2.8 billion SMEs ($3.1 billion) for Canada, solidifying their positions as the largest foreign suppliers with import shares of 14.5 for Mexico and 9.9 percent for Canada. CBERA shipments rose by 11 percent to 3.6 billion SMEs ($8.9 billion), or 12.5 percent of sector imports.

The CBERA countries and Mexico supplied 40 percent of U.S. apparel imports in 1999, mainly competing with one another for assembly work from U.S. firms. Competition between the CBERA countries and Mexico has changed since the implementation of NAFTA in 1994, with NAFTA tariff preferences contributing to the faster growth in U.S. apparel imports from Mexico than from the CBERA countries. Whereas garments sewn in Mexico from fabric made and cut in the United States enter free of duty and quota under NAFTA, similar CBERA goods enter under preferential quotas but are still subject to duty on the value added offshore.[94] As such, Mexico's share of U.S. apparel imports by quantity rose from 4.3 percent in 1993, the year before NAFTA entered into force, to 16.4 percent in 1999, while the CBERA share grew from 18.4 to 24.2 percent. To remedy this situation, legislation was again introduced in the U.S. Congress in 1999 to provide NAFTA-like treatment for qualifying apparel goods and other articles exempted from duty-free entry under the CBERA.[95]

U.S. imports of textiles and apparel from Asia in 1999 rose by 7 percent over the 1998 level to 14.0 billion SMEs ($33.6 billion). The increase was only half the of 14 percent gain in 1998, when the effects of the Asian financial crisis of mid-1997 to early 1998 spurred East Asian countries to boost exports to earn much needed foreign exchange. In 1999, the lingering effects of the East Asian crisis were still evident. Nevertheless, U.S. and other foreign suppliers adjusted their prices downward to compete with East Asian exports.[96] U.S. textile and apparel imports from ASEAN countries, for example, continued to rise in 1999, increasing by 10 percent to 3.6 billion SMEs ($8.3 billion), following a 23 percent gain in 1998.

U.S. imports of sector goods from China, the single largest Asian supplier to the U.S. market, increased by 5 percent in 1999 to 2 billion SMEs ($6.4 billion), following a decline of 7 percent the previous year. Growth in cotton yarn and fabric imports contributed to a large share of the overall increase in 1999. The turnaround in U.S. imports from China is attributed to several factors, including the deregulation of cotton prices, which resulted in cutting cotton prices by more than one-half from their high in 1997; lower production costs following completion of major portions of China's structural reform of state-owned enterprises in the cotton textile sector; increased value-added tax rebates for textile exports; and increased direct distribution of export quotas to profitable companies.[97]

[92] The NAFTA rule of origin for apparel is basically a yarn forward rule, which requires that the goods be made in a NAFTA country from the yarn-formation stage forward in order to receive preferential treatment—that is, the goods must be made in North America of North American fabric that was made of North American yarn.

[93] The trade data in this section represent imports of goods subject to U.S. textile trade agreements, as published in the *Major Shippers Report* of the U.S. Department of Commerce, Office of Textiles and Apparel. The data are available at Internet address *http://otexa.ita.doc.gov/msrpoint.htm*.

[94] The effective trade-weighted duty on U.S. imports of CBERA apparel entered under the production-sharing provision 9802.00.80 averages 6 percent ad valorem.

[95] See the Textile and Related Legislation section.

[96] See, for example, American Textile Manufacturers Institute, "Year-End Trade Figures Show Asian Crisis Continues To Effect U.S. Textile Industry," news release, Feb. 23, 2000, and "Low Cost Imports Still Staggering Industry," *Southern Textile News*, June 7, 1999, p. 12.

[97] U.S. Department of State telegram, "SOE Reform: China Textile Industry Leads the Way," message reference No. 002711, Mar. 24, 2000 and U.S. Department of State telegram "China Textile Industry: A Grim Year of the Rabbit Ahead," No. 003352, Apr. 9, 1999, both prepared by U.S. Embassy, Beijing.

Major U.S. Trade Sanctions Activities

The United States imposes trade sanctions against specific foreign countries under several statutory authorities.[98] Many of the sanctions are administered and enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury.[99] A few specifically targeted trade controls are administered and enforced by other agencies, including the Bureau of Export Administration of the U.S. Department of Commerce, the Office of Defense Trade Controls of the U.S. Department of State, and the U.S. Customs Service of the U.S. Department of the Treasury.

In this report, the term "trade sanction" applies to actions undertaken to restrict or prohibit U.S. trade (including nonmilitary exports, imports, government procurement, and trade finance) with designated hostile or pariah countries to enhance U.S. foreign policy or national security objectives. U.S. trade sanctions are covered under many statutes. Some of the U.S. sanctions are multilateral undertakings under United Nations resolutions and carried out in close cooperation with other governments. Other sanctions are unilateral U.S. actions. Table 5-15 lists major U.S. trade sanctions against specific countries operative during 1999. Also during 1999, the USITC conducted an investigation requested by the House Ways and Means Committee on the impact of U.S. economic sanctions with respect to India and Pakistan.[100]

[98] The basic authorizing statutes are the Trading with the Enemy Act (50 U.S.C. App. 1-44); International Emergency Economic Powers Act (50 U.S.C. sec. 1701-06); Iraqi Sanctions Act (Public Law 101-513, 104 Stat. 2047-55); United Nations Participation Act (22 U.S.C. 287(c)); International Security and Development Cooperation Act (22 U.S.C. 2349 aa-9); The Cuban Democracy Act (22 U.S.C. 6001-10); the Cuban Liberty and Democratic Solidarity Act of 1996 (Public Law 104-114); the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104-132); and the United Nations Participation Act (22 U.S.C. 287(c)).

[99] The Office of Foreign Assets Control acts under Presidential wartime and national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and to freeze assets under U.S. jurisdiction. U.S. Department of the Treasury, Office of Foreign Assets Control, "Mission," found at Internet address *http://www.treas.gov/ofac*, retrieved May 2, 2000.

[100] USITC, *Overview and Analysis of the Economic Impact of U.S. Economic Sanctions With Respect to India and Pakistan*, USITC Publication 3236, September 1999.

Table 5-15
Summary of major U.S. trade sanctions operative in 1999[1]

Country	Sanctions
Burma	No trade restrictions. New investment in Burma by U.S. persons prohibited. Several U.S. states and municipalities apply selective purchasing/contracting measures against companies that do business with Burma. A WTO dispute-settlement panel was established in October 1998 following a complaint filed by the EU (WT/DS88/1) in 1997 concerning the selective procurement measures enacted by the Commonwealth of Massachusetts. In November 1998, the United States District Court in Massachusetts found the Commonwealth's Burma law unconstitutional and enjoined Massachusetts from enforcing it. The U.S. Court of Appeals upheld the District Court ruling in June 1999. In October 1999, the U.S. Supreme Court agreed to hear the case (Natsios v. National Foreign Trade Council) during 2000. The WTO panel suspended its proceedings in February 1999 at the request of the WTO complainants. Since the WTO panel was not requested to resume its work, the panel's authority lapsed as of February 11, 2000.
Cuba	Sanctions prohibit most trade, investment, and financial dealings with Cuba unless licensed by the Bureau of Export Administration of the U.S. Department of Commerce. Vessels carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has any interest are prohibited from entering U.S. ports. Cuban assets in the United States are blocked. On July 8, 1999, the European Union filed a WTO complaint against the United States (WT/DS176/1) with respect to section 211 of the Omnibus Appropriations Act. The complaint alleges that the U.S. law has the consequence of making impermissible the registration or renewal in the United States of a trademark if the trademark was previously abandoned by a trademark owner whose business and assets have been confiscated under Cuban law. This issue pertains to a dispute over trademark rights to the Havana Club brand of rum between the U.S. Barcardi & Co. and a French-Cuban joint venture established by Pernod-Ricard and the Cuban Government. The EU contends that section 211 of the U.S. Omnibus Appropriations Act is not in conformity with U.S. obligations under the TRIPs Agreement and the Paris Convention. In February 2000, a U.S. appeals court upheld Bacardi's right to use the Havana Club label in the United States.
India and Pakistan	The United States imposed economic sanctions against India and Pakistan in 1998 after those countries detonated nuclear explosive devices. Certain components of those sanctions have been waived;[2] other sanctions remain in place, including restrictions on trade with specific Indian and Pakistani government, military, and business entities and subsidiaries involved in nuclear or missile activities unless licensed by the Bureau of Export Administration.
Iran[3]	Trade, investment, and financial dealings with Iran by U.S. persons, wherever located, generally are prohibited unless licensed by Office of Foreign Assets Control of the U.S. Department of the Treasury. On March 17, 2000, the Secretary of State announced that sanctions would be eased to allow U.S. persons to purchase and import carpets and food products such as dried fruits, nuts, and caviar from Iran.[4]
Iraq	Virtually all other trade, investment, and financial dealings with Iraq are prohibited, except trade provided for under UN Security Council Resolution 986 of 1995 permitting Iraq to sell specific quantities of oil and to purchase specific humanitarian goods. All assets of the Iraqi government subject to U.S. jurisdiction are blocked.
Libya[3]	Virtually all trade, whether direct or through third countries, and investment activities with Libya by U.S. persons, are prohibited unless licensed by the Office of Foreign Assets Control. Also prohibited are transactions that ultimately benefit Libya, including brokering third-country sales of Libyan crude oil or transportation for Libyan cargo. Certain U.S. sales to Libya are permitted, including the sale of parts and components to third countries where the U.S. goods will be "substantially transformed" into new and different articles of commerce prior to shipment to Libya, as well as the sale of goods that come to rest in the inventory of a third-country distributor whose sales are not predominantly to Libya. All assets of the Libya government subject to U.S. jurisdiction are blocked.

See footnotes at end of table.

Table 5-15—*Continued*
Summary of major U.S. trade sanctions operative in 1999

Country	Sanctions
North Korea	Most trade, investment, and financial dealings with North Korea by U.S. persons prohibited since 1950. On Sept. 17, 1999, the President announced he was easing some of the economic sanctions in place against North Korea. Among other things, the new policy authorizes imports of most North Korean origin goods and raw materials, exports of most non-sensitive goods and financial services, and the resumption of investment by U.S. persons.[5]
Sudan[3]	Virtually all trade, whether direct or through third countries, with Sudan by U.S. persons is prohibited unless licensed. All assets of Sudan subject to U.S. jurisdiction are blocked. Financial transactions that pose a risk of furthering terrorist acts in the United States are prohibited.
Syria	No trade sanctions. Sanctions prohibit financial transactions that pose a risk of furthering terrorist acts in the United States.
Yugoslavia and Serbia	Sanctions prohibit most trade, investment, and financial dealings with the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro) and the Republic of Serbia. The Government of the Republic of Montenegro is excluded from the U.S. sanctions.

[1] Information in this table on U.S. economic sanctions was compiled primarily from Office of Foreign Assets Control of the U.S. Department of the Treasury, found at Internet address *http://www.treas.gov/ofac*, retrieved May 4, 2000. Information on WTO complaints was obtained from WTO, "Overview of the state-of-play of WTO disputes," Apr. 18, 2000, found at Internet address *http://www.wto.org/wto/dispute/bulletin.htm* retrieved May 10, 2000.

[2] President, Presidential Determination No. 2000-4, Oct. 27, 1999 (64 F.R. 60649).

[3] The United States amended the economic sanctions against Iran, Libya, and Sudan effective July 27, 1999. The changes liberalized the licensing policy for commercial sales of U.S. agricultural commodities and products, medicine, and medical equipment. While licenses from the Office of Foreign Assets Control are still required for exports to those countries, the licensing policy was changed to facilitate sales to Iran, Libya, and Sudan, and to give U.S. producers and exporters an opportunity to compete in those markets. See OFAC, "Sudanese Sanctions Regulations; Libyan Sanctions Regulations; Iranian Transactions Regulations: Licensing of Commercial Sales of Agricultural Commodities and Products, Medicine, and Medical Equipment," *Federal Register* (64 F.R. 41784), Aug. 2, 1999, p. 41784.

[4] Office of the Spokesman, U.S. Department of State, *Press Briefing on American-Iranian Relations*, March 17, 2000.

[5] Office of the Press Secretary, The White House, *Fact Sheet: Easing Sanctions Against North Korea*, Sept 17, 1999.

APPENDIX A
Statistical Tables

Table A-1
U.S. merchandise trade with Canada, by SITC numbers (revision 3), 1997-99

(1,000 dollars)

SITC section No.	Description	1997	1998	1999
		U.S. exports		
0	Food and live animals	5,925,162	6,199,587	6,342,636
1	Beverages and tobacco	301,653	340,935	371,685
2	Crude materials, inedible, except fuels	4,282,685	3,950,144	4,034,353
3	Mineral fuels, lubricants and related materials	2,280,104	2,353,112	2,141,409
4	Animal and vegetable oils, fats and waxes	222,703	201,105	177,459
5	Chemicals and related products n.e.s.o.i	12,712,646	13,243,958	14,367,219
6	Manufactured goods classified chiefly by material	18,730,028	19,391,618	20,605,336
7	Machinery and transport equipment	73,658,380	75,111,792	79,938,832
8	Miscellaneous manufactured articles	13,334,655	14,144,585	15,154,294
9	Commodities and transactions not classified elsewhere in the SITC	3,345,590	2,830,958	2,598,207
	Total, all commodities	134,793,606	137,767,796	145,731,430
		U.S. imports		
0	Food and live animals	7,413,214	7,765,489	8,360,632
1	Beverages and tobacco	814,940	818,490	893,432
2	Crude materials, inedible, except fuels	11,950,346	11,057,549	11,986,090
3	Mineral fuels, lubricants and related materials	17,882,257	14,654,232	17,249,747
4	Animal and vegetable oils, fats and waxes	379,240	420,910	375,408
5	Chemicals and related products n.e.s.o.i.	9,510,738	9,467,068	9,990,311
6	Manufactured goods classified chiefly by material	27,305,567	28,922,070	30,991,704
7	Machinery and transport equipment	72,064,695	77,297,113	90,313,100
8	Miscellaneous manufactured articles	10,301,342	11,750,222	13,194,771
9	Commodities and transactions not classified elsewhere in the SITC	10,258,672	12,532,316	14,887,189
	Total, all commodities	167,881,010	174,685,459	198,242,386

Note.—Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

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

Table A-2
Leading exports to Canada, by *Schedule B* numbers, 1997-99

(1,000 dollars)

Schedule B No.	Description	1997	1998	1999
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	5,298,707	4,667,159	5,366,923
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles n.e.s.o.i.	4,706,272	4,685,104	5,364,613
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	3,708,625	3,652,219	4,234,377
8407.34	Spark-ignition reciprocating piston engines for propulsion of vehicles except railway or tramway stock, over 1,000 cc cylinder capacity	2,578,791	3,195,530	3,944,609
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	3,932,783	3,648,609	3,375,615
8704.31	Motor vehicles for goods transport n.e.s.o.i., with spark-ignition internal combustion piston engine, gvw not over 5 metric tons	2,372,856	2,227,433	2,523,738
8708.40	Gear boxes for motor vehicles	2,096,184	2,284,025	2,380,793
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	2,142,948	2,046,432	1,948,081
8409.91	Parts for use with spark-ignition internal combustion piston engines (including rotary engines) n.e.s.o.i.	1,296,249	1,671,261	1,745,780
9880.00[1]	Estimate of non-Canadian low value export shipments; compiled low value shipments to Canada; and shipments not identified by kind to Canada	1,966,754	1,643,868	1,648,622
8701.20	Road tractors for semi-trailers	1,055,431	1,180,632	1,428,212
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	1,341,975	1,237,903	1,253,163
8708.39	Brakes and servo-brakes and parts thereof n.e.s.o.i., for motor vehicles	1,064,624	1,071,540	1,167,227
9032.89	Automatic regulating or controlling instruments and apparatus (excluding thermostats, manostats and hydraulic types) n.e.s.o.i.	1,019,438	1,012,069	1,146,714
8471.50	Digital processing units other than those of 8471.41 and 8471.49 n.e.s.o.i.	1,332,160	1,363,963	1,115,271
8803.30	Parts of airplanes or helicopters n.e.s.o.i.	864,745	1,055,864	1,060,806
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods) n.e.s.o.i.	590,673	699,288	963,199
9401.90	Parts of seats (except parts of medical, dental, barber, and similar seats) n.e.s.o.i.	684,297	761,258	959,182
8408.20	Compression-ignition internal combustion piston engines (diesel or semi-diesel), for the propulsion of vehicles except railway or tramway stock	673,287	775,339	927,522
7606.12	Aluminum alloy rectangular (including square) plates, sheets and strip, over 0.2 mm thick	830,697	827,730	889,556
4901.99	Printed books, brochures, leaflets and similar printed matter n.e.s.o.i.	802,992	799,541	800,715
8471.49	Digital automatic data processing machines and units thereof presented in the form of systems n.e.s.o.i.	672,135	784,052	774,652
8708.50	Drive axles with differential for motor vehicles	568,223	574,713	719,290
8517.90	Parts of electrical apparatus for line telephony or telegraphy, including parts of such apparatus for carrier-current line systems	489,230	587,879	702,769
8481.80	Taps, cocks, valves, and similar appliances for pipes, vats or the like, including thermostatically controlled valves n.e.s.o.i.	597,382	651,490	699,279
	Subtotal	42,687,460	43,104,900	47,140,712
	All other	92,106,145	94,662,896	145,731,450
	Total, all commodities	134,793,606	137,767,796	145,731,430

[1] Special "Census Use Only" reporting number estimating low-valued exports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for "not elsewhere specified or included."

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

Table A-3
Leading imports from Canada, by *HTS* numbers, 1997-99

(1,000 dollars)

HTS No.	Description	1997	1998	1999
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	19,880,796	22,565,822	27,110,928
9801.00	Imports of articles exported and returned, not advanced in value or condition; imports of animals exported and returned within 8 months	6,076,681	7,698,472	8,943,333
8704.31	Motor vehicles for goods transport n.e.s.o.i., with spark-ignition internal combustion piston engine, gvw not over 5 metric tons	7,065,416	5,434,461	8,212,575
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, etc., over 6 mm (.236 in.) thick	6,598,640	5,922,863	6,799,939
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	5,461,001	5,948,391	6,689,407
2709.00	Petroleum oils and oils from bituminous minerals, crude	7,423,720	5,560,287	6,551,626
2711.21	Natural gas, gaseous	5,068,629	5,184,321	6,069,527
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	3,164,471	2,878,220	3,372,669
9999.95[1]	Estimated imports of low valued transactions	1,628,019	2,349,866	3,365,257
4801.00	Newsprint, in rolls or sheets	3,488,032	3,517,326	3,341,296
8407.34	Spark-ignition reciprocating piston engines for propulsion of vehicles except railway or tramway stock, over 1,000 cc cylinder capacity	1,958,517	2,300,629	2,793,083
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles n.e.s.o.i.	1,832,276	1,944,474	2,384,620
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	2,267,445	2,389,435	2,222,317
8701.20	Road tractors for semi-trailers	1,656,051	1,875,839	2,218,345
2710.00	Petroleum oils and oils from bituminous minerals (other than crude) and products therefrom, n.e.s.o.i., containing 70% (by weight) or more of these oils	2,385,893	1,737,681	2,141,459
8802.30	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg	1,196,435	1,606,769	1,857,419
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	2,044,459	2,077,776	1,738,299
8517.90	Parts of electrical apparatus for line telephony or telegraphy, including parts of such apparatus for carrier-current line systems	948,040	979,058	1,736,512
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous	1,649,436	1,453,057	1,610,566
4410.11	Waferboard, including oriented strand board	595,008	1,031,097	1,472,519
4802.60	Paper and paperboard n.e.s.o.i., over 10% (wt.) of fibers obtained by mechanical process, uncoated, in rolls or sheets	1,154,359	1,261,949	1,449,828
7601.20	Aluminum alloys, unwrought	1,410,338	1,350,530	1,411,383
8517.50	Electrical telecommunication apparatus for carrier-current line systems or for digital line systems n.e.s.o.i.	620,337	776,404	1,373,266
2716.00	Electrical energy	978,160	1,038,943	1,333,614
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i .(other than powder)	1,691,546	1,393,975	1,324,566
	Subtotal	88,243,705	90,277,643	107,524,354
	All other	79,637,305	84,407,816	90,718,032
	Total, all commodities	167,881,010	174,685,459	198,242,386

[1] Special "Census Use Only" reporting number estimating low-valued imports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

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

Table A-4
U.S. merchandise trade with the European Union, by SITC numbers (revision 3), 1997-99

(1,000 dollars)

SITC section No.	Description	1997	1998	1999
		U.S. exports		
0	Food and live animals	4,614,150	4,253,054	3,685,507
1	Beverages and tobacco	2,351,538	2,411,463	1,805,302
2	Crude materials, inedible, except fuels	7,291,558	6,364,403	5,385,862
3	Mineral fuels, lubricants and related materials	2,456,632	1,804,264	1,542,281
4	Animal and vegetable oils, fats and waxes	241,573	247,536	169,567
5	Chemicals and related products n.e.s.o.i.	17,407,726	18,688,451	18,804,600
6	Manufactured goods classified chiefly by material	9,005,187	9,077,454	7,845,272
7	Machinery and transport equipment	65,945,637	73,129,210	78,331,409
8	Miscellaneous manufactured articles	16,532,031	17,308,494	18,210,837
9	Commodities and transactions not classified elsewhere in the SITC	5,905,124	6,932,385	6,248,461
	Total, all commodities	131,751,156	140,216,713	142,029,097
		U.S. imports		
0	Food and live animals	3,028,922	3,243,268	3,533,967
1	Beverages and tobacco	3,861,157	4,198,677	4,717,858
2	Crude materials, inedible, except fuels	1,505,497	1,645,832	1,793,623
3	Mineral fuels, lubricants and related materials	3,928,611	3,017,061	3,893,800
4	Animal and vegetable oils, fats and waxes	432,936	367,395	351,592
5	Chemicals and related products n.e.s.o.i.	22,117,040	26,123,243	31,764,272
6	Manufactured goods classified chiefly by material	21,237,368	22,515,354	22,351,765
7	Machinery and transport equipment	69,790,369	80,573,392	88,014,441
8	Miscellaneous manufactured articles	22,384,989	24,211,204	26,469,396
9	Commodities and transactions not classified elsewhere in the SITC	7,603,294	8,985,594	11,518,671
	Total, all commodities	155,890,182	174,881,021	194,409,387

Note.—Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-5
Leading exports to the European Union, by *Schedule B* numbers, 1997-99

(1,000 dollars)

Schedule B No.	Description	1996	1997	1999
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	6,688,338	9,075,033	12,022,788
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	7,364,918	6,923,149	6,961,909
8803.30	Parts of airplanes or helicopters n.e.s.o.i.	4,147,083	4,755,869	5,288,191
9880.00[1]	Estimate of non-Canadian low value export shipments; compiled low value shipments to Canada; and shipments not identified by kind to Canada	3,286,232	3,478,053	3,440,968
8411.91	Parts of turbojets or turbopropellers	2,742,081	3,261,942	3,435,090
8471.80	Automatic data processing units n.e.s.o.i	2,222,838	2,305,668	2,451,379
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	2,155,643	2,452,816	2,381,000
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	1,534,338	1,450,719	1,870,696
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods) n.e.s.o.i.	693,502	1,189,101	1,772,463
8411.12	Turbojets of a thrust exceeding 25 kn	652,794	1,333,462	1,597,811
9018.90	Instruments and appliances for medical, surgical or veterinary sciences n.e.s.o.i., and parts and accessories thereof	1,314,483	1,395,031	1,441,141
8517.90	Parts of electrical apparatus for line telephony or telegraphy, including parts of such apparatus for carrier-current line systems	544,324	807,186	1,275,214
3822.00	Composite diagnostic or laboratory reagents, other than pharmaceutical preparations of heading 3002 or 3006	1,123,945	1,183,574	1,270,651
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	1,220,238	2,092,098	1,266,334
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	1,212,767	1,277,294	1,245,344
8471.70	Automatic data processing storage units n.e.s.o.i.	1,050,358	1,029,395	1,130,270
1201.00	Soybeans, whether or not broken	2,315,842	1,548,043	1,049,384
8471.49	Digital automatic data processing machines and units thereof presented in the form of systems n.e.s.o.i.	1,255,030	1,059,594	993,611
8471.50	Digital processing units other than those of 8471.41 and 8471.49 n.e.s.o.i.	698,529	691,410	882,334
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cyclinder capacity over 3,000 cc	299,895	754,649	869,438
8411.99	Parts of gas turbines n.e.s.o.i. (other than parts for turbojets or turbopropellers)	924,996	859,260	855,716
8802.30	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg	334,570	716,885	853,161
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	1,519,246	1,284,916	846,926
8517.50	Electrical telecommunication apparatus for carrier-current line for digital line systems, n.e.s.o.i.	651,343	673,806	843,635
9018.19	Electro-diagnostic apparatus (and apparatus for functional exploratory examination or for checking physiological parameters) n.e.s.o.i., and parts, etc.	660,540	697,892	779,372
	Subtotal	46,613,871	52,296,843	56,824,824
	All other	85,137,285	87,919,870	85,204,273
	Total, all commodities	131,751,156	140,216,713	142,029,097

[1] Special "Census Use Only" reporting number estimating low-valued exports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i., stands for "not elsewhere specified or included."

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

Table A-6
Leading imports from the European Union, by *HTS* numbers, 1997-99

(1,000 dollars)

HTS No.	Description	1997	1998	1999
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	7,798,303	9,649,965	12,054,001
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cyclinder capacity over 3,000 cc	6,498,240	8,097,556	9,589,150
9801.00	Imports of articles exported and returned, not advanced in value or condition; imports of animals exported and returned within 8 months	5,184,338	5,818,316	7,357,200
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods) n.e.s.o.i.	2,286,826	3,990,049	4,941,302
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	1,199,956	2,473,857	3,642,602
2934.90	Heterocyclic compounds n.e.s.o.i.	1,831,811	2,287,345	3,546,813
8411.12	Turbojets of a thrust exceeding 25 kn	2,129,231	3,042,090	3,451,486
8411.91	Parts of turbojets or turbopropellers	3,196,328	3,848,749	3,421,504
9999.95[1]	Estimated imports of low valued transactions	1,520,043	2,236,452	3,031,082
9701.10	Paintings, drawings and pastels, hand executed works of art, framed or not framed	1,789,277	2,068,256	2,716,028
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	1,830,449	2,042,812	2,713,141
2710.00	Petroleum oils and oils from bituminous minerals (other than crude) and products therefrom, n.e.s.o.i., containing 70% (by weight) or more of these oils	2,602,523	2,201,343	2,607,538
2933.90	Heterocyclic compounds with nitrogen hetero-atom(s) only n.e.s.o.i.	836,836	1,292,722	2,307,458
8803.30	Parts of airplanes or helicopters n.e.s.o.i.	1,769,462	2,011,698	1,971,822
7102.39	Diamonds, nonindustrial, worked, including polished or drilled	1,745,816	1,854,957	1,940,591
7113.19	Jewelry and parts thereof, of precious metal other than silver	1,308,948	1,473,719	1,461,379
8802.30	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg	1,174,422	1,278,484	1,269,226
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	1,130,924	1,209,348	1,187,068
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	1,298,515	1,333,765	1,163,871
2204.21	Wine of fresh grapes (other than sparkling wine) and grape must with fermentation prevented, etc. by adding alcohol, containers of not over 2 liters	961,493	1,084,843	1,162,254
9706.00	Antiques of an age exceeding one hundred years	828,131	907,085	1,079,638
8471.80	Automatic data processing units n.e.s.o.i.	1,024,050	1,089,659	1,028,852
2203.00	Beer made from malt	805,467	896,895	975,050
6403.99	Footwear, with outer soles of rubber, plastics or composition leather and uppers of leather n.e.s.o.i., not covering the ankle	862,051	895,821	953,107
3004.39	Medicaments, in measured doses, etc., containing hormones or other steriods used primarily as hormones, but not containing antibiotics n.e.s.o.i.	381,987	671,662	772,437
	Subtotal	51,995,427	63,757,447	76,344,597
	Total other	103,894,755	111,123,574	118,064,790
	Total, all commodities	155,890,182	174,8881,021	194,409,387

[1] Special “Census Use Only” reporting number estimating low-valued imports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i., stands for “not elsewhere specified or included.”

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

Table A-7
U.S. merchandise trade with Mexico, by SITC numbers (revision 3), 1997-99

(1,000 dollars)

SITC section No.	Description	1997	1998	1999
		U.S. exports		
0	Food and live animals	3,027,572	3,792,142	3,836,359
1	Beverages and tobacco	60,971	62,105	70,536
2	Crude materials, inedible, except fuels	2,939,317	3,059,103	2,571,318
3	Mineral fuels, lubricants and related materials	1,988,424	1,770,521	2,252,741
4	Animal and vegetable oils, fats and waxes	373,912	459,888	358,810
5	Chemicals and related products n.e.s.o.i..	6,233,736	6,764,896	7,019,691
6	Manufactured goods classified chiefly by material	9,118,864	10,532,324	12,081,576
7	Machinery and transport equipment	33,483,224	36,016,100	39,179,206
8	Miscellaneous manufactured articles	8,153,822	9,318,845	9,918,646
9	Commodities and transactions not classified elsewhere in the SITC	3,013,377	3,593,376	4,091,857
	Total, all commodities	68,393,219	75,369,300	81,380,740
		U.S. imports		
0	Food and live animals	3,909,317	4,313,646	4,398,281
1	Beverages and tobacco	698,343	836,594	1,002,023
2	Crude materials, inedible, except fuels	1,000,990	907,053	863,665
3	Mineral fuels, lubricants and related materials	7,829,476	4,869,554	6,194,267
4	Animal and vegetable oils, fats and waxes	18,301	30,777	26,495
5	Chemicals and related products n.e.s.o.i.	1,791,399	1,725,281	1,975,843
6	Manufactured goods classified chiefly by material	6,552,053	7,420,643	7,998,994
7	Machinery and transport equipment	46,899,121	53,115,769	63,567,565
8	Miscellaneous manufactured articles	12,916,290	15,770,037	17,901,880
9	Commodities and transactions not classified elsewhere in the SITC	3,389,504	4,028,004	5,089,148
	Total, all commodities	85,004,793	93,017,358	109,018,159

Note.—Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-8
Leading exports to Mexico, by *Schedule B* numbers, 1997-99

(1,000 dollars)

Schedule B No.	Description	1997	1998	1999
9880.00[1]	Estimate of non-Canadian low-value export shipments; compiled low-value shipments to Canada; and shipments not identified by kind to Canada	2,465,472	2,738,245	2,900,664
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	1,658,078	1,965,372	2,314,781
2710.00	Petroleum oils and oils from bituminous minerals (other than crude) and products therefrom, n.e.s.o.i., containing 70% (by weight) or more of these oils	1,413,561	1,340,325	1,729,326
3926.90	Articles of plastics n.e.s.o.i.	1,049,673	1,237,992	1,672,328
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles n.e.s.o.i.	1,533,609	1,514,423	1,549,452
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cyclinder capacity over 3,000 cc	742,338	900,668	1,431,027
8540.11	Cathode-ray television picture tubes, color, including video monitor cathode-ray tubes	1,082,988	1,357,578	1,297,951
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	931,677	1,238,618	1,285,142
8538.90	Parts for electrical apparatus for electrical circuits, boards, panels etc. for electric control or distribution of electricity n.e.s.o.i.	855,770	833,447	1,035,652
7326.90	Articles of iron or steel n.e.s.o.i.	592,281	737,174	908,616
8542.30	Electronic monolithic integrated circuits n.e.s.o.i.	761,959	705,723	904,197
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	542,128	382,755	884,069
8536.90	Electrical apparatus for switching, protecting or making connections to or in electrical circuits, for a voltage not exceeding 1,000 v n.e.s.o.i.	507,364	563,344	801,511
8534.00	Printed circuits	618,090	630,434	731,402
9809.00[2]	Export transactions valued not more than $10,000, not identified by kind	194,539	442,312	692,638
8503.00	Parts of electric motors, generators, generating sets and rotary converters	449,923	504,129	678,665
8525.20	Transmission apparatus incorporating reception apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	276,600	618,824	676,312
1201.00	Soybeans, whether or not broken	909,354	759,128	662,716
4819.10	Cartons, boxes and cases of corrugated paper and paperboard used in offices, shops, or the like	468,896	516,936	580,073
9401.90	Parts of seats (except parts of medical, dental, barber and similar seats) n.e.s.o.i.	565,191	722,819	548,774
1005.90	Corn (maize), other than seed corn	328,754	600,046	534,868
8517.90	Parts of electrical apparatus for line telephony or telegraphy, including parts of such apparatus for carrier-current line systems	349,653	622,612	527,693
8408.20	Compression-ignition internal combustion piston engines (diesel or semi-diesel), for the propulsion of vehicles except railway or tramway stock	320,113	280,170	517,129
8479.89	Machines and mechanical appliances having individual functions n.e.s.o.i.	346,879	426,157	503,453
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	258,922	335,835	443,968
	Subtotal	19,223,815	21,975,064	25,812,406
	All other	49,169,405	53,394,237	55,568,334
	Total, all commodities	68,393,219	75,369,300	81,380,740

[1] Special "Census Use Only" reporting number estimating low-valued exports.
[2] Special "Census Use Only" reporting number summarizing trade not identified by kind.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for "not elsewhere specified or included."

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

Table A-9
Leading imports from Mexico, by *HTS* numbers, 1997-99

(1,000 dollars)

HTS No.	Description	1997	1998	1999
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	5,601,248	5,922,028	6,890,696
2709.00	Petroleum oils and oils from bituminous minerals, crude	6,565,114	3,818,640	5,265,301
8528.12	Reception apparatus for color television, whether or not incorporating radiobroadcast receivers or sound or video recording or reproducing apparatus	2,810,572	3,648,902	4,089,084
8544.30	Insulated ignition wiring sets and other wiring sets for vehicles, aircraft and ships	3,579,345	3,687,265	3,996,215
9801.00	Imports of articles exported and returned, not advanced in value or condition; imports of animals exported and returned within 8 months	2,433,200	2,785,534	3,511,295
8704.31	Motor vehicles for goods transport n.e.s.o.i., with spark-ignition internal combustion piston engine, gvw not over 5 metric tons	2,292,556	2,711,781	2,927,390
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cyclinder capacity over 3,000 cc	2,677,954	3,020,916	2,879,346
8471.60	Automatic data processing input or output units, whether or not containing storage units in the same housing n.e.s.o.i.	1,104,529	1,832,085	2,230,220
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	1,293,941	1,626,239	1,983,292
9401.90	Parts of seats (except parts of medical, dentist', barbers' and similar seats) n.e.s.o.i.	1,171,271	1,438,373	1,827,154
8525.10	Transmission apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	717,490	1,104,952	1,655,729
8407.34	Spark-ignition reciprocating piston engines for propulsion of vehicles except railway or tramway stock, over 1,000 cc cylinder capacity	1,470,243	1,539,353	1,505,023
8471.30	Portable digtl automatic data processing machines, weight not more than 10 kg, consisting of at least a central processing unit, keyboard & a display	1,659,449	1,273,858	1,477,843
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts of cotton, not knitted or crocheted	938,319	1,214,230	1,476,566
8527.21	Radiobroadcast receivers for motor vehicles, combined with sound recording or reproducing apparatus, not capable of operating without outside power	1,102,366	1,105,541	1,288,093
9999.95[1]	Estimated imports of low valued transactions	583,062	846,427	1,203,426
6204.62	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton, not knitted or crocheted	728,087	1,008,683	1,159,680
8701.20	Road tractors for semi-trailers	9,497	162,740	977,926
8529.90	Parts (except antennas and reflectors) for use with radio transmission, radar, radio navigational aid, reception and television apparatus n.e.s.o.i.	868,475	885,289	967,360
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles n.e.s.o.i.	815,072	934,991	945,863
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	715,002	659,760	900,590
9032.89	Automatic regulating or controlling instruments and apparatus (excluding thermostats, manostats and hydraulic types) n.e.s.o.i.	582,830	841,266	868,012
6109.10	T-shirts, singlets, tank tops and similar garments of cotton, knitted or crocheted	482,797	688,492	832,580
8704.21	Motor vehicles for goods transport n.e.s.o.i., with compression-ignition internal combustion piston engine (diesel), gvw not over 5 metric tons	1,074,222	565,008	823,327
8501.40	Ac motors n.e.s.o.i., single-phase	514,629	673,311	812,587
	Subtotal	41,791,270	43,995,665	52,494,599
	All other	43,213,522	49,021,693	56,523,561
	Total, all commodities	85,004,793	93,017,358	109,018,159

[1] Special "Census Use Only" reporting number estimating low-valued imports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i" stands for "not elsewhere specified or included."

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

Table A-10
U.S. merchandise trade with Japan, by SITC numbers (revision 3), 1997-99

(1,000 dollars)

SITC section No.	Description	1997	1998	1999
		U.S. exports		
0	Food and live animals	9,514,173	8,063,577	8,528,328
1	Beverages and tobacco	2,062,838	2,144,988	2,198,090
2	Crude materials, inedible, except fuels	5,262,177	3,897,607	3,574,701
3	Mineral fuels, lubricants and related materials	898,572	716,334	758,379
4	Animal and vegetable oils, fats and waxes	95,577	95,122	76,242
5	Chemicals and related products n.e.s.o.i.	6,319,129	5,459,372	5,690,001
6	Manufactured goods classified chiefly by material	3,591,184	2,884,047	2,694,722
7	Machinery and transport equipment	24,414,387	22,742,784	22,124,162
8	Miscellaneous manufactured articles	8,776,285	7,677,843	7,471,646
9	Commodities and transactions not classified elsewhere in the SITC	1,157,174	1,164,262	1,194,196
	Total, all commodities	62,091,495	54,845,936	54,310,468
		U.S. imports		
0	Food and live animals	356,146	336,757	346,946
1	Beverages and tobacco	38,516	50,024	68,640
2	Crude materials, inedible, except fuels	228,199	228,025	238,102
3	Mineral fuels, lubricants and related materials	246,181	234,870	293,934
4	Animal and vegetable oils, fats and waxes	20,437	17,172	22,494
5	Chemicals and related products n.e.s.o.i.	6,041,013	6,070,212	6,493,053
6	Manufactured goods classified chiefly by material	7,501,610	8,847,348	7,618,510
7	Machinery and transport equipment	91,635,437	90,572,610	99,113,670
8	Miscellaneous manufactured articles	11,865,148	11,879,190	12,793,937
9	Commodities and transactions not classified elsewhere in the SITC	2,547,669	3,077,142	3,961,704
	Total, all commodities	120,480,356	121,313,351	130,950,990

Note.—Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-11
Leading exports to Japan, by *Schedule B* numbers, 1997-99

(1,000 dollars)

Schedule B No.	Description	1997	1998	1999
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	2,482,343	3,072,363	2,315,465
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	1,577,737	1,333,014	1,769,505
8803.30	Parts of airplanes or helicopters n.e.s.o.i.	1,295,123	1,654,853	1,747,975
2402.20	Cigarettes containing tobacco	1,549,304	1,594,834	1,719,226
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	2,005,979	1,673,309	1,665,493
1005.90	Corn (maize), other than seed corn	1,914,567	1,484,190	1,426,405
1201.00	Soybeans, whether or not broken	1,128,280	873,476	785,485
0201.30	Meat of bovine animals, boneless, fresh or chilled	701,821	643,634	705,520
4403.20	Coniferous wood in the rough, whether or not stripped of bark or sapwood or roughly squared, not treated	1,096,828	706,866	699,640
8479.89	Machines and mechanical appliances having individual functions n.e.s.o.i.	733,244	504,091	652,579
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	721,094	793,467	628,420
8471.80	Automatic data processing units n.e.s.o.i.	659,651	522,164	621,504
9880.00[1]	Estimate of non-Canadian low value export shipments; compiled low value shipments to Canada; and shipments not identified by kind to Canada	711,626	621,573	613,703
0202.30	Meat of bovine animals, boneless, frozen	597,187	550,771	579,979
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds; alloys and other products containing enriched uranium or plutonium	804,457	538,186	509,399
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	895,454	443,726	495,833
8525.20	Transmission apparatus incorporating reception apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	140,546	105,141	493,271
8529.90	Parts (except antennas and reflectors) for use with radio transmission, radar, radio navigational aid, reception and television apparatus n.e.s.o.i.	886,725	1,320,251	482,535
1001.90	Wheat (other than durum wheat), and meslin	573,526	470,275	452,771
9018.90	Instruments and appliances for medical, surgical or veterinary sciences n.e.s.o.i., and parts and accessories thereof	459,348	420,689	401,377
8411.91	Parts of turbojets or turbopropellers	395,810	396,645	399,444
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories therof	400,931	362,540	382,036
8471.50	Digital processing units other than those of 8471.41 and 8471.49 n.e.s.o.i.	511,256	366,489	380,674
9801.10	Value of repairs or alterations of previously imported articles, repaired or altered prior to exportation from United States	310,725	331,152	343,966
8471.70	Automatic data processing storage units n.e.s.o.i.	456,325	388,810	323,831
	Subtotal	23,009,886	21,172,507	20,596,034
	All other	39,081,609	33,673,429	33,714,434
	Total, all commodities	62,091,495	54,845,936	54,310,468

[1] Special "Census Use Only" reporting number estimating low-valued exports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i., stands for "not elsewhere specified or included."

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

Table A-12
Leading imports from Japan, by *HTS* numbers, 1997-99

(1,000 dollars)

HTS No.	Description	1997	1998	1999
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	21,143,181	20,353,499	21,978,272
8703.24	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cyclinder capacity over 3,000 cc	5,463,492	7,174,479	8,632,479
8471.60	Automatic data processing input or output units, whether or not containing storage units in the same housing n.e.s.o.i.	4,654,108	4,504,128	4,999,634
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	4,377,691	3,622,142	4,025,452
8542.13	Electronic monolithic digital integrated metal oxide semiconductor (mos technology) circuits	5,334,621	3,857,395	3,939,384
8471.70	Automatic data processing storage units n.e.s.o.i.	3,896,917	3,122,031	2,826,867
9801.00	Imports of articles exported and returned, not advanced in value or condition; imports of animals exported and returned within 8 months	1,559,969	1,916,054	2,461,413
8525.40	Still image video cameras and other video camera recorders	1,626,635	1,932,981	2,443,674
9504.10	Video games of a kind used with a television receiver, and parts and accessories thereof	2,327,577	2,274,356	1,926,103
8708.99	Parts and accessories for motor vehicles n.e.s.o.i..	1,490,963	1,427,172	1,774,999
8517.90	Parts of electrical apparatus for line telephony or telegraphy, including parts of such apparatus for carrier-current line systems	689,682	905,794	1,549,345
9999.95[1]	Estimated imports of low valued transactions	791,688	1,066,630	1,423,928
8803.30	Parts of airplanes or helicopters n.e.s.o.i.	1,209,272	1,433,582	1,347,267
8407.34	Spark-ignition reciprocating piston engines for propulsion of vehicles except railway or tramway stock, over 1,000 cc cylinder capacity	515,373	653,224	1,272,392
8708.40	Gear boxes for motor vehicles	698,672	806,899	1,171,518
9009.90	Parts and accessories of photocopying apparatus	952,142	858,536	988,230
8409.91	Parts for use with spark-ignition internal combustion piston engines (including rotary engines), n.e.s.o.i.	733,994	732,349	876,726
8479.89	Machines and mechanical appliances having individual functions n.e.s.o.i.	1,182,415	912,238	869,591
8429.52	Mechanical shovels, excavators and shovel loaders with 360 degree revolving superstructure, self-propelled	617,658	892,619	823,996
8703.22	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,000 cc but not over 1,500 cc	487,981	587,764	823,085
3004.90	Medicaments, in measured doses, etc. (excluding vaccines, etc., coated bandages etc. and pharmaceutical goods) n.e.s.o.i.	214,139	427,721	815,386
8525.20	Transmission apparatus incorporating reception apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	372,756	449,810	730,119
9102.11	Wrist watches, battery powered, with cases of materials (except of or clad with precious metal) nesoi, with mechanical display only	647,578	720,022	692,962
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	506,900	477,957	686,883
9009.12	Electrostatic photocopying apparatus operating by reproducing the original image via an intermediate onto the copy (indirect process)	1,554,346	1,213,105	657,133
	Subtotal	63,049,750	62,322,486	69,736,836
	All other	57,430,606	58,990,865	61,214,154
	Total, all commodities	120,480,356	121,313,351	130,950,990

[1] Special "Census Use Only" reporting number estimating low-valued imports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i" stands for "not elsewhere specified or included."

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

Table A-13
U.S. merchandise trade with China, by SITC numbers (revision 3), 1997-99

(1,000 dollars)

SITC section No.	Description	1997	1998	1999
		U.S. exports		
0	Food and live animals	396,593	483,682	319,884
1	Beverages and tobacco	8,677	12,389	10,800
2	Crude materials, inedible, except fuels	1,636,719	1,069,057	1,163,675
3	Mineral fuels, lubricants and related materials	226,044	127,032	122,523
4	Animal and vegetable oils, fats and waxes	169,069	320,521	74,323
5	Chemicals and related products n.e.s.o.i	1,928,933	1,966,794	2,077,041
6	Manufactured goods classified chiefly by material	801,654	850,678	886,965
7	Machinery and transport equipment	6,385,836	8,007,944	6,762,833
8	Miscellaneous manufactured articles	826,925	865,745	959,061
9	Commodities and transactions not classified elsewhere in the SITC	153,031	204,654	207,795
	Total, all commodities	12,533,479	13,908,496	12,584,898
		U.S. imports		
0	Food and live animals	728,995	730,258	861,556
1	Beverages and tobacco	18,904	21,548	21,251
2	Crude materials, inedible, except fuels	481,495	520,006	509,001
3	Mineral fuels, lubricants and related materials	390,659	360,998	237,729
4	Animal and vegetable oils, fats and waxes	8,465	8,857	5,982
5	Chemicals and related products n.e.s.o.i	1,290,242	1,478,889	1,675,170
6	Manufactured goods classified chiefly by material	5,762,918	6,936,687	8,251,243
7	Machinery and transport equipment	17,366,754	21,311,722	26,204,597
8	Miscellaneous manufactured articles	35,416,085	38,703,661	42,825,773
9	Commodities and transactions not classified elsewhere in the SITC	531,409	742,410	929,980
	Total, all commodities	61,995,926	70,815,036	81,522,281

Note.—Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-14
Leading exports to China, by *Schedule B* numbers, 1997-99

(1,000 dollars)

Schedule B No.	Description	1997	1998	1999
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	1,769,198	3,122,248	1,984,493
3100.00[1]	Fertilizers (exports only; includes crude fertilizers from other areas)	1,049,662	1,064,093	930,236
8542.13	Electronic monolithic digital integrated metal oxide semiconductor (mos technology) circuits	97,928	260,807	453,913
1201.00	Soybeans, whether or not broken	410,960	273,508	347,870
8803.30	Parts of airplanes or helicopters n.e.s.o.i.	202,188	231,946	264,257
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	96,434	273,214	208,025
8517.90	Parts of electrical apparatus for line telephony or telegraphy, including parts of such apparatus for carrier-current line systems	103,484	120,144	168,344
8471.80	Automatic data processing units n.e.s.o.i.	22,623	85,715	153,398
8471.49	Digital automatic data processing machines and units thereof presented in the form of systems n.e.s.o.i.	65,015	131,073	146,310
8404.10	Auxiliary plant for use with steam or other vapor generating boilers, super-heated water boilers and central heating boilers	4,526	42,106	112,849
8479.89	Machines and mechanical appliances having individual functions n.e.s.o.i.	135,459	110,082	112,721
8411.12	Turbojets of a thrust exceeding 25 kn	50,967	50,174	107,150
4804.11	Kraftliner, uncoated, unbleached, in rolls or sheets	95,053	135,448	101,015
4101.21	Hides and skins of bovine animals, whole n.e.s.o.i., fresh or wet salted	102,109	115,804	91,887
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	233,796	48,295	89,556
8525.20	Transmission apparatus incorporating reception apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	147,781	116,607	86,199
8529.90	Parts (except antennas and reflectors) for use with radio transmission, radar, radio navigational aid, reception and television apparatus n.e.s.o.i.	157,199	134,253	82,574
9880.00[2]	Estimate of non-Canadian low value export shipments; compiled low value shipments to Canada; and shipments not identified by kind to Canada	77,126	75,691	75,519
3907.40	Polycarbonates, in primary forms	39,746	57,865	74,141
7404.00	Copper waste and scrap	48,068	59,797	73,854
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous	64,518	70,712	70,726
7602.00	Aluminum waste and scrap	39,705	52,470	67,368
4810.32	Kraft paper and paperboard (not for writing, etc.), over 95% wood fiber by chemical process, over 150 g/m2, clay coated, bleached, in rolls or sheets	30,920	44,195	66,513
9010.90	Parts and accessories of apparatus and equipment for photographic (including cinematographic) laboratories n.e.s.o.i., negatoscopes and projection screens	96	14,586	65,714
9801.10	Value of repairs or alterations of previously imported articles, repaired or altered prior to exportation from United States	47,318	68,109	63,884
	Subtotal	5,091,879	6,758,942	5,998,517
	All other	7,441,600	7,149,554	6,586,381
	Total, all commodities	12,533,479	13,908,496	12,584,898

[1] Special “Census Use Only” reporting number aggregating certain fertilizer products to prevent disclosure.
[2] Special “Census Use Only” reporting number estimating low-valued exports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i stands for “not elsewhere specified or included.”

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

Table A-15
Leading imports from China, by *HTS* numbers, 1997-99

(1,000 dollars)

HTS No.	Description	1997	1998	1999
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	1,848,810	2,322,072	3,009,122
6403.99	Footwear, with outer soles of rubber, plastics or composition leather and uppers of leather n.e.s.o.i., not covering the ankle	2,338,496	2,866,502	2,987,661
8471.60	Automatic data processing input or output units, whether or not containing storage units in the same housing n.e.s.o.i.	1,092,629	1,659,404	2,827,097
6402.99	Footwear, with outer soles and uppers of rubber or plastics n.e.s.o.i., not covering the ankle	1,570,037	2,012,559	2,273,606
9503.90	Toys and parts and accessories thereof n.e.s.o.i.	1,831,389	1,992,714	2,189,402
9503.41	Stuffed toys, representing animals or non-human creatures, and parts and accessories thereof	1,585,199	1,954,877	1,480,816
8517.11	Line telephone sets with cordless handsets	622,226	1,016,390	1,197,949
9503.49	Toys (except stuffed) representing animals or non-human creatures (for example, robots and monsters) and parts and accessories thereof	622,284	766,378	1,195,777
9505.10	Articles for christmas festivities and parts and accessories thereof	821,458	1,063,997	1,195,222
6403.91	Footwear, with outer soles of rubber, plastics or composition leather and uppers of leather n.e.s.o.i., covering the ankle	1,352,779	1,270,526	1,187,775
9502.10	Dolls, whether or not dressed	1,155,177	1,155,038	1,085,615
8504.40	Electrical static converters; power supplies for adp machines or units of 8471	691,208	840,888	1,038,628
8471.70	Automatic data processing storage units n.e.s.o.i.	816,562	950,704	889,720
6110.90	Sweaters, pullovers, sweatshirts, vests and similar articles of textile materials n.e.s.o.i., knitted or crocheted	685,176	732,428	832,790
8527.13	Radiobroadcast receivers capable of operating without an external source of power, combined with sound recording or reproducing apparatus n.e.s.o.i.	879,467	984,586	804,221
9403.60	Wooden furniture n.e.s.o.i.	389,799	550,580	745,285
4202.92	Container bags, boxes, cases and satchels n.e.s.o.i., with outer surface of sheeting of plastics or of textile materials	741,464	714,288	737,213
9504.90	Game machines except coin- or token-operated; games played on boards; mah-jong and dominoes; poker chips and dice; bowling equipment; games n.e.s.o.i.	592,807	652,112	707,725
8527.31	Radiobroadcast receivers n.e.s.o.i., combined with sound recording or reproducing apparatus	469,190	658,507	679,678
4203.10	Articles of apparel, of leather or composition leather	646,094	597,610	660,968
9503.70	Toys, put up in sets or outfits, and parts and accessories thereof n.e.s.o.i.	544,235	531,032	600,098
8519.99	Sound reproducing apparatus, other than cassette type n.e.s.o.i.	405,143	555,852	595,783
9405.40	Electric lamps and lighting fittings n.e.s.o.i.	208,050	269,940	588,957
9999.95[1]	Estimated imports of low valued transactions	282,313	425,370	585,871
6404.19	Footwear, with outer soles of rubber or plastics and uppers of textile materials, n.e.s.o.i.	349,734	466,009	571,754
	Subtotal	22,541,727	27,010,363	30,668,732
	All other	39,454,199	43,804,672	50,853,550
	Total, all commodities	61,995,926	70,815,036	81,522,281

[1] Special "Census Use Only" reporting number estimating low-valued imports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

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

Table A-16
U.S. merchandise trade with Taiwan, by SITC numbers (revision 3), 1997-99

(1,000 dollars)

SITC section No.	Description	1997	1998	1999
		U.S. exports		
0	Food and live animals	1,568,005	1,144,150	1,275,524
1	Beverages and tobacco	163,585	119,900	80,196
2	Crude materials, inedible, except fuels	1,561,341	1,011,732	1,042,392
3	Mineral fuels, lubricants and related materials	236,845	185,087	163,102
4	Animal and vegetable oils, fats and waxes	15,012	34,391	36,630
5	Chemicals and related products n.e.s.o.i.	2,424,310	1,940,092	2,221,945
6	Manufactured goods classified chiefly by material	1,028,466	843,500	734,044
7	Machinery and transport equipment	9,799,262	9,610,078	9,964,084
8	Miscellaneous manufactured articles	1,686,710	1,695,201	1,751,350
9	Commodities and transactions not classified elsewhere in the SITC	399,323	339,156	370,441
	Total, all commodities	18,882,858	16,923,288	17,639,708
		U.S. imports		
0	Food and live animals	294,733	324,533	347,058
1	Beverages and tobacco	6,279	7,389	7,598
2	Crude materials, inedible, except fuels	127,392	127,095	130,599
3	Mineral fuels, lubricants and related materials	66	67	13,397
4	Animal and vegetable oils, fats and waxes	3,203	4,055	3,923
5	Chemicals and related products n.e.s.o.i.	425,052	461,379	483,505
6	Manufactured goods classified chiefly by material	4,095,465	4,229,667	4,466,426
7	Machinery and transport equipment	20,447,233	20,496,835	22,027,902
8	Miscellaneous manufactured articles	6,518,447	6,594,297	6,566,697
9	Commodities and transactions not classified elsewhere in the SITC	556,416	739,456	1,009,932
	Total, all commodities	32,474,286	32,984,774	35,057,037

Note.—Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-17
Leading exports to Taiwan, by *Schedule B* numbers, 1997-99

(1,000 dollars)

Schedule B No.	Description	1997	1998	1999
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	1,174,156	1,138,436	1,541,122
8479.89	Machines and mechanical appliances having individual functions n.e.s.o.i.	711,246	616,029	1,093,658
8802.30	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg	735,550	470,422	1,068,549
8542.30	Electronic monolithic integrated circuits n.e.s.o.i.	445,324	544,572	654,697
1005.90	Corn (maize), other than seed corn	692,643	377,466	464,536
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	766,506	1,647,943	453,478
8803.30	Parts of airplanes or helicopters n.e.s.o.i.	492,454	465,908	448,071
1201.00	Soybeans, whether or not broken	649,244	276,339	391,596
8456.91	Machines tools for dry etching patterns on semiconductor materials	376,312	234,770	343,324
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	391,344	384,514	306,791
9880.00[1]	Estimate of non-Canadian low value export shipments; compiled low value shipments to Canada; and shipments not identified by kind to Canada	222,981	198,815	205,709
9030.82	Other instruments and apparatus for measuring or checking semiconductor wafers or devices	66,656	116,876	192,951
8479.90	Parts of machines and mechanical appliances having individual functions n.e.s.o.i.	194,677	142,216	174,111
2902.50	Styrene (vinylbenzene; phenylethylene)	65,050	38,361	154,230
4101.21	Hides and skins of bovine animals, whole n.e.s.o.i., fresh or wet salted	191,691	143,990	151,145
9031.41	Optical instruments for inspecting semiconductor wafers or devices or for inspecting photomasks or reticles used in manufacturing semiconductor devices	103,610	116,039	145,946
1001.90	Wheat (other than durum wheat), and meslin	160,714	150,219	137,211
9030.89	Instruments and apparatus n.e.s.o.i., without a recording device for measuring or checking electrical quantities	65,390	78,332	122,662
8464.20	Grinding or polishing machines for working stone, ceramics, concrete, asbestos-cement or like mineral materials or for cold working glass	10,361	20,895	117,103
2903.15	1,2-dichloroethane (ethylene dichloride)	120,920	47,624	101,883
3824.90	Chemical products and preparations of the chemical or allied industries n.e.s.o.i.; residual products of the chemical or allied industries, n.e.s.o.i	42,586	42,710	98,357
8542.90	Parts for electronic integrated circuits and microassemblies	71,683	65,561	96,145
8517.90	Parts of electrical apparatus for line telephony or telegraphy, including parts of such apparatus for carrier-current line systems	86,648	94,648	89,579
9801.10	Value of repairs or alterations of previously imported articles, repaired or altered prior to exportation from united states	48,519	58,827	87,686
2710.00	Petroleum oils and oils from bituminous minerals (other than crude) and products therefrom n.e.s.o.i., containing 70% (by weight) or more	84,991	83,515	86,659
	Subtotal	7,971,256	7,555,026	8,727,200
	All other	10,911,602	9,368,262	8,912,508
	Total, all commodities	18,882,858	16,923,288	17,639,708

[1] Special "Census Use Only" reporting number estimating low-valued exports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i., stands for "not elsewhere specified or included."

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

Table A-18
Leading imports from Taiwan, by *HTS* numbers, 1997-99

(1,000 dollars)

HTS No.	Description	1997	1998	1999
8473.30	Parts and accessories for autom,atic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., nesoi	4,434,286	4,655,134	4,392,291
8471.30	Portable digtl automatic data processing machines, weight not more than 10 kg, consisting of at least a central processing unit, keyboard & a display	1,304,980	1,466,199	2,555,252
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	2,008,173	1,804,892	2,191,643
8471.60	Automatic data processing input or output units, whether or not containing storage units in the same housing n.e.s.o.i.	2,623,974	2,089,025	1,311,485
8542.30	Electronic monolithic integrated circuits n.e.s.o.i.	800,817	872,018	1,101,954
8525.10	Transmission apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	495,956	606,017	799,404
8471.80	Automatic data processing units n.e.s.o.i.	424,876	474,799	641,559
8534.00	Printed circuits	585,612	540,820	593,965
9801.00	Imports of articles exported and returned, not advanced in value or condition; imports of animals exported and returned within 8 months	309,192	393,957	570,963
8504.40	Electrical static converters; power supplies for adp machines or units of 8471	460,506	402,678	437,420
9999.95[1]	Estimated imports of low valued transactions	232,740	323,243	424,869
6110.30	Sweaters, pullovers, sweatshirts, vests and similar articles of manmade fibers, knitted or crocheted	341,919	376,362	380,870
8517.50	Electrical telecommunication apparatus for carrier-current line systems or for digital line systems n.e.s.o.i.	230,318	363,753	350,029
8712.00	Bicycles and other cycles (including delivery tricycles), not motorized	291,414	357,406	310,703
7318.15	Threaded screws and bolts n.e.s.o.i., with or without their nuts or washers, of iron or steel	301,579	315,399	282,010
8414.51	Fans, table, floor, wall, window, ceiling or roof, with self-contained electric motor of an output not exceeding 125 w	237,398	235,809	260,729
8523.90	Prepared magnetic media, unrecorded n.e.s.o.i	20,854	60,509	256,121
8481.80	Taps, cocks, valves and similar appliances for pipes, vats or the like, including thermostatically controlled valves n.e.s.o.i	227,698	245,928	254,307
8471.70	Automatic data processing storage units n.e.s.o.i.	465,554	440,047	244,468
8465.91	Sawing machines for working wood, cork, bone, hard rubber, hard plastics or similar hard materials	181,091	191,561	241,875
7318.14	Self-tapping screws, threaded, of iron or steel	208,016	240,247	233,298
9403.60	Wooden furniture n.e.s.o.i	214,833	216,417	229,448
9403.20	Metal furniture n.e.s.o.i	193,955	200,066	210,570
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles n.e.s.o.i	183,243	183,297	204,080
9506.91	Articles and equipment for general physical exercise, gymnastics or athletics; n.e.s.o.i.; parts and accessories thereof	282,498	223,989	202,930
	Subtotal	17,061,483	17,279,576	18,682,242
	All other	15,412,804	15,705,199	16,374,795
	Total, all commodities	32,474,286	32,984,774	35,057,037

[1] Special "Census Use Only" reporting number estimating low-valued imports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

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

Table A-19
U.S. merchandise trade with Korea, by SITC numbers (revision 3), 1997-99

(1,000 dollars)

SITC section No.	Description	1997	1998	1999
		U.S. exports		
0	Food and live animals	1,597,285	1,284,656	1,764,918
1	Beverages and tobacco	236,278	65,883	118,927
2	Crude materials, inedible, except fuels	2,514,443	1,564,925	1,610,728
3	Mineral fuels, lubricants and related materials	664,539	323,893	486,246
4	Animal and vegetable oils, fats and waxes	69,894	83,096	127,876
5	Chemicals and related products n.e.s.o.i.	2,481,135	1,641,131	2,092,042
6	Manufactured goods classified chiefly by material	1,352,588	762,248	850,725
7	Machinery and transport equipment	12,693,838	8,570,750	12,869,789
8	Miscellaneous manufactured articles	2,214,149	1,348,590	1,692,366
9	Commodities and transactions not classified elsewhere in the SITC	463,292	333,652	423,890
	Total, all commodities	24,287,441	15,978,825	22,037,507
		U.S. imports		
0	Food and live animals	154,844	127,009	150,064
1	Beverages and tobacco	13,134	12,128	18,021
2	Crude materials, inedible, except fuels	151,622	176,961	142,134
3	Mineral fuels, lubricants and related materials	69,147	108,107	273,017
4	Animal and vegetable oils, fats and waxes	1,608	1,151	465
5	Chemicals and related products n.e.s.o.i.	563,952	694,736	741,923
6	Manufactured goods classified chiefly by material	2,486,930	3,413,210	3,409,271
7	Machinery and transport equipment	15,567,136	14,860,617	21,594,397
8	Miscellaneous manufactured articles	3,484,240	3,830,216	4,226,571
9	Commodities and transactions not classified elsewhere in the SITC	446,397	476,786	596,440
	Total, all commodities	22,939,009	23,700,920	31,152,305

Note.—Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-20
Leading exports to Korea, by *Schedule B* numbers, 1997-99

(1,000 dollars)

Schedule B No.	Description	1997	1998	1999
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	1,853,313	2,446,879	4,591,446
8802.40	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 15,000 kg	1,375,270	669,040	926,510
8479.89	Machines and mechanical appliances having individual functions n.e.s.o.i.	527,299	252,130	581,600
1005.90	Corn (maize), other than seed corn	450,431	464,853	574,936
8803.30	Parts of airplanes or helicopters n.e.s.o.i.	722,910	663,360	510,073
8542.30	Electronic monolithic integrated circuits n.e.s.o.i.	162,894	235,352	373,383
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	478,362	227,699	305,733
4101.21	Hides and skins of bovine animals, whole n.e.s.o.i., fresh or wet salted	460,665	252,274	296,603
8525.20	Transmission apparatus incorporating reception apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	316,014	139,336	251,649
0202.30	Meat of bovine animals, boneless, frozen	203,776	100,648	240,811
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	315,609	180,525	234,710
2709.00	Petroleum oils and oils from bituminous minerals, crude	237,503	114,713	227,647
1201.00	Soybeans, whether or not broken	372,331	304,672	225,232
8471.49	Digital automatic data processing machines and units thereof presented in the form of systems n.e.s.o.i.	253,797	115,303	216,575
9880.00[1]	Estimate of non-Canadian low value export shipments; compiled low value shipments to Canada; and shipments not identified by kind to Canada	235,401	152,109	209,455
1001.90	Wheat (other than durum wheat), and meslin	222,028	212,079	208,997
8471.80	Automatic data processing units n.e.s.o.i.	97,343	55,704	190,826
8411.91	Parts of turbojets or turbopropellers	199,588	181,785	186,852
8479.90	Parts of machines and mechanical appliances having individual functions n.e.s.o.i.	340,088	141,776	181,399
8542.14	Electronic monolithic digital interfrated circuits obtained by bipolar technology	288,178	154,798	172,862
8517.90	Parts of electrical apparatus for line telephony or telegraphy, including parts of such apparatus for carrier-current line systems	137,085	84,100	170,016
9030.39	Instruments and apparatus for measuring or checking voltage, current, resistance or power, without a recording device (excluding multimeters) n.e.s.o.i.	160,618	68,812	144,391
8542.19	Electronic monolithic integrated circuits, digital n.e.s.o.i., including obtained by a combination of bipolar and mos technologies	136,277	76,248	140,938
8529.90	Parts (except antennas and reflectors) for use with radio transmission, radar, radio navigational aid, reception and television apparatus n.e.s.o.i.	206,786	137,018	140,177
7204.49	Ferrous waste and scrap n.e.s.o.i.	334,079	122,638	129,718
	Subtotal	10,087,645	7,553,851	11,432,538
	All other	14,199,796	8,424,973	10,604,969
	Total, all commodities	24,287,441	15,978,825	22,037,507

[1] Special "Census Use Only" reporting number estimating low-valued exports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for "not elsewhere specified or included."

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

Table A-21
Leading imports from Korea, by *HTS* numbers, 1997-99

(1,000 dollars)

HTS No.	Description	1997	1998	1999
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	5,258,762	4,669,965	5,891,646
8703.23	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,500 cc but not over 3,000 cc	1,453,573	1,568,582	2,606,787
8471.60	Automatic data processing input or output units, whether or not containing storage units in the same housing n.e.s.o.i.	1,399,141	837,668	1,857,797
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i	1,915,474	1,579,542	1,720,853
8525.20	Transmission apparatus incorporating reception apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	306,659	672,966	1,628,310
8471.50	Digital processing units other than those of 8471.41 and 8471.49 n.e.s.o.i.	3,371	2,180	744,977
8471.70	Automatic data processing storage units n.e.s.o.i.	622,029	646,894	514,766
8516.50	Microwave ovens	359,567	447,945	483,339
8542.30	Electronic monolithic integrated circuits n.e.s.o.i.	419,072	334,017	452,285
9801.00	Imports of articles exported and returned, not advanced in value or condition; imports of animals exported and returned within 8 months	343,335	379,277	437,577
6110.30	Sweaters, pullovers, sweatshirts, vests and similar articles of manmade fibers, knitted or crocheted	240,096	359,176	397,373
8471.49	Digital automatic data processing machines and units thereof presented in the form of systems n.e.s.o.i.	62,133	137,435	391,779
8703.22	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 1,000 cc but not over 1,500 cc	446,449	122,514	257,096
2710.00	Petroleum oils and oils from bituminous minerals (other than crude) and products therefrom, n.e.s.o.i., containing 70% (by weight) or more of these oils	52,309	90,054	240,186
8529.90	Parts (except antennas and reflectors) for use with radio transmission, radar, radio navigational aid, reception and television apparatus n.e.s.o.i	37,974	146,331	197,388
8525.40	Still image video cameras and other video camera recorders	60,535	60,540	194,329
6205.30	Men’s or boys’ shirts of manmade fibers, not knitted or crocheted	95,505	116,886	170,846
8521.10	Video recording or reproducing apparatus (whether or not incorporating a video tuner), magnetic tape-type	96,103	152,132	166,558
8534.00	Printed circuits	133,519	133,313	164,659
8415.10	Air conditioning machines, window or wall types, self-contained, comprising a motor-driven fan and elements for changing the temperature and humidity	45,376	81,818	163,581
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	94,879	146,302	151,190
9999.95[1]	Estimated imports of low valued transactions	60,996	85,023	139,603
4011.20	New pneumatic tires, of rubber, of a kind used on buses or trucks	82,141	109,719	139,103
6201.93	Men’s or boys’ anoraks, ski-jackets, windbreakers and similar articles of manmade fibers, not knitted or crocheted	197,499	193,492	134,220
8523.13	Magnetic tapes, unrecorded, of a width exceeding 6.5 mm	145,541	116,385	133,766
	Subtotal	13,932,040	13,190,154	19,380,014
	All other	9,006,969	10,510,766	11,772,291
	Total, all commodities	22,939,009	23,700,920	31,152,305

[1] Special “Census Use Only” reporting number estimating low-valued imports.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-22
U.S. merchandise trade with Brazil, by SITC numbers (revision 3), 1997-99

(1,000 dollars)

SITC section No.	Description	1997	1998	1999
		U.S. exports		
0	Food and live animals	202,208	344,707	137,917
1	Beverages and tobacco	23,231	13,854	5,857
2	Crude materials, inedible, except fuels	549,665	321,977	237,697
3	Mineral fuels, lubricants and related materials	513,206	406,321	304,120
4	Animal and vegetable oils, fats and waxes	15,359	16,774	5,429
5	Chemicals and related products n.e.s.o.i.	2,702,443	2,745,951	2,505,077
6	Manufactured goods classified chiefly by material	1,065,116	907,900	741,657
7	Machinery and transport equipment	8,172,684	7,948,238	7,054,642
8	Miscellaneous manufactured articles	1,454,387	1,276,877	1,033,351
9	Commodities and transactions not classified elsewhere in the SITC	302,754	310,171	305,156
	Total, all commodities	15,001,054	14,292,770	12,330,902
		U.S. imports		
0	Food and live animals	1,118,421	1,080,538	1,287,875
1	Beverages and tobacco	241,447	79,370	165,724
2	Crude materials, inedible, except fuels	819,600	876,839	972,875
3	Mineral fuels, lubricants and related materials	145,460	259,161	289,498
4	Animal and vegetable oils, fats and waxes	29,350	20,195	16,429
5	Chemicals and related products n.e.s.o.i.	443,084	463,294	468,420
6	Manufactured goods classified chiefly by material	2,275,733	2,238,481	2,467,464
7	Machinery and transport equipment	2,447,289	3,077,085	3,554,296
8	Miscellaneous manufactured articles	1,475,742	1,369,734	1,349,992
9	Commodities and transactions not classified elsewhere in the SITC	513,900	488,103	700,145
	Total, all commodities	9,510,027	9,952,800	11,272,720

Note.—Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-23
Leading exports to Brazil, by *Schedule B* numbers, 1997-99

(1,000 dollars)

Schedule B No.	Description	1997	1998	1999
8473.30	Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc. n.e.s.o.i.	818,912	733,104	557,529
8529.90	Parts (except antennas and reflectors) for use with radio transmission, radar, radio navigational aid, reception and television apparatus n.e.s.o.i.	395,461	362,886	479,675
8525.20	Transmission apparatus incorporating reception apparatus for radiotelephony, radiotelegraphy, radiobroadcasting or television	295,963	378,202	441,319
8803.30	Parts of airplanes or helicopters n.e.s.o.i.	201,030	343,441	428,469
8411.12	Turbojets of a thrust exceeding 25 kn	109,114	276,724	394,056
8802.40	Airplanes and other aircraft nesoi, of an unladen weight exceeding 15,000 kg	343,915	376,973	343,474
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	288,479	398,316	258,086
9880.00[1]	Estimate of non-Canadian low value export shipments; compiled low value shipments to Canada; and shipments not identified by kind to Canada	246,802	239,883	209,555
8411.91	Parts of turbojets or turbopropellers	162,316	251,620	189,854
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	328,210	276,796	174,636
3004.90	Medicaments, in measured doses, etc. (Excluding vaccines, etc., coated bandages etc. and pharmaceutical goods) n.e.s.o.i.	90,223	125,075	159,636
8517.90	Parts of electrical apparatus for line telephony or telegraphy, including parts of such apparatus for carrier-current line systems	72,281	47,844	130,641
8471.49	Digital automatic data processing machines and units thereof presented in the form of systems n.e.s.o.i.	244,177	182,850	128,336
3808.30	Herbicides, antisprouting products and plant-growth regulators, put up in forms or packings for retail sale or as preparations or articles	87,190	118,660	119,338
8542.30	Electronic monolithic integrated circuits n.e.s.o.i.	25,315	32,102	118,692
8431.43	Parts for boring or sinking machinery n.e.s.o.i.	198,919	159,429	116,916
3100.00[2]	Fertilizers (exports only; includes crude fertilizers from other areas)	174,590	156,330	110,813
8542.13	Electronic monolithic digital integrated metal oxide semiconductor circuits	68,735	74,139	99,198
8802.30	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg	111,210	60,363	92,956
7606.12	Aluminum alloy rectangular (including square) plates, sheets and strip, over 0.2 mm thick	125,378	141,228	92,670
8411.99	Parts of gas turbines n.e.s.o.i. (other than parts for turbojets or turbopropellers)	24,658	27,997	90,393
2931.00	Organo-inorganic compounds n.e.s.o.i.	135,160	148,718	88,283
8471.70	Automatic data processing storage units n.e.s.o.i.	81,888	86,088	88,050
8471.80	Automatic data processing units n.e.s.o.i.	94,360	62,548	87,650
8542.90	Parts for electronic integrated circuits and microassemblies	42,595	50,581	76,891
	Subtotal	4,766,880	5,111,898	5,077,118
	All other	10,234,174	9,180,873	7,253,785
	Total, all commodities	15,001,054	14,292,770	12,330,902

[1] Special "Census Use Only" reporting number estimating low-valued exports.
[2] Special "Census Use Only" reporting number aggregating certain fertilizer products to prevent disclosure.

Note.—Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for "not elsewhere specified or included."

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

Table A-24
Leading imports from Brazil, by *HTS* numbers, 1997-99

(1,000 dollars)

HTS No.	Description	1997	1998	1999
8802.30	Airplanes and other aircraft n.e.s.o.i., of an unladen weight exceeding 2,000 kg but not exceeding 15,000 kg	265,913	782,604	1,162,344
6403.99	Footwear, with outer soles of rubber, plastics or composition leather and uppers of leather, n.e.s.o.i., not covering the ankle	858,461	775,966	745,184
0901.11	Coffee, not roasted, not decaffeinated	450,081	366,747	463,708
7207.12	Semifinished products of iron or nonalloy steel, under 0.25% (wt.) carbon, rectangular cross section, width not less than twice the thickness	407,106	331,451	399,024
9801.00	Imports of articles exported and returned, not advanced in value or condition; imports of animals exported and returned within 8 months	147,495	154,307	374,755
4703.29	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, nonconiferous	255,167	289,757	331,517
7108.12	Gold, nonmonetary, unwrought n.e.s.o.i. (other than powder)	350,746	311,522	287,062
2710.00	Petroleum oils and oils from bituminous minerals (other than crude) and products therefrom, n.e.s.o.i., containing 70% (by weight) or more	121,063	251,325	267,236
7201.10	Nonalloy pig iron containing 0.5% (wt.) or less phosphorus, in primary forms	244,386	316,533	265,095
8409.99	Parts for use with compression-ignition internal combustion piston engines, nesoi	211,276	240,413	226,140
8414.30	Compressors used in refrigerating equipment (including air conditioning)	152,994	209,831	213,583
2009.11	Orange juice, frozen, whether or not sweetened	103,962	133,133	184,772
8527.21	Radiobroadcast receivers for motor vehicles, combined with sound recording or reproducing apparatus, not capable of operating without outside power	247,281	211,529	172,057
2401.20	Tobacco, partly or wholly stemmed/stripped	220,486	71,591	158,578
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, etc., over 6 mm (.236 in.) thick	104,240	112,503	153,635
8708.99	Parts and accessories for motor vehicles n.e.s.o.i.	79,325	111,206	131,048
1602.50	Meat or meat offal of bovine animals, prepared or preserved n.e.s.o.i.	66,753	101,822	121,824
4011.20	New pneumatic tires, of rubber, of a kind used on buses or trucks	48,370	80,625	105,889
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars (including station wagons and racing cars)	80,101	72,495	104,743
8409.91	Parts for use with spark-ignition internal combustion piston engines (including rotary engines) n.e.s.o.i.	96,569	101,910	104,053
8483.10	Transmission shafts (including camshafts and crankshafts) and cranks	90,756	88,628	98,146
0801.32	Cashew nuts, fresh or dried, shelled	108,327	90,255	93,867
6403.91	Footwear, with outer soles of rubber, plastics or composition leather and uppers of leather, n.e.s.o.i., covering the ankle	115,729	101,758	91,536
8708.70	Road wheels and parts and accessories thereof for motor vehicles	61,564	65,001	81,067
8708.39	Brakes and servo-brakes and parts thereof n.e.s.o.i., for motor vehicles	79,547	81,422	79,818
	Subtotal	4,967,702	5,454,335	6,416,683
	All other	4,542,325	4,498,465	4,856,037
	Total, all commodities	9,510,027	9,952,800	11,272,720

Note.—Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-25
Preliminary and final phase antidumping cases active in 1999, filed under authority of title VII of the Tariff Act of 1930, by USITC investigation number

(Affirmative (A); Negative/Negligible (N); Discontinued (D))

USITC Investigation No.	Product	County of origin	Date of institution	Preliminary USITC	Preliminary ITA[1]	Final ITA	Final USITC	Date of final action[2]
731-TA-539-A	Uranium	Kazakhstan	01/19/99	A	A	A	N	07/19/99
731-TA-566	Ferrosilicon (reconsideration)	Brazil	05/21/99	A	A	A	N	08/24/99
731-TA-567	Ferrosilicon (reconsideration)	China	05/21/99	A	A	A	N	08/24/99
731-TA-568	Ferrosilicon (reconsideration)	Kazakhstan	05/21/99	A	A	A	N	08/24/99
731-TA-569	Ferrosilicon (reconsideration)	Russia	05/21/99	A	A	A	N	08/24/99
731-TA-570	Ferrosilicon (reconsideration)	Ukraine	05/21/99	A	A	A	N	08/24/99
731-TA-641	Ferrosilicon (reconsideration)	Venezuela	05/21/99	A	A	A	N	08/24/99
731-TA-777	Preserved mushrooms	China	01/06/98	A	A	A	A	02/11/99
731-TA-778	Preserved mushrooms	India	01/06/98	A	A	A	A	02/11/99
731-TA-779	Preserved mushrooms	Indonesia	01/06/98	A	A	A	A	02/11/99
731-TA-781	Stainless steel round wire	Canada	03/27/98	A	A	A	N	05/18/99
731-TA-782	Stainless steel round wire	India	03/27/98	A	A	A	N	05/18/99
731-TA-783	Stainless steel round wire	Japan	03/27/98	A	A	A	N	05/18/99
731-TA-784	Stainless steel round wire	Korea	03/27/98	A	A	A	N	05/18/99
731-TA-785	Stainless steel round wire	Spain	03/27/98	A	A	A	N	05/18/99
731-TA-786	Stainless steel round wire	Taiwan	03/27/98	A	A	A	N	05/18/99
731-TA-787	Extruded rubber thread	Indonesia	03/31/98	A	A	A	A	05/07/99
731-TA-788	Stainless steel plate in coils	Belgium	03/31/98	A	A	A	A	05/03/99
731-TA-789	Stainless steel plate in coils	Canada	03/31/98	A	A	A	A	05/03/99
731-TA-790	Stainless steel plate in coils	Italy	03/31/98	A	A	A	A	05/03/99
731-TA-791	Stainless steel plate in coils	Korea	03/31/98	A	A	A	A	05/03/99
731-TA-792	Stainless steel plate in coils	South Africa	03/31/98	A	A	A	A	05/03/99
731-TA-793	Stainless steel plate in coils	Taiwan	03/31/98	A	A	A	A	05/03/99
731-TA-794	Emulsion styrene-butadiene rubber	Brazil	04/01/98	A	A	A	N	05/11/99
731-TA-795	Emulsion styrene-butadiene rubber	Korea	04/01/98	A	A	A	N	05/11/99
731-TA-796	Emulsion styrene-butadiene rubber	Mexico	04/01/98	A	A	A	N	05/11/99
731-TA-797	Stainless steel sheet & strip	France	06/10/98	A	A	A	A	07/19/99
731-TA-798	Stainless steel sheet & strip	Germany	06/10/98	A	A	A	A	07/19/99
731-TA-799	Stainless steel sheet & strip	Italy	06/10/98	A	A	A	A	07/19/99
731-TA-800	Stainless steel sheet & strip	Japan	06/10/98	A	A	A	A	07/19/99
731-TA-801	Stainless steel sheet & strip	Korea	06/10/98	A	A	A	A	07/19/99
731-TA-802	Stainless steel sheet & strip	Mexico	06/10/98	A	A	A	A	07/19/99
731-TA-803	Stainless steel sheet & strip	Taiwan	06/10/98	A	A	A	A	07/19/99
731-TA-804	Stainless steel sheet & strip	United Kingdom	06/10/98	A	A	A	A	07/19/99
731-TA-805	Elastic steel sheet & strip	India	08/18/98	A	A	A	N	06/01/99
731-TA-806	Hot-rolled steel products	Brazil	09/30/98	A	A	A	A	08/23/99
731-TA-807	Hot-rolled steel products	Japan	09/30/98	A	A	A	A	06/18/99
731-TA-808	Hot-rolled steel products	Russia	09/30/98	A	A	A	A	08/23/99

See footnotes at end of table.

Table A-25–*Continued*
Preliminary and final phase antidumping cases active in 1999, filed under authority of title VII of the Tariff Act of 1930, by USITC investigation number

(Affirmative (A); Negative/Negligible (N); Discontinued (D))

USITC Investigation No.	Product	County of origin	Date of institution	Preliminary		Final		Date of final action[2]
				USITC	ITA[1]	ITA	USITC	
731-TA-811	DRAMs of one megabit and above	Taiwan	10/22/98	A	A	A	N	12/02/99
731-TA-812	Live cattle	Canada	11/12/98	A	A	A	([4])	Ongoing
731-TA-813	Live cattle	Mexico	11/12/98	N	([3])	([3])	([3])	01/19/99
731-TA-814	Creatine monohydrate	China	02/12/99	A	A	A	([4])	Ongoing
731-TA-815	Cut-to-length carbon steel plate	Czech Republic	02/16/99	N[5]	([3])	([3])	([3])	04/02/99
731-TA-816	Cut-to-length carbon steel plate	France	02/16/99	A	A	A	([4])	Ongoing
731-TA-817	Cut-to-length carbon steel plate	India	02/16/99	A	A	A	([4])	Ongoing
731-TA-818	Cut-to-length carbon steel plate	Indonesia	02/16/99	A	A	A	([4])	Ongoing
731-TA-819	Cut-to-length carbon steel plate	Italy	02/16/99	A	A	A	([4])	Ongoing
731-TA-820	Cut-to-length carbon steel plate	Japan	02/16/99	A	A	A	([4])	Ongoing
731-TA-821	Cut-to-length carbon steel plate	Korea	02/16/99	A	A	A	([4])	Ongoing
731-TA-822	Cut-to-length carbon steel plate	Macedonia	02/16/99	N[5]	([3])	([3])	([3])	04/02/99
731-TA-823	Aperture masks	Japan	02/24/99	N	([3])	([3])	([3])	04/12/99
731-TA-824	Aperture masks	Korea	02/24/99	N[5]	([3])	([3])	([3])	04/12/99
731-TA-825	Polyester staple fiber	Korea	04/02/99	A	A	([4])	([4])	Ongoing
731-TA-826	Polyester staple fiber	Taiwan	04/02/99	A	N	([4])	([4])	Ongoing
731-TA-827	Nitrile rubber	Korea	05/27/99	N	([3])	([3])	([3])	07/12/99
731-TA-828	Bulk acetylsalicylic acid (aspirin)	China	05/28/99	A	([4])	([4])	([4])	Ongoing
731-TA-829	Cold-rolled steel products	Argentina	06/02/99	A	A	([4])	([4])	Ongoing
731-TA-830	Cold-rolled steel products	Brazil	06/02/99	A	A	([4])	([4])	Ongoing
731-TA-831	Cold-rolled steel products	China	06/02/99	A	([4])	([4])	([4])	Ongoing
731-TA-832	Cold-rolled steel products	Indonesia	06/02/99	A	([4])	([4])	([4])	Ongoing
731-TA-833	Cold-rolled steel products	Japan	06/02/99	A	A	([4])	([4])	Ongoing
731-TA-834	Cold-rolled steel products	Russia	06/02/99	A	A	([4])	([4])	Ongoing
731-TA-835	Cold-rolled steel products	Slovakia	06/02/99	A	([4])	([4])	([4])	Ongoing
731-TA-836	Cold-rolled steel products	South Africa	06/02/99	A	A	([4])	([4])	Ongoing
731-TA-837	Cold-rolled steel products	Taiwan	06/02/99	A	([4])	([4])	([4])	Ongoing
731-TA-838	Cold-rolled steel products	Thailand	06/02/99	A	A	([4])	([4])	Ongoing
731-TA-839	Cold-rolled steel products	Turkey	06/02/99	A	([4])	([4])	([4])	Ongoing
731-TA-840	Cold-rolled steel products	Venezuela	06/02/99	A	A	([4])	([4])	Ongoing
731-TA-841	Non-frozen concentrated apple juice	China	06/07/99	A	A	([4])	([4])	Ongoing
731-TA-842	Crude petroleum oil products	Iraq	06/29/99	D[6]	([3])	([3])	([3])	08/09/99
731-TA-843	Crude petroleum oil products	Mexico	06/29/99	D[6]	([3])	([3])	([3])	08/09/99
731-TA-844	Crude petroleum oil products	Saudi Arabia	06/29/99	D[6]	([3])	([3])	([3])	08/09/99
731-TA-845	Crude petroleum oil products	Venezuela	06/29/99	D[6]	([3])	([3])	([3])	08/09/99
731-TA-846	Seamless carbon and alloy steel standard, line, and pressure pipe and tube	Czech Republic	06/30/99	A	([4])	([4])	([4])	Ongoing

See footnotes at end of table.

Table A-25–*Continued*
Preliminary and final phase antidumping cases active in 1999, filed under authority of title VII of the Tariff Act of 1930, by USITC investigation number

(Affirmative (A); Negative/Negligible (N); Discontinued (D))

USITC Investigation No.	Product	County of origin	Date of institution	Preliminary USITC	Preliminary ITA[1]	Final ITA	Final USITC	Date of final action[2]
731-TA-847	Seamless carbon and alloy steel standard, line, and pressure, pipe and tube	Japan	06/30/99	A	A	(4)	(4)	Ongoing
731-TA-848	Seamless carbon and alloy steel standard, line, and pressure pipe and tube	Mexico	06/30/99	A	(4)	(4)	(4)	Ongoing
731-TA-849	Seamless carbon and alloy steel standard, line, and pressure pipe and tube	Romania	06/30/99	A	(4)	(4)	(4)	Ongoing
731-TA-850	Seamless carbon and alloy steel standard, line, and pressure pipe and tube	South Africa	06/30/99	A	A	(4)	(4)	Ongoing
731-TA-851	Synthetic indigo	China	06/30/99	A	A	(4)	(4)	Ongoing
731-TA-852	Structural steel beams	Germany	07/07/99	N	(3)	(3)	(3)	08/23/99
731-TA-853	Structural steel beams	Japan	07/07/99	A	(4)	(4)	(4)	Ongoing
731-TA-854	Structural steel beams	Korea	07/07/99	A	(4)	(4)	(4)	Ongoing
731-TA-855	Structural steel beams	Spain	07/07/99	N	(3)	(3)	(3)	08/23/99
731-TA-856	Ammonium nitrate	Russia	07/23/99	A	(4)	(4)	(4)	Ongoing
731-TA-857	Paintbrushes	China	08/02/99	N	(3)	(3)	(3)	09/23/99
731-TA-858	Paintbrushes	Indonesia	08/02/99	N	(3)	(3)	(3)	09/23/99
731-TA-859	Circular seamless stainless steel hollow products	Japan	10/26/99	A	(4)	(4)	(4)	Ongoing
731-TA-860	Tin- and chromium-coated steel sheet	Japan	10/28/99	A	(4)	(4)	(4)	Ongoing
731-TA-861	Expandable polystyrene resins	Indonesia	11/22/99	(4)	(4)	(4)	(4)	Ongoing
731-TA-862	Expandable polystyrene resins	Korea	11/22/99	(4)	(4)	(4)	(4)	Ongoing
731-TA-863	Citric acid and sodium citrate	China	12/15/99	(4)	(4)	(4)	(4)	Ongoing
731-TA-864	Stainless steel butt-weld pipe fittings	Germany	12/29/99	(4)	(4)	(4)	(4)	Ongoing
731-TA-865	Stainless steel butt-weld pipe fittings	Italy	12/29/99	(4)	(4)	(4)	(4)	Ongoing
731-TA-866	Stainless steel butt-weld pipe fittings	Malaysia	12/29/99	(4)	(4)	(4)	(4)	Ongoing
731-TA-867	Stainless steel butt-weld pipe fittings	Philippines	12/29/99	(4)	(4)	(4)	(4)	Ongoing

[1] International Trade Administration, U.S. Department of Commerce.
[2] For cases in which the final action was taken by the ITA, the date shown is the *Federal Register* notice date of that action. For cases in which the final action was taken by the USITC, the date of the USITC notification of Commerce is shown.
[3] Not applicable because the investigation was terminated/discontinued.
[4] The investigation is ongoing.
[5] The investigation was terminated because imports were found to be negligible.
[6] The investigation was discontinued because the Department of Commerce did not inititiate.

Source: Compiled by staff of the U.S. International Trade Commission.

Table A-26
Antidumping orders and suspension agreements in effect as of Jan. 1, 2000

Country and commodity	Effective date of original action
Argentina:	
Oil country tubular goods	08/11/95
Seamless line and pressure pipe	08/03/95
Silicon metal	09/26/91
Rectangular tubing	05/26/89
Barbed wire and barbless wire strand	11/13/85
Carbon steel wire rod	11/23/84
Australia:	
Corrosion-resistant carbon steel flat products	08/19/93
Bangladesh:	
Cotton shop towels	03/20/92
Belarus:	
Solid urea	07/14/87
Belgium:	
Stainless steel plate in coils	05/21/99
Cut-to-length carbon steel plate	08/19/93
Industrial phosphoric acid	08/20/87
Sugar	06/13/79
Brazil:	
Seamless line and pressure pipe	08/03/95
Stainless steel bar	02/21/95
Silicomanganese	12/22/94
Stainless steel wire rod	01/28/94
Cut-to-length carbon steel plate	08/19/93
Circular welded nonalloy steel pipe	11/02/92
Silicon metal	07/31/91
Industrial nitrocellulose	07/10/90
Frozen concentrated orange juice	05/05/87
Brass sheet and strip	01/12/87
Carbon steel butt-weld pipe fittings	12/17/86
Malleable cast iron pipe fittings	05/21/86
Iron construction castings	05/09/86
Canada:	
Stainless steel plate in coils	05/21/99
Corrosion-resistant carbon steel flat products	08/19/93
Cut-to-length carbon steel plate	08/19/93
Pure and alloy magnesium	08/31/92
New steel rails	09/15/89
Color picture tubes	01/07/88
Brass sheet and strip	01/12/87
Oil country tubular goods	06/16/86
Iron construction castings	03/05/86
Chile:	
Preserved mushrooms	12/02/98
Fresh Atlantic salmon	07/30/98
China:	
Preserved mushrooms	02/19/99
Collated roofing nails	11/19/97
Crawfish tail meat	09/15/97
Persulfates	07/07/97
Brake rotors	04/17/97
Melamine institutional dinnerware	02/25/97
Polyvinyl alcohol	05/14/96
Manganese metal	02/06/96
Furfuryl alcohol	06/21/95
Pure magnesium	05/12/95
Glycine	03/29/95
Coumarin.	02/09/95
Cased pencils	12/28/94
Silicomanganese	12/22/94
Paper clips	11/25/94
Fresh garlic	11/16/94
Sebacic acid	07/14/94
Helical spring lock washers	10/19/93
Compact ductile iron waterworks fittings	09/07/93

Table A-26–*Continued*
Antidumping orders and suspension agreements in effect as of Jan. 1, 2000

Country and commodity	Effective date of original action
China–*Continued:*	
Sulfanilic acid	08/19/92
Carbon steel butt-weld pipe fittings	07/06/92
Chrome-plated lug nuts	09/20/91
Sparklers	06/18/91
Silicon metal	06/10/91
Sulfur chemicals (sodium thiosulfate)	02/19/91
Heavy forged hand tools	02/19/91
Industrial nitrocellulose	07/10/90
Tapered roller bearings	06/15/87
Porcelain-on-steel cookware	12/02/86
Petroleum wax candles	08/28/86
Iron construction castings	05/09/86
Paint brushes	02/14/86
Barium chloride	10/17/84
Chloropicrin	03/22/84
Potassium permanganate	01/31/84
Cotton shop towels	10/04/83
Greig polyester cotton print cloth	09/16/83
Estonia:	
Solid urea	07/14/87
Finland:	
Cut-to-length carbon steel plate	08/19/93
France:	
Stainless steel sheet and strip	07/27/99
Calcium aluminate flux	06/13/94
Stainless steel wire rod	01/28/94
Corrosion-resistant carbon steel flat products	08/19/93
Antifriction bearings	05/15/89
Brass sheet and strip	03/06/87
Industrial nitrocellulose	08/10/83
Sorbitol	04/09/82
Anhydrous sodium metasilicate	01/07/81
Sugar	06/13/79
Germany:	
Stainless steel sheet and strip	07/27/99
Large newspaper printing presses and components	09/04/96
Seamless line and pressure pipe	08/03/95
Cold-rolled carbon steel flat products	08/19/93
Corrosion-resistant carbon steel flat products	08/19/93
Cut-to-length carbon steel plate	08/19/93
Sulfur chemicals (sodium thiosulfate)	02/19/91
Industrial nitrocellulose	07/10/90
Industrial belts	06/14/89
Antrifriction bearings	05/15/89
Brass sheet and strip	03/06/87
Sugar	06/13/79
Greece:	
Electrolytic manganese dioxide	04/17/89
Hungary:	
Tapered roller bearings	06/19/87
India:	
Preserved mushrooms	02/19/99
Stainless steel bar.	02/21/95
Stainless steel flanges	02/09/94
Stainless steel wire rod	12/01/93
Sulfanilic acid	03/02/93
Welded carbon steel pipe and tube	05/12/86
Indonesia:	
Extruded rubber thread	05/21/99
Preserved mushrooms	02/19/99
Melamine institutional dinnerware	02/25/97
Iran:	
Raw pistachios	07/17/86

Table A-26–*Continued*
Antidumping orders and suspension agreements in effect as of Jan. 1, 2000

Country and commodity	Effective date of original action
Italy:	
Stainless steel sheet and strip	07/27/99
Stainless steellate in coils	05/21/99
Stainless steel wire rod	09/15/98
Certain pasta	07/24/96
Oil country tubular goods.	08/11/95
Seamless line and pressure pipe	08/03/95
Grain-oriented electric steel	08/12/94
Industrial belts	06/14/89
Antifriction bearings	05/15/89
Granular polytetrafluoroethylene resin	08/30/88
Brass sheet and strip	03/06/87
Pressure sensitive tape	10/21/77
Japan:	
Stainless steel sheet and strip	07/27/99
Hot-rolled carbon steel flat products	06/29/99
Stainless steel wire rod	09/15/98
Vector supercomputers	10/24/97
Gas tubro-compressor systems	06/16/97
Large newspaper printing presses and components	09/04/96
Clad steel plate	07/02/96
Polyvinyl alcohol	05/14/96
Oil country tubular goods.	08/11/95
Stainless steel bar.	02/21/95
Grain-oriented electric steel	06/10/94
Defrost timers	03/02/94
Corrosion-resistant carbon steel flat products	08/19/93
Electric cutting tools	07/12/93
EL flat panel displays	09/04/91
Gray portland cement and cement clinker	05/10/91
Industrial nitrocellulose	07/10/90
Mechanical transfer presses	02/16/90
Drafting machines and parts thereof	12/29/89
Industrial belts	06/14/89
Antifriction bearings	05/15/89
Electrolytic manganese dioxide	04/17/89
Granular polytetrafluoroethylene resin	08/24/88
Brass sheet and strip	08/12/88
Forklift trucks	06/07/88
Stainless steel butt-weld pipe fittings	03/25/88
Color picture tubes	01/07/88
Tapered roller bearings over 4 inches	10/06/87
Malleable cast-iron pipe fittings	07/06/87
Carbon steel butt-weld pipe fittings	02/10/87
Steel wire strand	12/08/78
Melamine in crystal form	02/02/77
Tapered roller bearings 4 inches and under	08/08/76
Polychloroprene rubber	12/06/73
Korea:	
Stainless steel sheet and strip	07/27/99
Stainless steel plate in coils	05/21/99
Stainless steel wire rod	09/15/98
Oil country tubular goods	08/11/95
Cold-rolled carbon steel flat products	08/19/93
Corrosion-resistant carbon steel flat products	08/19/93
DRAMS	05/10/93
Stainless steel butt-weld pipe fittings	02/23/93
Welded stainless steel pipe	12/30/92
Circular welded non-alloy steel pipe	11/02/92
PET film	06/05/91
Industrial nitrocellulose	07/10/90
Color picture tubes	01/07/88
Top-of-the-stove stainless steel cookware	01/20/87
Brass sheet and strip	01/12/87
Malleable cast iron pipe fittings	05/23/86

Table A-26–*Continued*
Antidumping orders and suspension agreements in effect as of Jan. 1, 2000

Country and commodity	Effective date of original action
Lithuania:	
Solid urea	07/14/87
Malaysia:	
Extruded rubber thread	10/07/92
Mexico:	
Stainless steel sheet and strip	07/27/99
Oil country tubular goods	08/11/95
Cut-to-length carbon steel plate	08/19/93
Circular welded non-alloy steel pipe	11/02/92
Gray portland cement and cement clinker	08/30/90
Porcelain-on-steel cooking ware	12/02/86
Netherlands:	
Aramid fiber	06/24/94
Cold-rolled carbon steel flat products	08/19/93
Brass sheet and strip	08/12/88
Norway:	
Fresh and chilled Atlantic salmon	04/12/91
Poland:	
Cut-to-length carbon steel plate	08/19/93
Romania:	
Cut-to-length carbon steel plate	08/19/93
Antifriction bearings	05/15/89
Solid urea	07/14/87
Tapered roller bearings	06/19/87
Russia:	
Ferrovanadium and nitrided vanadium	07/10/95
Pure magnesium	05/12/95
Solid urea	07/14/87
Singapore:	
Industrial belts	06/14/89
Antifriction bearings	05/15/89
Color picture tubes	01/07/88
Small diameter standard and rectangular pipe and tube	11/13/86
South Africa:	
Stainless steel plate in coils	05/21/99
Furfuryl alcohol	06/21/95
Spain:	
Stainless steel wire rod	09/15/98
Stainless steel bar	03/02/95
Cut-to-length carbon steel plate	08/19/93
Sweden:	
Stainless steel wire rod	09/15/98
Cut-to-length carbon steel plate	08/19/93
Antifriction bearings	05/15/89
Brass sheet and strip	03/06/87
Taiwan:	
Stainless steel sheet and strip	07/27/99
Stainless steel plate in coils	05/21/99
Stainless steel wire rod	09/15/98
Static random access memory semiconductors	04/16/98
Collated roofing nails	11/19/97
Melamine institutional dinnerware	02/25/97
Polyvinyl alcohol	05/14/96
Forged stainless steel flanges	02/09/94
Helical spring lockwashers	06/28/93
Stainless steel butt-weld pipe fittings	06/16/93
Welded stainless steel pipe	12/30/92
Circular welded non-alloy pipe	11/02/92
Chrome plated lug nuts	09/20/91
Light-walled rectangular welded carbon steel pipe and tube	03/27/89
Top-of-the-stove stainless steel cookware	01/20/87
Carbon steel butt-weld pipe fittings	12/17/86
Porcelain-on-steel cookware	12/02/86
Oil country tubular goods	06/18/86
Malleable cast iron pipe fittings	05/23/86
Circular pipe and tube	05/07/84
Carbon steel plate	06/13/79

Table A-26–*Continued*
Antidumping orders and suspension agreements in effect as of Jan. 1, 2000

Country and commodity	Effective date of original action
Tajikistan:	
Solid urea	07/14/87
Thailand:	
Furfuryl alcohol	07/25/95
Canned pineapple	07/18/95
Carbon steel butt-weld pipe fittings	07/06/92
Malleable cast iron pipe fittings	08/20/87
Welded carbon pipe and tube	03/11/86
Turkey:	
Steel concrete reinforcing bar	04/17/97
Certain pasta	07/24/96
Aspirin	08/25/87
Welded carbon pipe and tube	05/15/86
Turkmenistan:	
Solid urea	07/14/87
Ukraine:	
Pure magnesium	05/12/95
Uranium	08/30/93
Solid urea	07/14/87
United Kingdom:	
Stainless steel sheet and strip	07/27/99
Cut-to-length carbon steel plate	08/19/93
Sulfur chemicals (sodium thiosulfate)	02/19/91
Industrial nitrocellulose	07/10/90
Antifriction bearings	05/15/89
Uzbekistan:	
Solid urea	07/14/87
Venezuela:	
Circular welded non-alloy steel pipe	11/02/92
Yugoslavia:	
Industrial nitrocellulose	10/16/90
Suspension agreements in effect:	
China:	
Cut-to-length carbon steel plate	10/24/97
Honey	08/16/95
Japan:	
Sodium azide	01/07/97
Color negative photo paper and chemical components	08/12/94
Kazakstan:	
Uranium	10/16/92
Mexico:	
Fresh tomatoes	11/01/96
Netherlands:	
Color negative photo paper and chemical components	08/12/94
Russia:	
Cut-to-length carbon steel plate	10/24/97
Uranium	10/16/92
South Africa:	
Cut-to-length carbon steel plate	10/24/97
Ukraine:	
Cut-to-length carbon steel plate	10/24/97
Silicomanganese	10/31/94
Uzbekistan:	
Uranium	10/16/92
Venezuela:	
Gray portland cement and cement clinker	02/27/92

Source: Compiled by staff of the U.S. International Trade Commission from data maintained by the U.S. Department of Commerce (International Trade Administration).

Table A-27
Preliminary and final phase countervailing duty cases active in 1999, filed under authority of title VII of the Tariff Act of 1930, by USITC investigation number

(Affirmative (A); Negative/Negligible (N); Discontinued (D))

USITC Investigation No.	Product	County of origin	Date of institution	Preliminary USITC	Preliminary ITA[1]	Final ITA	Final USITC	Date of final action[2]
303-TA-23	Ferrosilicon (reconsideration)	Venezuela	05/21/99				N	08/24/99
701-TA-375	Extruded rubber thread	Indonesia	03/31/98	A	N	N	([3])	03/26/99
701-TA-376	Stainless steel plate in coils	Belgium	03/31/98	A	A	A	A	05/03/99
701-TA-377	Stainless steel plate in coils	Italy	03/31/98	A	A	A	A	05/03/99
701-TA-378	Stainless steel plate in coils	Korea	03/31/98	A	N	N	([3])	03/31/99
701-TA-379	Stainless steel plate in coils	South Africa	03/31/98	A	A	A	A	05/03/99
701-TA-380	Stainless steel sheet & strip	France	06/10/98	A	A	A	A	07/19/99
701-TA-381	Stainless steel sheet & strip	Italy	06/10/98	A	A	A	A	07/19/99
701-TA-382	Stainless steel sheet & strip	Korea	06/10/98	A	A	A	A	07/19/99
701-TA-383	Elastic steel sheet & strip	India	08/18/98	A	N	N	([3])	04/19/99
701-TA-384	Hot-rolled steel products	Brazil	09/30/98	A	A	A	A	08/23/99
701-TA-386	Live cattle	Canada	11/12/98	A	N	N	([3])	10/22/99
701-TA-387	Cut-to-length carbon steel plate	France	02/16/99	A	A	A	([4])	Ongoing
701-TA-388	Cut-to-length carbon steel plate	India	02/16/99	A	A	A	([4])	Ongoing
701-TA-389	Cut-to-length carbon steel plate	Indonesia	02/16/99	A	A	A	([4])	Ongoing
701-TA-390	Cut-to-length carbon steel plate	Italy	02/16/99	A	A	A	([4])	Ongoing
			(Affirmative (A); Negative/Negligible (N); Discontinued (D))					
701-TA-391	Cut-to-length carbon steel plate	Korea	02/16/99	A	A	A	([4])	Ongoing
701-TA-392	Cut-to-length carbon steel plate	Macedonia	02/16/99	N[5]	([3])	([3])	([3])	04/02/99
701-TA-393	Cold-rolled steel products	Brazil	06/02/99	A	A	([4])	([4])	Ongoing
701-TA-394	Cold-rolled steel products	Indonesia	06/02/99	N[5]	([3])	([3])	([3])	07/19/99
701-TA-395	Cold-rolled steel products	Thailand	06/02/99	N[5]	([3])	([3])	([3])	07/19/99
701-TA-396	Cold-rolled steel products	Venezuela	06/02/99	N[5]	([3])	([3])	([3])	07/19/99
701-TA-397	Crude petroleum oil products	Iraq	06/29/99	D[6]	([3])	([3])	([3])	08/09/99
701-TA-398	Crude petroleum oil products	Mexico	06/29/99	D[6]	([3])	([3])	([3])	08/09/99
701-TA-399	Crude petroleum oil products	Saudi Arabia	06/29/99	D[6]	([3])	([3])	([3])	08/09/99
701-TA-400	Crude petroleum oil products	Venezuela	06/29/99	D[6]	([3])	([3])	([3])	08/09/99
701-TA-401	Structural steel beams	Korea	07/07/99	A	N	([4])	([4])	Ongoing

[1] International Trade Administration, U.S. Department of Commerce.
[2] For cases in which the ITA took final action, the date shown is the *Federal Register* notice date of that action. For cases in which the USITC took final action, the date of USITC notification to the Department of Commerce is shown.
[3] Not applicable because the investigation was terminated/discontinued.
[4] The investigation is ongoing.
[5] The investigation was terminated because imports were found to be negligible.
[6] The investigation was discontinued because the Department of Commerce did not inititiate.

Source: Compiled by staff of the U.S. International Trade Commission.

Table A-28
Countervailing duty orders and suspension agreements in effect as of Jan. 1, 2000

Country and commodity	Effective date of original action
Belgium:	
Stainless steel plate in coils	05/11/99
Cut-to-length carbon steel plate	08/17/93
Brazil:	
Cut-to-length carbon steel plate	08/17/93
Brass sheet and strip	01/08/87
Iron construction castings	05/15/86
Canada:	
Pure and alloy magnesium	08/31/92
New steel rails	09/22/89
European Union:	
Sugar	07/31/78
France:	
Stainless steel sheet and strip	08/06/99
Corrosion-resistant carbon steel flat products	08/17/93
Brass sheet and strip	03/06/87
Germany:	
Cold-rolled carbon steel flat products	08/17/93
Corrosion-resistant carbon steel flat products	08/17/93
Cut-to-length carbon steel plate	08/17/93
India:	
Sulfanilic acid	03/02/93
Iran:	
Roasted pistachios	10/07/86
Raw pistachios	03/11/86
Israel:	
Industrial phosphoric acid	08/19/87
Italy:	
Stainless steel sheet and strip	08/06/99
Stainless steel plate in coils	05/11/99
Stainless steel wire rod	09/15/98
Pasta	07/24/96
Oil country tubular goods	08/10/95
Seamless line and pressure pipe	08/08/95
Grain-oriented electric steel	06/07/94
Korea:	
Stainless steel sheet and strip	08/06/99
Cold-rolled carbon steel flat products	08/17/93
Corrosion-resistant carbon steel flat products	08/17/93
Top-of-the-stove stainless steel cookware	01/20/87
Mexico:	
Cut-to-length carbon steel plate	08/17/93
Porcelain-on-steel cookware	12/12/86
Norway:	
Fresh and chilled Atlantic salmon	04/12/91
Pakistan:	
Cotton shop towels	03/09/84
South Africa:	
Stainless steel plate in coils	05/11/99
Spain:	
Cut-to-length carbon steel plate	08/17/93
Stainless steel wire rod	01/03/83
Sweden:	
Cut-to-length carbon steel plate	08/17/93
Cold-rolled carbon steel flat products	10/11/85
Taiwan:	
Top-of-the-stove stainless steel cookware	01/20/87
Turkey:	
Pasta	07/24/96
United Kingdom:	
Cut-to-length carbon steel plate	08/17/93

Table A-28–*Continued*
Countervailing duty orders and suspension agreements in effect as of Jan. 1, 2000

Country and commodity	Effective date of original action
Argentina:	
Carbon wire rod	09/27/82
Venezuela:	
Gray portland cement and cement clinker	03/17/92

Source: Compiled by staff of the U.S. International Trade Commission from data maintained by the International Trade Administration, U.S. Department of Commerce.

Table A-29
Reviews of existing antidumping and countervailing duty orders conducted under the authority of title VII of the Tariff Act of 1930, as of Dec. 31, 1999, by dates of institution

Institution date	Product[1]	Country of origin	Order date	Status
07/06/98	Roller chain (AD)	Japan	04/12/73	Order revoked, effective 04/01/97
08/03/98	Elemental sulfur (AD)	Canada	12/17/73	Order revoked, effective 01/01/00
08/03/98	Melamine (AD)	Japan	02/02/77	Order effective for 5 years after 09/01/99
08/03/98	Polychloroprene rubber (AD)	Japan	12/06/73	Order effective for 5 years after 08/06/99
08/03/98	Stainless steel plate (AD)	Sweden	06/08/73	Order revoked, effective 01/01/00
08/03/98	Synthetic methionine (AD)	Japan	07/10/73	Order revoked, effective 01/01/00
09/01/98	Pressure sensitive plastic tape (AD)	Italy	10/21/77	Order effective for 5 years after 02/17/99
09/01/98	Prestressed concrete steel wire strand (AD)	Japan	12/08/78	Order effective for 5 years after 02/03/99
10/01/98	Anhydrous sodium metasilicate (AD)	France	01/07/81	Order effective for 5 years after 10/21/99
10/01/98	Barium chloride (AD)	China	10/17/84	Order effective for 5 years after 03/10/99
10/01/98	Sorbitol (AD)	France	04/09/82	Order effective for 5 years after 03/17/99
10/01/98	Sugar (AD)	Belgium	06/13/79	Order effective for 5 years after 10/28/99
10/01/98	Sugar (CVD)	EU	07/31/78	Order effective for 5 years after 10/28/99
10/01/98	Sugar (AD)	France	06/13/79	Order effective for 5 years after 10/28/99
10/01/98	Sugar (AD)	Germany	06/13/79	Order effective for 5 years after 10/28/99
10/01/98	Sugar & syrups (AD)	Canada	04/09/80	Order revoked, effective 01/01/00
11/02/98	Carbon steel wire rod (AD)	Argentina	11/23/84	Ongoing
11/02/98	Carbon steel wire rod (CVD)	Argentina	09/27/82	Ongoing
11/02/98	Chloropicrin (AD)	China	03/22/84	Order effective for 5 years after 04/14/99
11/02/98	Greige polyester cotton printcloth (AD)	China	09/16/83	Order effective for 5 years after 04/26/99
11/02/98	Heavy iron construction castings (CVD)	Brazil	05/15/86	Order effective for 5 years after 11/12/99
11/02/98	Iron construction castings (AD)	Brazil	05/09/86	Order effective for 5 years after 11/12/99
11/02/98	Iron construction castings (AD)	Canada	03/05/86	Order effective for 5 years after 11/12/99
11/02/98	Iron construction castings (AD)	China	05/09/86	Order effective for 5 years after 11/12/99
11/02/98	Iron metal castings (CVD)	India	10/16/80	Order revoked, effective 01/01/00
11/02/98	Potassium permanganate (AD)	China	01/31/84	Order effective for 5 years after 11/24/99
11/02/98	Potassium permanganate (AD)	Spain	01/19/84	Order revoked, effective 01/01/00

Table A-29–*Continued*
Reviews of existing antidumping and countervailing duty orders conducted under the authority of title VII of the Tariff Act of 1930, as of Dec. 31, 1999, by date of institution

Institution date	Product[1]	Country of origin	Order date	Status
12/01/98	Barbed wire & barbless wire strand (AD) . .	Argentina	11/13/85	Order effective for 5 years after 05/12/99
12/01/98	Frozen concentrated orange juice (AD) . . .	Brazil	05/05/87	Order effective for 5 years after 05/28/99
12/01/98	Live swine (CVD)	Canada	08/15/85	Order revoked, effective 01/01/00
12/01/98	Sebacic acid (AD)	China	07/14/94	Order effective for 5 years after 05/26/99
01/04/99	Carbon steel wire rope (AD)	Mexico	03/25/93	Order revoked, effective 01/01/00
01/04/99	Carbon steel wire rope (AD)	Korea	03/26/93	Order revoked, effective 01/01/00
01/04/99	Cotton shop towels (AD)	Bangladesh	03/20/92	Ongoing
01/04/99	Cotton shop towels (AD)	China	10/04/83	Ongoing
01/04/99	Cotton shop towels (CVD)	Pakistan	03/09/84	Ongoing
01/04/99	Cotton shop towels (CVD)	Peru	09/12/84	Order revoked, effective 01/01/00
01/04/99	Malleable cast iron pipe fittings (AD)	Brazil	05/21/86	Ongoing
01/04/99	Malleable cast iron pipe fittings (AD)	Korea	05/23/86	Ongoing
01/04/99	Malleable cast iron pipe fittings (AD)	Taiwan	05/23/86	Ongoing
01/04/99	Malleable cast iron pipe fittings (AD)	Japan	07/06/87	Ongoing
01/04/99	Malleable cast iron pipe fittings (AD)	Thailand	08/20/87	Ongoing
01/04/99	Natural bristle paint brushes (AD)	China	02/14/86	Order effective for 5 years after 06/10/99
01/04/99	Petroleum wax candles (AD)	China	08/28/86	Order effective for 5 years after 09/23/99
01/04/99	Steel wire rope (AD)	Japan	10/15/73	Order revoked, effective 01/01/00
02/01/99	Brass sheet and strip (CVD)	Brazil	01/08/87	Ongoing
02/01/99	Brass sheet and strip (AD)	Brazil	01/12/87	Ongoing
02/01/99	Brass sheet and strip (AD)	Canada	01/12/87	Ongoing
02/01/99	Brass sheet and strip (CVD)	France	03/06/87	Ongoing
02/01/99	Brass sheet and strip (AD)	France	03/06/87	Ongoing
02/01/99	Brass sheet and strip (AD)	Germany	03/06/87	Ongoing
02/01/99	Brass sheet and strip (AD)	Italy	03/06/87	Ongoing
02/01/99	Brass sheet and strip (AD)	Japan	08/12/88	Ongoing
02/01/99	Brass sheet and strip (AD)	Korea	01/12/87	Ongoing
02/01/99	Brass sheet and strip (AD)	Netherlands	08/12/88	Ongoing
02/01/99	Brass sheet and strip (AD)	Sweden	03/06/87	Ongoing
02/01/99	Porcelain-on-steel cooking ware (AD)	China	12/02/86	Ongoing
02/01/99	Porcelain-on-steel cooking ware (AD)	Mexico	12/02/86	Ongoing
02/01/99	Porcelain-on-steel cooking ware (CVD) . . .	Mexico	12/12/86	Ongoing
02/01/99	Porcelain-on-steel cooking ware (AD)	Taiwan	12/02/86	Ongoing
02/01/99	Top-of-the-stove stainless steel cooking . . ware (AD)	Korea	01/20/87	Ongoing
02/01/99	Top-of-the-stove stainless steel cooking . . ware (CVD)	Korea	01/20/87	Ongoing
02/01/99	Top-of-the-stove stainless steel cooking . . ware (AD)	Taiwan	01/20/87	Ongoing
02/01/99	Top-of-the-stove stainless steel cooking . . ware (CVD)	Taiwan	01/20/87	Ongoing
03/01/99	Aspirin (AD)	Turkey	08/25/87	Order effective for 5 years after 08/20/99

Table A-29–*Continued*
Reviews of existing antidumping and countervailing duty orders conducted under the authority of title VII of the Tariff Act of 1930, as of Dec. 31, 1999, by date of institution

Institution date	Product[1]	Country of origin	Order date	Status
03/01/99	Color picture tubes (AD)	Canada	01/07/88	Ongoing
03/01/99	Color picture tubes (AD)	Japan	01/07/88	Ongoing
03/01/99	Color picture tubes (AD)	Korea	01/07/88	Ongoing
03/01/99	Color picture tubes (AD)	Singapore	01/07/88	Ongoing
03/01/99	Industrial phosphoric acid (AD)	Belgium	08/20/87	Ongoing
03/01/99	Industrial phosphoric acid (CVD)	Israel	08/19/87	Ongoing
03/01/99	Industrial phosphoric acid (AD)	Israel	08/19/87	Order revoked, effective 01/01/00
03/01/99	Solid urea (AD)	Armenia	07/14/87	Order revoked, effective 01/01/00
03/01/99	Solid urea (AD)	Azerbaijan	07/14/87	Order revoked, effective 01/01/00
03/01/99	Solid urea (AD)	Belarus	07/14/87	Order effective for 5 years after 11/17/99
03/01/99	Solid urea (AD)	Estonia	07/14/87	Order effective for 5 years after 11/17/99
03/01/99	Solid urea (AD)	Georgia	07/14/87	Order revoked, effective 01/01/00
03/01/99	Solid urea (AD)	Kazakhstan	07/14/87	Order revoked, effective 01/01/00
03/01/99	Solid urea (AD)	Kyrgyzstan	07/14/87	Order revoked, effective 01/01/00
03/01/99	Solid urea (AD)	Latvia	07/14/87	Order revoked, effective 01/01/00
03/01/99	Solid urea (AD)	Lithuania	07/14/87	Order effective for 5 years after 11/17/99
03/01/99	Solid urea (AD)	Moldova	07/14/87	Order revoked, effective 01/01/00
03/01/99	Solid urea (AD)	Romania	07/14/87	Order effective for 5 years after 11/17/99
03/01/99	Solid urea (AD)	Russia	07/14/87	Order effective for 5 years after 11/17/99
03/01/99	Solid urea (AD)	Tajikistan	07/14/87	Order effective for 5 years after 11/17/99
03/01/99	Solid urea (AD)	Turkmenistan	07/14/87	Order effective for 5 years after 11/17/99
03/01/99	Solid urea (AD)	Ukraine	07/14/87	Order effective for 5 years after 11/17/99
03/01/99	Solid urea (AD)	Uzbekistan	07/14/87	Order effective for 5 years after 11/17/99
04/01/99	Ball bearings (AD)	France	05/15/89	Ongoing
04/01/99	Ball bearings (AD)	Germany	05/15/89	Ongoing
04/01/99	Ball bearings (AD)	Italy	05/15/89	Ongoing
04/01/99	Ball bearings (AD)	Japan	05/15/89	Ongoing
04/01/99	Ball bearings (AD)	Romania	05/15/89	Ongoing
04/01/99	Ball bearings (AD)	Singapore	05/15/89	Ongoing
04/01/99	Ball bearings (AD)	Sweden	05/15/89	Ongoing
04/01/99	Ball bearings (AD)	United Kingdom	05/15/89	Ongoing
04/01/99	Cylindrical roller bearings (AD)	France	05/15/89	Ongoing
04/01/99	Cylindrical roller bearings (AD)	Germany	05/15/89	Ongoing
04/01/99	Cylindrical roller bearings (AD)	Italy	05/15/89	Ongoing
04/01/99	Cylindrical roller bearings (AD)	Japan	05/15/89	Ongoing
04/01/99	Cylindrical roller bearings (AD)	Sweden	05/15/89	Ongoing

Table A-29–*Continued*
Reviews of existing antidumping and countervailing duty orders conducted under the authority of title VII of the Tariff Act of 1930, as of Dec. 31, 1999, by date of institution

Institution date	Product	Country of origin	Order date	Status
04/01/99	Cylindrical roller bearings (AD)	United Kingdom	05/15/89	Ongoing
04/01/99	Internal combustion industrial forklift trucks (AD)	Japan	06/07/88	Ongoing
04/01/99	Nitrile rubber (AD)	Japan	06/16/88	Order revoked, effective 01/01/00
04/01/99	Potassium chloride (AD)	Canada	01/19/88	Order revoked, effective 01/01/00
04/01/99	Spherical plain bearings (AD)	France	05/15/89	Ongoing
04/01/99	Spherical plain bearings (AD)	Germany	05/15/89	Ongoing
04/01/99	Spherical plain bearings (AD)	Japan	05/15/89	Ongoing
04/01/99	Tapered roller bearings (AD)	China	06/15/87	Ongoing
04/01/99	Tapered roller bearings (AD)	Hungary	06/19/87	Ongoing
04/01/99	Tapered roller bearings (AD)	Romania	06/19/87	Ongoing
04/01/99	Tapered roller bearings, 4 Inches & under (AD)	Japan	08/08/76	Ongoing
04/01/99	Tapered roller bearings, over 4 Inches (AD)	Japan	10/06/87	Ongoing
05/03/99	3.5” Microdisks (AD)	Japan	04/03/89	Order revoked, effective 01/01/00
05/03/99	Carbon steel butt-weld pipe fittings (AD)	Brazil	12/17/86	Order effective for 5 years after 01/06/00
05/03/99	Carbon steel butt-weld pipe fittings (AD)	China	07/06/92	Order effective for 5 years after 01/06/00
05/03/99	Carbon steel butt-weld pipe fittings (AD)	Japan	02/10/87	Order effective for 5 years after 01/06/00
05/03/99	Carbon steel butt-weld pipe fittings (AD)	Taiwan	12/17/86	Order effective for 5 years after 01/06/00
05/03/99	Carbon steel butt-weld pipe fittings (AD)	Thailand	07/06/92	Order effective for 5 years after 01/06/00
05/03/99	Circular welded nonalloy steel pipe (AD)	Brazil	11/02/92	Ongoing
05/03/99	Circular welded nonalloy steel pipe (AD)	Korea	11/02/92	Ongoing
05/03/99	Circular welded nonalloy steel pipe (AD)	Mexico	11/02/92	Ongoing
05/03/99	Circular welded nonalloy steel pipe (AD)	Taiwan	11/02/92	Ongoing
05/03/99	Circular welded nonalloy steel pipe (AD)	Venezuela	11/02/92	Ongoing
05/03/99	Electrolytic manganese dioxide (AD)	Greece	04/17/89	Ongoing
05/03/99	Electrolytic manganese dioxide (AD)	Japan	04/17/89	Ongoing
05/03/99	Granular polytetrafluoroethylene resin (AD)	Italy	08/30/88	Order effective for 5 years after 01/03/00
05/03/99	Granular polytetrafluoroethylene resin (AD)	Japan	08/24/88	Order effective for 5 years after 01/03/00
05/03/99	Light-walled rectangular tube (AD)	Argentina	05/26/89	Ongoing
05/03/99	Light-walled rectangular tube (AD)	Taiwan	03/27/89	Ongoing
05/03/99	Oil Country tubular goods (AD)	Canada	06/16/86	Ongoing
05/03/99	Oil Country tubular goods (AD)	Israel	03/06/87	Order revoked, effective 01/01/00
05/03/99	Oil Country tubular goods (CVD)	Israel	03/06/87	Order revoked, effective 01/01/00
05/03/99	Oil Country tubular goods (AD)	Taiwan	06/16/86	Ongoing
05/03/99	Small diameter carbon steel pipe & tube (AD)	Taiwan	05/07/84	Ongoing
05/03/99	Small diameter standard & rectangular pipe & tube (AD)	Singapore	11/13/86	Ongoing

Table A-29–*Continued*
Reviews of existing antidumping and countervailing duty orders conducted under the authority of Title VII of the Tariff Act of 1930, as of December 31, 1999, by date of institution

Institution date	Product	Country of origin	Order date	Status
05/03/99	Welded carbon steel line pipe (CVD)	Turkey	03/07/86	Order revoked, effective 01/01/00
05/03/99	Welded carbon steel pipe & tube (AD)	India	05/12/86	Ongoing
05/03/99	Welded carbon steel pipe & tube (AD)	Thailand	03/11/86	Ongoing
05/03/99	Welded carbon steel pipe & tube (AD)	Turkey	05/15/86	Ongoing
05/03/99	Welded carbon steel standard pipe . . . . (CVD)	Turkey	03/07/86	Ongoing
06/01/99	Benzyl paraben (AD)	Japan	02/13/91	Order revoked, effective 01/01/00
06/01/99	Drafting machine (AD)	Japan	12/29/89	Order effective for 5 years after 11/24/99
06/01/99	Industrial belts (AD)	Japan	06/14/89	Ongoing
06/01/99	Industrial belts except synchronous . . . . . . & V (AD)	Germany	06/14/89	Ongoing
06/01/99	Industrial nitrocellulose (AD)	Brazil	07/10/90	Ongoing
06/01/99	Industrial nitrocellulose (AD)	China	07/10/90	Ongoing
06/01/99	Industrial nitrocellulose (AD)	France	08/10/83	Ongoing
06/01/99	Industrial nitrocellulose (AD)	Germany	07/10/90	Ongoing
06/01/99	Industrial nitrocellulose (AD)	Japan	07/10/90	Ongoing
06/01/99	Industrial nitrocellulose (AD)	Korea	07/10/90	Ongoing
06/01/99	Industrial nitrocellulose (AD)	United Kingdom	07/10/90	Ongoing
06/01/99	Industrial nitrocellulose (AD)	Yugoslavia	10/16/90	Ongoing
06/01/99	Industrial synchronous & V belts (AD)	Italy	06/14/89	Ongoing
06/01/99	Industrial V belts (AD)	Singapore	06/14/89	Ongoing
06/01/99	Mechanical transfer presses (AD)	Japan	02/16/90	Ongoing
06/01/99	Multiangle laser light-scattering . . . . instruments (AD)	Japan	11/19/90	Order revoked, effective 01/01/00
06/01/99	Small business telephone systems . . . . . . (AD)	Japan	12/11/89	Order revoked, effective 01/01/00
06/01/99	Small business telephone systems . . . . . . (AD)	Korea	02/07/90	Order revoked, effective 01/01/00
06/01/99	Small business telephone systems . . . . . . (AD)	Taiwan	12/11/89	Order revoked, effective 01/01/00
06/01/99	Steel rails (AD)	Canada	09/15/89	Ongoing
06/01/99	Steel rails (CVD)	Canada	09/22/89	Ongoing
07/01/99	Axes & adzes (AD)	China	02/19/91	Ongoing
07/01/99	Bars & wedges (AD)	China	02/19/91	Ongoing
07/01/99	Fresh & chilled atlantic salmon (AD)	Norway	04/12/91	Ongoing
07/01/99	Fresh & chilled atlantic salmon (CVD)	Norway	04/12/91	Ongoing
07/01/99	Hammers & sledges (AD)	China	02/19/91	Ongoing
07/01/99	Picks & mattocks (AD)	China	02/19/91	Ongoing
07/01/99	Polyethylene terephthalate (PET) (AD)	Korea	06/05/91	Ongoing
07/01/99	Sodium thiosulfate (AD)	China	02/19/91	Ongoing
07/01/99	Sodium thiosulfate (AD)	Germany	02/19/91	Ongoing
07/01/99	Sodium thiosulfate (AD)	United Kingdom	02/19/91	Ongoing
07/01/99	Sparklers (AD)	China	06/18/91	Ongoing
07/01/99	Stainless steel butt-weld pipe fittings . . . . . (AD)	Japan	03/25/88	Ongoing
07/01/99	Stainless steel butt-weld pipe fittings . . . . . (AD)	Korea	02/23/93	Ongoing
07/01/99	Stainless steel butt-weld pipe fittings . . . . . (AD)	Taiwan	06/16/93	Ongoing

Table A-29–*Continued*
Reviews of existing antidumping and countervailing duty orders conducted under the authority of title VII of the Tariff Act of 1930, as of Dec. 31, 1999, by date of institution

Institution date	Product[1]	Country of origin	Order date	Status
07/01/99	Stainless steel hollow roducts (AD)	Sweden	12/03/87	Order revoked, effective 01/01/00
07/01/99	Stainless steel wire rod (AD)	Brazil	01/28/94	Ongoing
07/01/99	Stainless steel wire rod (AD)	France	01/28/94	Ongoing
07/01/99	Stainless steel wire rod (AD)	India	12/01/93	Ongoing
07/01/99	Stainless steel wire rod (CVD)	Spain	01/03/83	Ongoing
07/01/99	Welded ASTM A-312 stainless steel . . . . . . pipe (AD)	Korea	12/30/92	Ongoing
07/01/99	Welded ASTM A-312 stainless steel . . . . . . pipe (AD)	Taiwan	12/30/92	Ongoing
08/02/99	Alloy magnesium (CVD)	Canada	08/31/92	Ongoing
08/02/99	Chrome-plated lug nuts (AD)	China	09/20/91	Ongoing
08/02/99	Chrome-plated lug nuts (AD)	Taiwan	09/20/91	Ongoing
08/02/99	Electroluminescent flat panel displays . . . . (AD)	Japan	09/04/91	Ongoing
08/02/99	Extruded rubber thread (AD)	Malaysia	10/07/92	Ongoing
08/02/99	Fresh kiwifruit (AD)	New Zealand	06/02/92	Order revoked, effective 06/01/97
08/02/99	Gray portland cement & clinker (AD)	Japan	05/10/91	Ongoing
08/02/99	Gray portland cement & clinker (AD)	Mexico	08/30/90	Ongoing
08/02/99	Gray portland cement & clinker (AD)	Venezuela	02/27/92	Ongoing
08/02/99	Gray portland cement & clinker (CVD)	Venezuela	03/17/92	Ongoing
08/02/99	Pure magnesium (AD)	Canada	08/31/92	Ongoing
08/02/99	Pure magnesium (CVD)	Canada	08/31/92	Ongoing
08/02/99	Tungsten ore concentrates (AD)	China	11/21/91	Order revoked, effective 01/01/00
08/02/99	Uranium (AD)	Kyrgyzstan	10/16/92	Order revoked, effective 01/01/00
08/02/99	Uranium (AD)	Russia	10/16/92	Ongoing
08/02/99	Uranium (AD)	Ukraine	08/30/93	Ongoing
08/02/99	Uranium (AD)	Uzbekistan	10/16/92	Ongoing
09/01/99	Carbon steel plate (AD)	Taiwan	06/13/79	Ongoing
09/01/99	Cold-rolled carbon steel flat products . . . . . (AD)	Germany	08/19/93	Ongoing
09/01/99	Cold-rolled carbon steel flat products . . . . . (CVD)	Germany	08/17/93	Ongoing
09/01/99	Cold-rolled carbon steel flat products . . . . . (AD)	Korea	08/19/93	Ongoing
09/01/99	Cold-rolled carbon steel flat products . . . . . (CVD)	Korea	08/17/93	Ongoing
09/01/99	Cold-rolled carbon steel flat products . . . . . (AD)	Netherlands	08/19/93	Ongoing
09/01/99	Cold-rolled carbon steel flat products . . . . . (CVD)	Sweden	10/11/85	Ongoing
09/01/99	Corrosion-resistant carbon steel flat . . . . . . products (AD)	Australia	08/19/93	Ongoing
09/01/99	Corrosion-resistant carbon steel flat . . . . . . products (AD)	Canada	08/19/93	Ongoing
09/01/99	Corrosion-resistant carbon steel flat . . . . . . products (AD)	France	08/19/93	Ongoing
09/01/99	Corrosion-resistant carbon steel flat . . . . . . products (CVD)	France	08/17/93	Ongoing

Table A-29–*Continued*
Reviews of existing antidumping and countervailing duty orders conducted under the authority of Title VII of the Tariff Act of 1930, as of December 31, 1999, by date of institution

Institution date	Product	Country of origin	Order date	Status
09/01/99	Corrosion-resistant carbon steel flat products (AD)	Germany	08/19/93	Ongoing
09/01/99	Corrosion-resistant carbon steel flat products (CVD)	Germany	08/17/93	Ongoing
09/01/99	Corrosion-resistant carbon steel flat products (AD)	Japan	08/19/93	Ongoing
09/01/99	Corrosion-resistant carbon steel flat products (AD)	Korea	08/19/93	Ongoing
09/01/99	Corrosion-resistant carbon steel flat products (CVD)	Korea	08/17/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	Belgium	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (CVD)	Belgium	08/17/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	Brazil	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (CVD)	Brazil	08/17/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	Canada	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	Finland	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	Germany	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (CVD)	Germany	08/17/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	Mexico	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (CVD)	Mexico	08/17/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	Poland	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	Romania	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	Spain	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (CVD)	Spain	08/17/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	Sweden	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (CVD)	Sweden	08/17/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (AD)	United Kingdom	08/19/93	Ongoing
09/01/99	Cut-to-length carbon steel plate (CVD)	United Kingdom	08/17/93	Ongoing
10/01/99	Hot-rolled lead/bismuth carbon steel products (AD)	Brazil	03/22/93	Order revoked, effective 01/01/00
10/01/99	Hot-rolled lead/bismuth carbon steel products (CVD)	Brazil	03/22/93	Order revoked, effective 01/01/00
10/01/99	Hot-rolled lead/bismuth carbon steel products (AD)	France	03/22/93	Order revoked, effective 01/01/00
10/01/99	Hot-rolled lead/bismuth carbon steel products (CVD)	France	03/22/93	Order revoked, effective 01/01/00
10/01/99	Hot-rolled lead/bismuth carbon steel products (AD)	Germany	03/22/93	Order revoked, effective 01/01/00
10/01/99	Hot-rolled lead/bismuth carbon steel products (CVD)	Germany	03/22/93	Order revoked, effective 01/01/98
10/01/99	Hot-rolled lead/bismuth carbon steel products (AD)	United Kingdom	03/22/93	Order revoked, effective 01/01/95
10/01/99	Hot-rolled lead/bismuth carbon steel products (CVD)	United Kingdom	03/22/93	Order revoked, effective 01/01/95
10/01/99	Sulfanilic acid (AD)	China	08/19/92	Ongoing
10/01/99	Sulfanilic acid (AD)	India	03/02/93	Ongoing
10/01/99	Sulfanilic acid (CVD)	India	03/02/93	Ongoing
11/01/99	Compact ductile iron waterworks fittings (AD)	China	09/07/93	Ongoing
11/01/99	DRAMs of 1 megabit & above (AD)	Korea	05/10/93	Ongoing
11/01/99	Helical spring lock washers (AD)	China	10/19/93	Ongoing
11/01/99	Helical spring lock washers (AD)	Taiwan	06/28/93	Ongoing

Table A-29–*Continued*
Reviews of existing antidumping and countervailing duty orders conducted under the authority of title VII of the Tariff Act of 1930, as of Dec. 31, 1999, by date of institution

Institution date	Product[1]	Country of origin	Order date	Status
11/01/99	Professional electric cutting tools (AD)	Japan	07/12/93	Ongoing
11/01/99	Silicomanganese (AD)	Brazil	12/22/94	Ongoing
11/01/99	Silicomanganese (AD)	China	12/22/94	Ongoing
11/01/99	Silicomanganese (AD)	Ukraine	10/31/94	Ongoing
11/01/99	Silicon metal (AD)	Argentina	09/26/91	Ongoing
11/01/99	Silicon metal (AD)	Brazil	07/31/91	Ongoing
11/01/99	Silicon metal (AD)	China	06/10/91	Ongoing
12/01/99	Aramid Fiber (AD)	Netherlands	06/24/94	Ongoing
12/01/99	Cased pencil (AD)	China	12/28/94	Ongoing
12/01/99	Color negative photo paper & chemicals (AD)	Japan	08/12/94	Ongoing
12/01/99	Color negative photo paper & chemicals (AD)	Netherlands	08/12/94	Ongoing
12/01/99	Defrost timers (AD)	Japan	03/02/94	Ongoing
12/01/99	Forged stainless steel flanges (AD)	India	02/09/94	Ongoing
12/01/99	Forged stainless steel flanges (AD)	Taiwan	02/09/94	Ongoing
12/01/99	Fresh garlic (AD)	China	11/16/94	Ongoing
12/01/99	Grain-oriented silicon electrical steel (AD)	Italy	08/12/94	Ongoing
12/01/99	Grain-oriented silicon electrical steel (CVD)	Italy	06/07/94	Ongoing
12/01/99	Grain-oriented silicon electrical steel (AD)	Japan	06/10/94	Ongoing
12/01/99	Paper clips (AD)	China	11/25/94	Ongoing

[1] AD = Antidumping; CVD = countervailing duty

Source: Prepared by staff of the U.S. International Trade Commission.

Table A-30
U.S. International Trade Commission Sec. 337 investigations completed or pending in 1999

Status of investigation	Article	Country[1]	Commission determination
Completed:			
337-TA-380	Certain agricultural tractors under 50 power take-off horsepower	Japan	Formal enforcement proceeding terminated; Commission imposed a civil penalty in the amount of $2,320,000, and sanctions in the amount of $22,410.85.
337-TA-403	Certain acesulfame potassium and blends and products containing same	People's Republic of China	Terminated based on a finding of no violation.
337-TA-406	Certain lens-fitted film packages	People's Republic of China, Hong Kong, Korea	Issued general exclusion order and cease and desist orders.
337-TA-409	Certain CD-ROM controllers and products containing same II	Taiwan	Terminated based on a finding of no violation; motion for monetary sanctions denied.
337-TA-411	Certain organic photoconductor drums and products containing the same	Japan, Germany, Hong Kong, Thailand, Taiwan	Terminated based on withdrawal of complaint.
337-TA-412	Certain video graphics display controllers	Canada	Terminated based on a finding of no violation.
337-TA-413	Certain rare-earth magnets and magnetic materials and articles containing same	Taiwan, People's Republic of China	Issued general exclusion order and cease and desist orders.
337-TA-415	Certain mechanical lumbar supports and products containing same	Canada, Germany, Austria	Terminated based on a finding of no violation.
337-TA-416	Certain compact multipurpose tools	People's Republic of China, Taiwan	Issued general exclusion order.
337-TA-417	Certain code hopping remote control systems including components and integrated circuits used therein	Mexico	Terminated based on a settlement agreement.
337-TA-418	Certain rodent bait stations and components thereof	United Kingdom	Terminated based on withdrawal of complaint.
337-TA-420	Certain beer products	Czech Republic	Terminated based on a consent order.
337-TA-423	Certain conductive coated abrasives	Finland	Terminated based on a consent order.
Pending:			
337-TA-334	Certain condensers, parts thereof and products containing same including air conditioners for automobiles	Japan	Advisory opinion proceeding pending before the ALJ.
337-TA-383	Certain hardware logic emulation systems and components thereof	France	Advisory opinion proceeding pending before the ALJ.

See footnote at end of table.

Table A-30—*Continued*
U.S. International Trade Commission Sec. 337 investigations completed or pending in 1999

Status of investigation	Article	Country[1]	Commission determination
Pending:—*Continued*			
337-TA-395	Certain EPROM, EEPROM, flash memory, and flash microcontroller semiconductor devices and products containing same	Taiwan, Japan	Reconsideration proceeding pending before the ALJ.
337-TA-406	Certain lens-fitted film packages	People's Republic of China, Hong Kong, Korea	Bond forteiture proceeding pending before the ALJ.
337-TA-414	Certain semiconductor memory devices and products containing same	Taiwan	Pending before the Commission.
337-TA-419	Certain excimer laser systems for vision correction surgery and components thereof and methods for performing same	Japan	Pending before the Commission.
337-TA-421	Certain enhanced DRAM devices containing embedded cache memory registers, components thereof, and products containing same	Japan	Pending before the Commission.
337-TA-422	Certain two handle centerset faucets and escutcheons, and components thereof	Taiwan, People's Republic of China	Pending before the ALJ.
337-TA-424	Certain cigarettes and packaging thereof	No foreign Respondent	Pending before the ALJ.
337-TA-425	Certain amino fluoro ketone compounds	Switzerland	Pending before the ALJ.

[1] This column lists the countries of the foreign respondents named in the investigation.

Source: U.S. International Trade Commission, Office of Unfair Import Investigations.

Table A-31
Outstanding sec. 337 exclusion orders as of Dec. 31, 1999

Investigation No.	Article	Country[1]	Date patent expires[2]
337-TA-55	Certain novelty glasses	Hong Kong	Nonpatent
337-TA-69	Certain airtight cast-iron stoves	Taiwan, Korea	Nonpatent
337-TA-87	Certain coin-operated audio-visual games and components thereof	Japan, Taiwan	Nonpatent
337-TA-105	Certain coin-operated audio-visual games and components thereof	Japan, Taiwan	Nonpatent
337-TA-112	Certain cube puzzles	Taiwan, Japan, Canada	Nonpatent
337-TA-114	Certain miniature plug-in blade fuses	Taiwan	Nonpatent
337-TA-118	Certain sneakers with fabric uppers and rubber soles	Korea	Nonpatent
337-TA-137	Certain heavy-duty staple gun tackers	Taiwan, Hong Kong, Korea	Nonpatent
337-TA-152	Certain plastic food storage containers	Hong Kong, Taiwan	Nonpatent
337-TA-167	Certain single handle faucets	Taiwan	Nonpatent
337-TA-170	Certain bag closure clips	Israel	08/25/00[3] 05/26/01[3]
337-TA-174	Certain woodworking machines	South Africa, Taiwan	09/17/01[3]
337-TA-195	Certain cloisonne jewelry	Taiwan	Nonpatent
337-TA-197	Certain compound action metal cutting snips and components thereof	Taiwan	Nonpatent
337-TA-228	Certain fans with brushless DC motors	Japan	09/30/02[3]
337-TA-229	Certain nut jewelry and parts thereof	Philippines, Taiwan	Nonpatent
337-TA-231	Certain soft sculpture dolls, popularly known as “Cabbage Patch Kids,” related literature, and packaging therefor	No foreign respondents	Nonpatent
337-TA-240	Certain laser inscribed diamonds and the method of inscription thereof	Israel	12/23/00[3]
337-TA-242	Certain dynamic random access memories, components thereof, and products containing same	Japan, Korea	08/06/02 09/24/02
337-TA-254	Certain small aluminum flashlights and components thereof	Hong Kong, Taiwan	06/06/04[3]
337-TA-266	Certain reclosable plastic bags and tubing	Singapore, Taiwan, Korea, Thailand, Hong Kong	Nonpatent
337-TA-276	Certain erasable programmable read only memories, components thereof, products containing such memories and processes for making such memories	Korea	12/23/00 06/17/02[2] 06/07/05[3]
337-TA-279	Certain plastic light duty screw anchors	Taiwan	Nonpatent

See footnotes at end of table.

Table A-31—*Continued*
Outstanding sec. 337 exclusion orders as of Dec. 31, 1999

Investigation No.	Article	Country[1]	Date patent expires[2]
337-TA-285	Certain chemiluminescent compositions and components thereof and methods of using, and products incorporating, the same	France	Nonpatent
337-TA-287	Certain strip lights	Taiwan	Nonpatent 04/07/00[3]
337-TA-293	Certain crystalline cefadroxil monohydrate	Italy, Spain, Switzerland	03/12/02
337-TA-295	Certain novelty teleidoscopes	Hong Kong, Taiwan	Nonpatent
337-TA-308	Certain key blanks for keys of high security cylinder locks	Korea	01/13/04 06/19/05[3]
337-TA-314	Certain battery-powered ride-on toy vehicles and components thereof	Taiwan	09/22/01 01/31/03 12/06/03[3] 01/27/04 09/22/06[3]
337-TA-319	Certain automotive fuel caps and radiator caps and related packaging and promotional materials	Taiwan	Nonpatent 06/22/06[3] 07/22/06[3]
337-TA-320	Certain rotary printing apparatus using heated ink composition, components thereof, and systems containing said apparatus and components	France, Spain	04/30/04[3]
337-TA-321	Certain soft drinks and their containers	Colombia	Nonpatent
337-TA-324	Certain acid-washed denim garments and accessories	Hong Kong, Taiwan, Brazil, Chile	10/22/06[3]
337-TA-333	Certain woodworking accessories	Taiwan	03/02/08[3]
337-TA-334	Certain condensers, parts thereof and products containing same, including air conditioners for automobiles	Japan	03/12/08
337-TA-337	Certain integrated circuit telecommunication chips and products containing same, including dialing apparatus	Taiwan	05/18/01
337-TA-344	Certain cutting tools for flexible plastic conduit and components thereof	Taiwan	08/01/00[3]
337-TA-354	Certain tape dispensers	Hong Kong, Taiwan	04/07/01
337-TA-360	Certain devices for connecting computers via telephone lines	Taiwan	02/13/07
337-TA-365	Certain audible alarm devices for divers	Taiwan	08/21/07[3] 10/12/08[3]
337-TA-372	Certain neodymium-iron-boron magnets, magnet alloys, and articles containing same	People’s Republic of China, Hong Kong, Taiwan	05/20/05[3]
337-TA-374	Certain electrical connectors and products containing same	Taiwan	01/22/08
337-TA-376	Certain variable speed wind turbines and components thereof	Germany	02/01/11[3]

See footnotes at end of table.

Table A-31—*Continued*
Outstanding sec. 337 exclusion orders as of Dec. 31, 1999

Investigation No.	Article	Country[1]	Date patent expires[2]
337-TA-378	Certain Asian-style Kamaboko fish cakes	Japan	Nonpatent
337-TA-380	Certain agricultural tractors under 50 power take-off horsepower	Japan	Nonpatent
337-TA-383	Certain hardware logic emulation systems and components thereof	France	10/05/08 10/05/08 10/05/08 04/28/09 04/28/09
337-TA-391	Certain toothbrushes and the packaging thereof	People's Republic of China, Taiwan	08/04/06
337-TA-406	Certain lens-fitted film packages	People's Republic of China, Hong Kong, Korea	05/23/06 08/08/06 11/28/06 09/04/07 09/04/07 11/27/07 04/05/08 11/05/08 03/07/09 08/10/10 08/13/10 11/01/11 01/10/12 04/18/12 07/25/12
337-TA-413	Certain rare-earth magnets and magnetic material and articles containing same	People's Republic of China, Taiwan	01/29/02 07/22/03 07/22/03 02/07/06 07/25/06 06/07/15
337-TA-416	Certain compact multipurpose tools	People's Republic of China, Taiwan	07/01/11 10/21/11 10/21/11 10/21/11

[1] This column lists the countries of the foreign respondents named in the investigation.
[2] Multiple dates indicate the expiration dates of separate patents within the investigation.
[3] Patent term extended under 35 U.S.C. 154(c).

Source: U.S. International Trade Commission, Office of Unfair Import Investigations.

Table A-32
U.S. imports for consumption of leading GSP duty-free imports, 1999

(1,000 dollars)

				Imports of GSP	
HTS Rank	*HTS* No.	Description	Total U.S. imports for consumption	GSP-eligible	GSP duty-free[1]
1	2709.00.20	petroleumoils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	19,969,997	2,167,261	2,050,412
2	7113.19.50	Articles of jewelry and parts thereof, of precious metal except silver except necklaces and clasps	3,071,372	1,221,055	375,980
3	7202.41.00	Ferrochromium containing more than 3 percent of carbon	217,530	213,153	213,015
4	8708.99.67	Parts n.e.s.o.i. for power trains, for tractors and motor vehicles, including special purpose vehicles	2,064,512	215,348	211,364
5	8708.70.45	Road wheels for motor vehicles	794,950	179,433	168,542
6	8527.21.10	Radio-tape player combinations	1,680,028	182,627	154,830
7	2909.19.14	Methyl tertiary-butyl ether. (MTBE)	896,869	169,174	154,114
8	7606.12.30	Aluminum alloy, plates/sheets/strip, of a thickness exceeding 0.2 mm, rectangular (including square), not clad	867,667	151,921	147,536
9	1701.11.10	Raw sugar not containing added flavoring or coloring	424,960	371,485	146,718
10	7113.19.29	Gold necklaces and neck chains, other than rope or mixed link	912,063	225,501	144,749
11	7403.11.00	Cathodes and sections of cathodes, of refined copper	1,210,743	641,444	134,090
12	7615.19.30	Aluminum, cooking and kitchen ware, other than cast, enameled or glazed or containing nonstick interior finishes	259,904	127,081	118,813
13	8708.60.80	Non-driving axles and parts thereof, for motor vehicles n.e.s.o.i.	242,634	118,365	118,179
14	8544.30.00	Ignition wiring sets, other wiring sets of a kind used in vehicles, aircraft or ships	4,867,650	493,247	113,970
15	4823.59.40	Paper and paperboard of a kind used for writing, printing or other graphic purposes n.e.s.o.i.	372,888	114,382	113,909
16	7323.93.00	Stainless steel table, kitchen or other household articles and parts thereof	512,721	114,692	109,457
17	2905.11.20	Methanol (methyl alcohol) n.e.s.o.i	256,840	200,763	103,024
18	8708.99.80	Parts and accessories n.e.s.o.i. of motor vehicles n.e.s.o.i.	3,489,484	111,064	98,625
19	4414.00.00	Wooden frames for paintings, photographs, mirrors, or similar objects	316,130	101,178	96,794
20	8708.91.50	Radiators, for motor vehicles, excluding tractors suitable for agricultural use	424,293	101,475	90,745
		Total, above items	42,853,237	7,220,649	4,864,865
		Total, all GSP items	1,014,545,366	22,797,013	13,574,247

Note.—Calculations based on unrounded data. Figures do not include Virgin Island imports. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-33
U.S. imports for consumption and imports eligible for GSP treatment, by import categories under the Harmonized Tariff Schedule (*HTS*) sections, 1999

(Million dollars)

HTS section	Description	Total U.S. imports for consumption	Imports of GSP articles: GSP-eligible	Imports of GSP articles: GSP duty-free[1]
I	Live animals; animal products	13,218	28	22
II	Vegetable products	13,547	916	228
III	Animal and vegetable fats, oils, and waxes	1,389	50	47
IV	Prepared foodstuffs; beverages, spirits; tobacco	19,585	1,655	766
V	Mineral products	69,433	2,402	2,138
VI	Chemical products	58,689	1,525	841
VII	Plastics and rubber	25,993	1,341	805
VIII	Raw hides and skins, leather, furskins; saddlery; handbags	7,265	580	258
IX	Wood; charcoal; cork; straw and other plaiting materials	16,448	939	521
X	Wood pulp; paper and paperboard	19,331	365	327
XI	Textiles and textile articles	66,412	257	163
XII	Footwear, headgear, umbrellas; artificial flowers	16,412	71	61
XIII	Stone, plaster, cement, asbestos, ceramic and glass articles	10,688	662	556
XIV	Pearls, precious or semi-precious stones; imitation jewellery	24,399	1,965	764
XV	Base metals and articles of base metal	49,127	2,729	1,916
XVI	Machinery and appliances; electrical equipment	308,192	5,016	2,513
XVII	Vehicles, aircraft, vessels, transport equipment	168,891	1,166	1,031
XVIII	Optical, photographic, medical, and musical instruments; clocks	34,790	648	260
XIX	Arms and ammunition; parts and accessories thereof	711	32	29
XX	Miscellaneous manufactured articles	41,304	451	330
XXI	Works of art, collectors' pieces and antiques	4,902	-	-
XXII	Special classification provisions	43,821	-	-
	Total	1,014,545	22,797	13,574

[1] Nearly $107 million of trade was reported by the U.S. Department of Commerce in 1999 of receiving preferential duty-free treatment under the GSP program, when in fact it was duty-free under normal trade relations. This trade is excluded.

Note.—Calculations based on unrounded data. Figures do not include Virgin Island imports.

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

Table A-34
U.S. imports for consumption of leading imports under CBERA, 1997-99

(1,000 dollars)

HTS No.	Description	1997	1998	1999
2402.10.80	Cigars, cheroots and cigarillos, each valued 23 cents or over	330,704	307,542	231,678
7113.19.50	Articles of jewelry and parts thereof, of precious metal except silver, except necklaces and clasps	139,028	170,422	173,217
1701.11.10	Raw sugar not containing added flavoring or coloring	280,714	213,234	156,758
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	72,621	68,510	106,092
2905.11.20	Methanol (Methyl alcohol) n.e.s.o.i.	90,596	57,779	92,456
1701.11.20	Other sugar to be used for the production (other than distillation) of polyhydric alcohols	72,476	47,981	78,813
7213.91.30	Bars and rods, hot-rolled, not tempered or treated, of iron or nonalloy steel	62,478	59,430	77,229
0807.19.20	Cantaloupes, fresh, if entered during the periods from January 1 through July 31	65,044	55,710	77,027
8536.20.00	Automatic circuit breakers, for a voltage not exceeding 1,000 volts	44,358	57,202	75,099
8516.31.00	Electrothermic hair dryers	39,346	39,296	47,722
8538.90.80	Terminals, electrical splices and couplings	42,304	36,597	46,390
2207.10.60	Undenatured ethyl alcohol for nonbeverage purposes	28,058	33,659	45,115
3903.11.00	Polystyrene, expandable, in primary forms	254	15,197	33,992
4016.93.50	Nonautomotive gaskets, washers, and seals of vulcanized rubber	28,928	31,145	33,495
6210.10.50	Other nonwoven disposable apparel designed for use in hospitals	31,052	25,203	32,249
8533.40.80	Electrical variable resistors, other than wirewound, including rheostats and potentiometers	27,209	20,878	30,788
2009.11.00	Frozen concentrated orange juice	38,925	39,742	30,560
8536.50.90	Switches n.e.s.o.i. for switching or making connections to or in electrical circuits, for a voltage not exceeding 1,000 volts	15,750	30,355	29,685
0807.19.70	Other melons nesoi, fresh, if entered during the period from December 1, in any year, to the following May 31, inclusive	27,105	30,189	25,298
0710.80.97	Vegetables n.e.s.o.i. uncooked or cooked by steaming or boiling in water, frozen, reduced in size	15,221	21,494	24,596
0202.30.50	Bovine meat cuts, boneless, not processed, frozen, descr in add. US note 3 to Ch. 2	35,633	18,659	24,091
4202.21.90	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather,	10,699	16,592	22,910
8536.49.00	Relays for switching, protecting or making connections to or in electrical circuits, for a voltage exceeding 60 but not exceeding 1,000 volts	15,461	24,141	21,930
3926.90.98	Other articles of plastic n.e.s.o.i.	17,827	18,325	20,896
2203.00.00	Beer made from malt	21,065	20,314	20,356
	Subtotal	1,552,857	1,459,596	1,558,441
	All other	1,654,986	1,764,967	1,078,759
	Total, all commodities	3,207,842	3,224,564	2,637,200

Note.—Because of rounding, figures may not add to totals show. The abbreviation “n.e.s.o.i.” stands for “not elsewhere specified or included.”

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

Table A-35
U.S. imports for consumption under CBERA provisions, by source, 1995-99

(1,000 dollars)

Rank	Source	1995	1996	1997	1998	1999
1	Dominican Republic	845,356	932,413	1,136,523	1,294,533	820,270
2	Costa Rica	527,716	657,127	746,354	756,579	683,013
3	Guatemala	168,467	279,768	270,268	268,869	285,349
4	Trinidad and Tobago	144,248	184,895	226,244	186,219	217,857
5	Honduras	156,840	207,289	263,814	236,073	180,152
6	Jamaica	87,330	95,965	74,515	102,178	89,593
7	El Salvador	68,550	91,254	81,799	50,206	59,051
8	Bahamas	22,855	20,765	25,132	34,914	56,018
9	Nicaragua	78,543	116,007	135,340	72,694	50,556
10	Panama	39,357	51,352	81,064	77,453	45,962
11	St. Kitts-Nevis	18,776	19,241	24,636	25,428	25,617
12	Barbados	23,043	23,089	24,983	20,392	24,632
13	Belize	16,676	24,760	34,710	19,706	23,057
14	Haiti	26,522	30,223	31,194	28,167	21,914
15	Guyana	17,409	32,285	28,512	24,617	14,706
16	Grenada	724	1,007	4,071	8,242	11,486
17	Dominica	2,201	2,204	1,557	1,858	9,497
18	St. Lucia	6,503	7,129	5,263	7,802	9,249
19	St. Vincent and Grenadines	2,527	3,580	2,373	3,532	7,195
20	Netherlands Antilles	4,468	4,357	3,862	2,775	1,612
21	British Virgin Islands	12	631	262	333	364
22	Antigua	1,683	1,615	522	214	22
23	Aruba	114	138	166	1,779	19
24	Montserrat	1,488	3,962	4,679	-	6
	Total	2,261,407	2,791,055	3,207,842	3,224,564	2,637,200

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 A-36
U.S. imports for consumption under ATPA provisions, by source, 1997-99

(1,000 dollars)

Rank	Source	1997	1998	1999
1	Colombia	605,472	709,889	797,305
2	Peru	460,992	632,676	631,180
3	Ecuador	217,437	233,002	260,301
4	Bolivia	68,955	69,630	61,492
	Total	1,352,855	1,645,196	1,750,279

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 A-37
U.S. imports for consumption of leading imports under ATPA, 1997-99

(1,000 dollars)

HTS No.	Description	1997	1998	1999
7403.11.00	Cathodes and sections of cathodes of refined copper	158,790	200,984	323,788
0603.10.60	Roses, fresh cut	184,116	195,740	182,878
3212.90.00	Pigments dispersed in nonaqueous media, in liquid or paste form, used in making paints; dyes & coloring matter packaged for retail sale	2,923	39,560	160,939
0603.10.70	Chrysanthemums, standard carnations, anthuriums and orchids, fresh cut	147,786	147,339	137,925
1604.14.40	Tunas and skipjack, not in airtight containers	47,261	46,114	83,054
0603.10.80	Cut flowers and flower buds suitable for bouquets or ornamental purposes, fresh cut, n.e.s.o. i.	75,825	70,812	74,569
7113.19.10	Rope and chain for jewelry, of precious metal, except silver	68,014	66,107	63,099
7113.19.50	Articles of jewelry and parts thereof, of precious metal, except silver.	55,254	64,244	59,352
2843.30.00	Gold compounds	70,366	48,139	56,649
7901.11.00	Zinc (o/than alloy), unwrought, containing o/99.99% by weight of zinc	4,858	24,242	52,001
0603.10.30	Miniature (spray) carnations, fresh cut	36,801	37,647	40,523
3921.12.11	Nonadhesive plates, sheets, film, foil, strip, cellular, of polymers of vinyl chloride, with man-made textile fibers, over 70% plastics	30,957	31,120	30,102
0709.20.90	Asparagus, n.e.s.o.i., fresh or chilled not reduced in size, not entered Sept 15-Nov 15	19,804	23,201	26,605
7113.19.29	Gold necklaces and neck chains (other than rope or mixed links)	19,117	24,648	25,337
7905.00.00	Zinc, plates, sheets, strip and foil	17,894	16,769	23,755
0804.50.40	Guavas, mangoes, and mangosteens, fresh, if entered September 1 through May 31	3,238	8,033	19,214
4421.90.98	Articles of wood, n.e.s.o.i.	11,752	14,152	15,140
0709.20.10	Asparagus, fresh or chilled, not reduced in size, if entered September 15 to November 15	7,749	7,492	13,553
7113.19.21	Gold rope necklaces and neck chains	9,676	5,949	12,949
1701.11.20	Cane sugar, raw, in solid form, to be used for certain polyhydric alcohols	231	1,613	12,656
0703.10.40	Onions, other than onion sets or pearl onions not over 16 mm in diameter, and shallots, fresh or chilled	3,301	3,924	10,234
4418.20.80	Doors and their frames and threshold, of wood, other than French doors	5,118	6,478	9,637
9602.00.10	Unhardened gelatin, worked and articles thereof, excluding that covered in *HTS* 3505	7,730	11,072	9,385
4202.91.00	Cases, bags and containers n.e.s.o.i., with outer surface of leather, of composition leather or patent leather	11,747	13,261	9,378
7115.90.30	Gold (including metal clad with gold) articles (other than jewelry or goldsmiths' wares)	11,855	57,589	9,356
	Subtotal	1,012,164	1,166,228	1,462,077
	All other	340,692	478,968	288,202
	Total, all commodities	1,352,855	1,645,196	1,750,279

Note.—Because of rounding, figures may not add to totals show. The abbreviation n.e.s.o.i. stands for "not elsewhere specified or included."

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

APPENDIX B
Request Letter

Dockets
TO: The Comm

COMMITTEE ON WAYS AND MEANS

U S HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6348

OER - for
Dr. of Ops.

February 7, 2000

DOCKET NUMBER 2110
Office of the Secretary Intl. Trade Commission

'00 FEB 14 P4:15

Chairman Lynn M Bragg
U S International Trade Commission
500 E Street, SW
Washington, DC 20436

Dear Chairman Bragg:

As you know, section 163(c) of the Trade Act of 1974 (Public Law 93-618, 88 Stat 1978), as amended, and its predecessor legislation required that the United States International Trade Commission "submit to the Congress at least once a year, a factual report on the operation of the trade agreements program." The statutory authority for a number of recurring reports from Federal agencies to the Congress, including the Commission's annual report on the operation of the U.S trade agreements program, *The Year In Trade,* was extended in the Conference Report to accompany H.R. 3194 beyond the expiration date of December 21, 1999 to May 15, 2000

I recognize that for fifty years the U.S. International Trade Commission, and its predecessor organization, the U S. Tariff Commission, produced an annual report which provides an historical record and summary of the major trade-related activities of the United States Given the importance of the trade agreements program, the ongoing Congressional need for factual information on trade policy and its administration, and the general interest in trade and multilateral negotiations, I believe that it would be useful for the Commission to continue its work on this report for calendar year 1999

Therefore, pursuant to section 332(g) of the Tariff Act of 1930 and H.R 3194, I am requesting that the Commission provide an annual report to the Congress and the President on the operation of the trade agreements program for calendar year 1999

I appreciate the Commission's assistance and continuing cooperation in this matter

With best regards

Bill Archer
Chairman

ITC READER SATISFACTION SURVEY

The Year in Trade 1999

The U.S. International Trade Commission (ITC) is interested in your voluntary comments (burden < 15 minutes) to help us assess the value and quality of our reports, and to assist us in improving future products. Please return survey by fax (202-205-2340) or by mail to the ITC.

Your name and title (please print; r*esponses below not for attribution):* ____________________

Please specify information in this report most useful to you/your organization: ______________

____

Was any information missing that you consider important? Yes (specify below) No

If yes, please identify missing information and why it would be important or helpful to you: ________

____

Please assess the *value* of this ITC report (answer below by circling all that apply): SA—Strongly Agree; A—Agree; N—No Opinion/Not Applicable; D—Disagree; SD—Strongly Disagree

" Report presents new facts, information, and/or data	SA	A	N	D	SD
" Staff analysis adds value to facts, information, and/or data	SA	A	N	D	SD
" Analysis is unique or ground breaking	SA	A	N	D	SD
" Statistical data are useful to me/my organization	SA	A	N	D	SD
" Subject matter and analysis are timely	SA	A	N	D	SD
" ITC is the only or the preferred source of this information	SA	A	N	D	SD

If not, please identify from what other source the information is available ______________

Please evaluate the *quality* of this report (answer below by circling all that apply): SA—Strongly Agree; A—Agree; N—No Opinion/Not Applicable; D—Disagree; SD—Strongly Disagree

" Written in clear and understandable manner	SA	A	N	D	SD
" Report findings or executive summary address key issues	SA	A	N	D	SD
" Figures, charts, graphs are helpful to understanding issue	SA	A	N	D	SD
" Analysis throughout report answers key questions	SA	A	N	D	SD
" Report references variety of primary and secondary sources	SA	A	N	D	SD
" Sources are fully documented in text or footnotes	SA	A	N	D	SD

Please provide further comment on any of the above performance measures, as appropriate:

Suggestions for improving this report and/or future reports: ____________________

____

Other topics/issues of interest or concern: ______________________________

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