THE YEAR IN TRADE:
OPERATION OF THE TRADE AGREEMENTS PROGRAM DURING 1995

47th Report

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List of Frequently Used Abbreviations and Acronyms

ACP	African, Caribbean, and Pacific
AD	Antidumping
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATC	Agreement on Textiles and Clothing
ATPA	Andean Trade Preference Act
CBERA	Caribbean Basin Economic Recovery Act
CFTA	United States-Canada Free-Trade Agreement
CVD	Countervailing Duty
EU	European Union
FTA	Free-Trade Agreement
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 System
IMF	International Monetary Fund
IPR	Intellectual Property Rights
ITA	International Trade Administration
MFA	Multifiber Arrangement
MFN	Most Favored Nation
NAFTA	North American Free-Trade Agreement
OECD	Organization for Economic Cooperation and Development
SITC	Standard Industrial Trade Classification
TAA	Trade Adjustment Assistance
TRIMs	Trade-Related Investment Measures
TRIPs	Trade-Related Aspects of Intellectual Property Rights
UNCTAD	United Nations Conference on Trade and Development
URA	Uruguay Round Agreements
URAA	Uruguay Round Agreements Act
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 is the 47th in a series to be submitted to the U.S. Congress under section 163(b) of the Trade Act of 1974 and its predecessor legislation.[1] It 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. The report 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.[2]

Chapter 1 summarizes selected trade events and trade agreements activities that occurred during the year. This chapter also provides an overview of the 1995 economic environment. Chapter 2 focuses on the 1995 activities of the World Trade Organization (WTO) and the Organization for Cooperation and Economic Development (OECD). Chapter 3 discusses developments in regional fora, including the Asia Pacific Economic Cooperation (APEC) forum, the North American Free-Trade Agreement (NAFTA), and the new Trans-Atlantic agenda. 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, China, the European Union (EU), Japan, Korea, Mexico, and Taiwan. Chapter 5 discusses the administration of U.S. trade laws, regulations, and programs. The report covers the 1995 calendar year, and, occasionally, early 1996 events. The report also has a statistical appendix.

Summary of 1995 Trade Agreements Activities

The year 1995 marked the beginning of a new era for the multilateral trading system. The Uruguay Round Trade Agreements (URA) entered into force on January 1, creating the WTO. A year later, on December 31, 1995, the institution known as the General Agreement on Tariffs and Trade (GATT) ceased to exist. During 1995, transition from the GATT Secretariat to the WTO proceeded fairly smoothly as the new organization's institutional framework was put in place. A dispute settlement mechanism complete with appeals body was established. The URA called for negotiations in three major service sectors to be extended beyond the Uruguay Round conclusion. To that end, substantive negotiations took place in financial services, telecommunications, and in maritime transport services during 1995. The financial services negotiations ended with an interim accord reached on July 28, to be reconsidered by yearend 1997. The telecommunications and maritime transport negotiations continued through 1995, with scheduled completion dates in 1996. Also on the multilateral front—and in the spirit of the URA—member countries of the OECD agreed in May to launch negotiations aimed at reaching a multilateral agreement on investment by 1997.

Regionalism's momentum continued during 1995, as shown by such events as: (1) enlargement of the EU on January 1 and a further widening of the EU network of association partnerships and cooperative agreements, (2) entry into force of the Common Market of the Southern Cone (MERCOSUR), (3) adoption of a joint declaration setting out initial principles for achievement of a Free Trade Area of the Americas, (4) adoption by the APEC economies of the Osaka Action Agenda to achieve free and open trade and investment in the Asian-Pacific region, and (5) proposals for strengthening the U.S.-EU trade and economic relationship that were proffered by both sides, which led to conclusion of a new Trans-Atlantic agenda. During the year, the Clinton administration promoted the use of regional agreements as important steps toward achieving global free trade, and, in particular, emphasized regional goals in the Asia-Pacific and Latin America regions.[3]

As in previous years, the United States' 1995 bilateral agenda covered a wide variety of topics. A number of new agreements were reached on market access. For example, an accord with Japan was reached on autos and auto parts that addressed such concerns as: (1) access to Japanese dealerships for U.S. automakers, (2) deregulation of Japan's auto repair parts market, and (3) sales of original foreign parts to Japanese automakers both in the United States and in Japan. The United States and Japan also signed an accord that addressed issues related to foreign direct investment in both countries and to buyer-supplier relationships. An intellectual property rights (IPR) agreement with China was signed. The agreement contains commitments by China to address piracy throughout the country, makes long-term changes to ensure effective IPR enforcement, and provides U.S. rights holders with enhanced access to the Chinese market.[4] The United States and Korea agreed on a consultative mechanism concerning steel, a memorandum of understanding (MOU) on market access for cigarettes was signed, and a MOU to increase market access for foreign passenger vehicles in Korea was also signed. The latter includes provisions on Korea's auto tax system, standards and certification, advertising, auto financing, and consumer perceptions. A bilateral agreement with Korea regarding shelf-life for frozen sausage was also signed in 1995. That agreement ended a dispute that began when the U.S. meat industry filed a section 301 petition concerning Korea's practice of government-mandated expiration dates for frozen meat products. Under the accord, Korea agreed to implement a manufacturer-based system by 1996.

Other accomplishments during the year included a financial services agreement signed with Japan, an agreement with the EU that compensates the United States for the effects of EU enlargement, and resolution of a dispute regarding Mexico's labeling and inspection requirements for tires. Several areas of disagreement were not resolved. For example, the EU import regime for bananas remained a contentious bilateral issue in 1995. "Cultural" issues with Canada were also a source of bilateral discord. (See figure 1-1 for selected trade events during 1995.)

Some of the highlights related to the administration of U.S. trade laws, regulations, and programs in 1995 are listed below:

- At yearend, there were no remedy actions in effect under safeguard laws (sections 201 and 406 of the Trade Act of 1974, and section 302 of the NAFTA Implementation Act) and no investigations in progress. The USITC did conduct one investigation (fresh winter tomatoes) under section 201 and made a negative provisional relief determination. Commerce did not initiate any investigations under section 232 of the Trade Expansion Act of 1962 (national security). The level of investigative activity in 1995 under antidumping and countervailing duty laws and section 337 of the Tariff Act of 1930 was slightly higher than in 1994.

- The URA amended section 22 of the Agricultural Adjustment Act to prohibit the imposition of quantitative limitations or fees under section 22 on articles that are the product of a WTO member. The amendment became effective with respect to all products except wheat. Section 22 fees on wheat were permitted to be imposed through September 11, 1995 (in recognition of the MOU between the United States and Canada) and then were terminated. This was the only section 22 action in effect during 1995.

- Under the NAFTA-related trade adjustment assistance program, data covering fiscal year 1995 indicate that 31,526 workers were certified as eligible to receive benefits.

- Duty-free imports under tariff preference programs accounted for the following proportion of total U.S. imports (by value): the Generalized System of Preferences, 2 percent; Caribbean Basin Economic Recovery Act, 1.7 percent; and the Andean Trade Preference Act, 0.9 percent.

- On January 1, 1995, the URA replaced the Multifiber Arrangement with the Agreement on Textiles and Clothing (ATC). The United States initiated 21 safeguard actions under the ATC in 1995. Of these, 10 were rescinded, 8 led to the negotiation of new 3-year quotas, and 3 led to the imposition of unilateral quotas.

Figure 1-1
Selected trade events, 1995

JANUARY	
Jan. 1	The new World Trade Organization (WTO) comes into existence with 81 members.
	Austria, Finland and Sweden become members of the European Union.
	U.S. Trade Representative (USTR) issues a "Special 301" list of Chinese imports that could be subject to sanctions if improvement is not made in China's protection of intellectual property rights.
	MERCOSUR countries (Argentina, Brazil, Paraguay, and Uruguay) implement a customs union.
Jan. 5	Round of China-WTO accession talks ends unsuccessfully.
	United States and India reach a textiles agreement that allows U.S. exports of textiles, clothing, yarns, and industrial fabrics to India for the first time.
Jan. 11	United States and Japan reach a financial services pact that will allow foreign investment advisers access to Japan's large pension fund market and will ease restrictions on corporate pension fund management, investment trusts, and cross border securities transactions.
Jan. 31	President Clinton uses executive authority to provide $20 billion financial aid loan package to stabilize Mexico's economy and restore investor confidence following Mexico's "peso crisis."
FEBRUARY	
Feb. 1	Association accords between the EU and Bulgaria, the Czech Republic, Romania and Slovakia come into effect. The accords are a first step to their eventual EU membership.
Feb. 8	Armenia is granted GSP by the United States. Brazil and the Bahamas are graduated from the program.
	Russia, Belarus, and Kazakhstan agree to establish a customs union.
Feb. 26	United States and China reach a landmark agreement on intellectual property protection rights.
MARCH	
Mar. 13	USTR Kantor signs an agreement with China to extend the agreement on satellite launch services for another 7 years.
Mar. 26	The Schengen agreement to establish a frontier-free Europe comes into force. Border controls are abolished between France, Germany, Belgium, Luxembourg, the Netherlands, Spain, and Portugal.[1]
Mar. 29	Korea formally applies to become the 26th member of the Organization for Economic Cooperation and Development (OECD). Accession is planned for 1996.
	United States and Korea reach a telecom agreement.
Mar. 31	The Japanese Government outlines a 5-year plan for trade deregulation that includes 1,091 proposals addressing distribution, customs and transportation and further cuts in red tape.
APRIL	
Apr. 30	USTR puts seven countries on a priority watch list for failure to adequately protect U.S. copyrights, patents and trademarks: Brazil, Greece, Japan, Saudi Arabia, Turkey, India, Korea and the EU.

Figure continued on next page.

Figure 1-1—*Continued*
Selected trade events, 1995

MAY	
May 1	President Clinton bars all trade by U.S. companies with Iran.
JUNE	
June 5	President Clinton recommends renewal of most-favored-nation (MFN) treatment for China for another year.
June 7	United States, Canada, and Mexico launch formal negotiations with Chile for Chilean accession to NAFTA.
June 16	United States and Japan reach a broad agreement on ways to promote direct investment in Japan by foreign businesses, proposing tax incentives and low-interest loans by governmental financial institutions.
June 20	WTO starts consultations with the International Monetary Fund (IMF) and the World Bank to bolster policy coordination among the three organizations.
June 30	Summit of the Americas trade ministerial meeting at Denver, CO. Western Hemisphere trade leaders approve a declaration outlining a work plan for creating a hemispheric free-trade zone by 2005.
June 30	United States lifts wildlife trade restrictions on Taiwan. Sanctions were imposed in 1994 in response to the Taiwan commercial trade in rhinoceros and tiger parts.
JULY	
July l	United States and Japan reach an agreement on autos and auto parts. Japan agrees to increase imports of U.S. autos and auto parts but refuses numerical targets.
July 3	USTR announces that it will investigate alleged exclusionary business practices for consumer photographic film and paper in Japan.
July 12	The House of Representatives passes legislation granting MFN trading status to Cambodia and Bulgaria.
	President Clinton announces the normalization of diplomatic and trade relations with Vietnam.
July 17	United States and Korea agree on a regular steel trade consultative mechanism to discuss key economic trends and data concerning steel and pipe and tube products.
July 20	U.S.-Japanese accord is signed to promote foreign direct investment and to address issues related to buyer-supplier relationships in both the United States and Japan.
	United States and Korea sign an agreement on shelf-life for frozen sausage under which Korea will implement a manufacturer-based system by 1996.
July 31	The U.S. GSP program expires and is not renewed.
AUGUST	
Aug. 2	Vietnam becomes a member of the Association of Southeast Asian Nations (ASEAN).
Aug. 16	Russia stiffens copyright law by making failure to comply with requirements of the law subject to hefty fines and by requiring pirated material to be confiscated and destroyed.
SEPTEMBER	
Sept. 1	Ten-year anniversary of the U.S.-Israel Free-Trade Area Agreement.
Sept. 6	The United States and Korea reach an agreement on market access for U.S. cigarettes.

Figure continued on next page.

Figure 1-1—*Continued*
Selected trade events, 1995

September—*Continued*

	Members of the Central European Free Trade Agreement (CEFTA) —Poland, Hungary, Slovakia and the Czech Republic—agree to admit Slovenia and to further liberalize trade, remove barriers to capital flows and form joint ventures in their countries' service sectors.
Sept. 27	President Clinton signs executive order extending the Super 301 provisions in U.S. trade law. The dispute settlement body of WTO sets up an independent dispute panel to rule on complaints by the United States, EU, and Canada, that Japanese liquor taxes discriminate against imports.
Sept. 29	United States and Korea resolve auto dispute. Korea agrees to liberalize standards and certification practices, reduce taxes that discriminate against imported vehicles, permit foreign advertisers equal access to television advertising time, allow foreign majority ownership of auto retail financing entities and improve consumer perception of auto imports.
Sept. 30	United States files a complaint with WTO against the EU for restricting banana imports.

OCTOBER

Oct. l	United States and Canada file complaints with WTO over the EU grain import regime.
Oct. 3	Korea and Argentina agree to expand cooperation in trade, investment and other sectors as part of an agenda to improve bilateral relations.
Oct. 6	President Clinton lifts export controls on a broad array of powerful computers.
	United States strengthens enforcement of trade embargo against Cuba.
Oct. 10	The United States and China begin trade talks centering on IPR and market access.
	The Helms-Burton bill is introduced in the House to tighten the trade embargo against Cuba and would impose economic penalties against countries and companies that do business with Cuba.
Oct. 11	Cuba is admitted as a founding member of the Association of Caribbean States—an economic bloc of 24 countries that includes Colombia, Mexico, Venezuela, the Central American countries, the Caricom members, the Dominican Republic and Haiti.
Oct. 12	EU blocks a request from the United States for the establishment of a WTO panel to examine a complaint that the EU's imposition of duties on imports of U.S. grains violates global trade rules.
Oct. 13	U.S., Canadian, and Mexican officials finalize regional environmental initiatives and discuss initiatives designed to improve the flow of environmental information across NAFTA borders.
Oct. 24	USTR proposes that the United States launch a joint study with the EU to address existing trade barriers and identify future opportunities to bolster U.S.-EU trade.

NOVEMBER

Nov. 3	Japan's electronics industry calls for the termination of a nearly 10-year old semiconductor trade agreement with the United States.
Nov. 8	By a vote of 289 to 134, the House approves lifting the 22-year ban on exports of Alaskan oil.
	EU representatives begin exploratory talks in Havana on a possible future economic cooperation accord between the EU and Cuba.
Nov. 17	Iran, facing a financial crisis, opens its oil industry to foreign investment for the first time since the 1979 Islamic revolution.

Figure continued on next page.

Figure 1-1—*Continued*
Selected trade events, 1995

NOVEMBER—*Continued*	
Nov. 19	APEC leaders adopt the Osaka Action Agenda, a blueprint to guide the implementation of free trade in the Asia Pacific region.
Nov. 20	China pledges to cut tariffs on 4,000 items and end quotas in 1996.
Nov. 30	USTR announces an agreement with the EU regarding enlargement compensation and EU grain import policies.
DECEMBER	
Dec. 3	New Trans-Atlantic agenda announced by President Clinton and leaders of the EU.
Dec. 4	The Czech Republic joins the OECD.
Dec. 18	Citing safety concerns, the United States delays granting access for Mexican trucks to U.S. border states as scheduled under NAFTA.

[1] In mid-year, France reinstituted its border controls for security reasons.

The 1995 Economic Environment

World real output grew by 3.7 percent in 1995, compared with 3.6 percent in 1994.[5] Tight monetary policies and stronger commitments to reduce budget deficits in a number of countries, including the United States, Canada and EU members, played a major role in keeping inflation low and inducing stable but moderate rates of economic expansion.

Output in the United States, Canada, and the EU in 1995 grew at a rate slightly below that registered during the previous year. In Canada, economic growth decelerated because of tight monetary and fiscal policies and slower exports.

In the EU, a slowdown in domestic investment spending weakened the economic growth that had been under way in several member countries. Consumer demand and spending were also sluggish and foreign demand for EU exports slowed. Foreign exchange market turbulence during the early part of 1995 led to high exchange rates in Germany and a number of other countries participating in the Exchange Rate Mechanism (ERM). Meanwhile, the high interest rates required to defend weaker national currencies, which were subject to selling pressures, led to a weakening in business confidence and investment spending.

In Japan, the economy remained weak. The drop in asset prices since the late 1980s and the sharp appreciation of the yen which led to a decline in exports, increased imports, and adversely affected consumer and business confidence and spending, continued to have a dampening effect. But the weaknesses in economic activity in Japan appeared to have bottomed out by the fourth quarter of 1995, as shown by steadily climbing public investment, consumption and expanding housing construction.[6]

Growth prospects in developing and emerging economies in 1995 were mixed. In Latin America (including Mexico and the countries of the Caribbean, Central America, and South America), aggregate GDP grew in 1995 at 1.8 percent, slower than the 4.6-percent growth rate posted in 1994. The decline was largely caused by the financial crises in Mexico and Argentina. GDP was estimated to have fallen by 6.0 percent in Mexico and Argentina's GDP did not grow at all.[7] Some Latin American countries, however, fared well and continued to expand, as illustrated by Chile, whose GDP expanded by 7.0 percent in 1995. Economic activity continued to expand in 1995 in the Pacific Rim countries, particularly in China, Korea, Taiwan, Singapore and Thailand. Table 1-1 shows economic indicators of selected U.S. trading partners.

World trade grew at a much faster rate than output in 1995, according to GATT/WTO estimates.[8] The WTO reported that the volume of world trade grew by 8 percent in 1995. Although that rate is down from the 9.5 percent growth in the previous year, it is still well above the average annual gains of the previous 10 years. Trade growth surpassed the 3.7-percent rise in world output growth. The value of world merchandise trade rose even more, by 19 percent, up from the 13 percent gain in 1994 due, in part, to the depreciation of the dollar against the yen and several other currencies.

Table 1-1
Comparative economic indicators of the United States and of specified major trading partners, 1994-95

Country	Real GDP[1] 1994	1995	Inflation rates[1] 1994	1995	Unemploy-ment rate[2] 1994	1995	Governments budget balance[3] 1994	1995	Merchandse trade balance 1994	1995	Current account balance[3] 1994	1995
	Percent change from previous period								*Billion dollars*		*Percent of GDP*	
G-7 countries												
United States	3.5	2.1	2.6	3.0	6.1	5.6	-2.0	-1.6	-176.0	-194.0	-2.2	-2.4
Canada	4.6	2.4	0.2	2.1	10.4	9.6	-5.3	-4.4	11.0	20.5	-3.0	-2.5
Japan	0.5	2.2	0.7	-0.2	2.9	3.1	-3.5	-3.9	145.0	107.0	2.8	2.3
Germany	2.9	2.1	2.7	1.8	9.6	9.3	-2.6	-3.1	39.0	64.7	-1.0	-0.8
United Kingdom	3.8	2.7	2.4	2.9	9.2	8.4	-6.9	-5.0	-20.0	-24.8	0	-1.1
France	2.9	2.7	1.7	2.1	12.2	11.5	-6.0	-5.0	12.0	12.1	0.6	1.3
Italy	2.2	3.1	4.0	5.4	11.3	11.9	-9.0	-7.4	34.1	29.1	1.5	1.9
EU	2.8	2.7	3.0	3.1	11.5	11.1	-6.3	-6.1	63.9	13.0	0.3	0.6
OECD Europe	2.4	2.9	7.5	6.7	11.2	10.8	-5.8	-5.0	21.0	39.5	0.6	0.8
Mexico	3.6	-6.0	6.6	35.0	3.7	6.5	-21.0	-23.0	-17.8	-19.9	-7.8	-0.3
Total OECD	2.9	2.4	4.1	4.5	8.0	7.8	-3.9	-3.4	-9.4	-33.9	-0.2	-0.1
									Billion dollars			
China	11.8	9.5	21.7	15.5	n/a	n/a	n/a	n/a	-12.2	17.0	7.3	7.8
Taiwan	6.1	6.3	4.1	3.8	n/a	n/a	n/a	n/a	11.5	7.6	5.9	5.0
Korea	8.4	9.0	6.2	5.0	2.4	2.0	n/a	n/a	1.9	-9.9	-4.5	-9.9

[1] Percent change from previous year.
[2] Percent of total labor force.
[3] As a percent of GDP.

Note.—Trade and current account balances for China, Korea, and Taiwan are in billion dollars.

Source: *OECD Economic Outlook*, 58, 1995; IMF *World Economic Outlook, Oct. 1995*, International Financial Statistics, Feb. 1996, and *China & North Asia Monitor*, No. 2, Feb. 1996. World Trade Organization (WTO) press release, press/44 Mar. 22, 1996.

The value of merchandise trade rose to a record $4.9 trillion and the value of trade in goods and services combined reached $6.0 trillion for the first time. A jump in trade in office machines, computer and telecommunications equipment, and in processing trade boosted world trade growth. Trade in commercial services (transportation, travel, and other private services) increased 14 percent to $1.23 trillion during the year.

By region, the volume of merchandise trade continued to expand in 1995. In North America, the volume of exports to the world rose by 8.5 percent in 1995, while imports from the world rose by 7.5 percent. Latin American exports to the world soared 11.5 percent in volume but Latin American import growth slowed, increasing by only 4.5 percent. In the EU, exports and imports rose by 7.0 percent and 7.5 percent, respectively. In Central and Eastern Europe, exports increased by 9.5 percent and imports by 6.5 percent. The volume of Asia's exports grew by 9.5 percent and imports by 13 percent. In the foreign sector, the United States ranked as the world's largest merchandise exporter, followed by Germany and Japan. U.S. exports of goods rose to an all-time high of $545.6 billion, but U.S. imports increased considerably more, to $739.7 billion.[9] Strengthened domestic demand for imports led to a widening of the 1995 merchandise trade deficit to $194.1 billion. Figure 1-2 shows U.S. exports and imports by aggregate product sectors. The United States ranked first in exports of commercial services, followed by France, Italy, the United Kingdom, Japan, and Germany.

In the United States, real output grew at a slower rate in 1995 than in 1994 because of tight fiscal and monetary policies, higher interest rates and a slower growth in consumer and investment spending.[10] Consumer spending on durable goods declined by more than half compared with the 1994 spending level. Because of higher interest rates and rising inventory of unsold goods, real gross private domestic fixed investment declined, particularly in the category of producers' durable equipment investment. Unit labor costs declined, and labor productivity rose. The unemployment rate fluctuated between 5.5 and 5.8 percent during 1995.[11] Real Federal Government expenditures and gross investment declined due to substantial cuts in national defense spending. The Federal budget deficit declined to $164 billion, a 20-percent drop from 1994.[12]

U.S. trade performance improved with a few trading partners during 1995, but worsened with most. U.S. merchandise trade deficits with Canada, Germany, China and the Organization of Petroleum Exporting Countries (OPEC) increased.[13] The U.S. deficit with Japan decreased by about 11 percent, to $61.4 billion. The Pacific Rim countries accounted for approximately 77 percent of the total U.S. merchandise trade deficit in 1995, with China and Japan accounting for about 49 percent of the total U.S. deficit.

Figure 1-3 shows U.S. merchandise exports, imports, and trade balances with major trading partners. Leading U.S. exports to, and imports from, major U.S. trading partners are highlighted in appendix A.

The U.S. current account deficit grew by $1.7 billion in 1995. The increase in the deficits on the merchandise trade and investment income accounts were nearly offset by an increase in the surplus in services and a reduction in net unilateral transfers. The U.S. deficit on income from foreign investment grew in 1995 as payments on foreign assets in the United States increased to $192.7 billion whereas receipts from U.S. assets abroad increased to $181.3 billion. Net inflows of foreign capital into the United States declined in 1995. Both U.S. purchases of foreign assets and securities and foreigners purchases of U.S. assets and securities expanded. However, U.S. purchases of foreign securities expanded much more, more than doubling over the previous year.

In 1995, the U.S. surplus on services trade rose to $63.0 billion. U.S. trade in services grew in almost every category. U.S. total services trade (exports + imports) reached $354.6 billion in 1995, an increase of $17.1 billion over 1994. U.S. exports of services in 1995 totaled $208.8 billion. Of this total, exports of services were as follows: the EU ($63.4 billion), Eastern Europe ($2.7 billion), Canada ($18.0 billion), Latin America and other Western Hemisphere nations ($29.8 billion), Japan ($32.6 billion), Australia ($4.3 billion), and other countries in Asia and Africa ($44.0 billion).

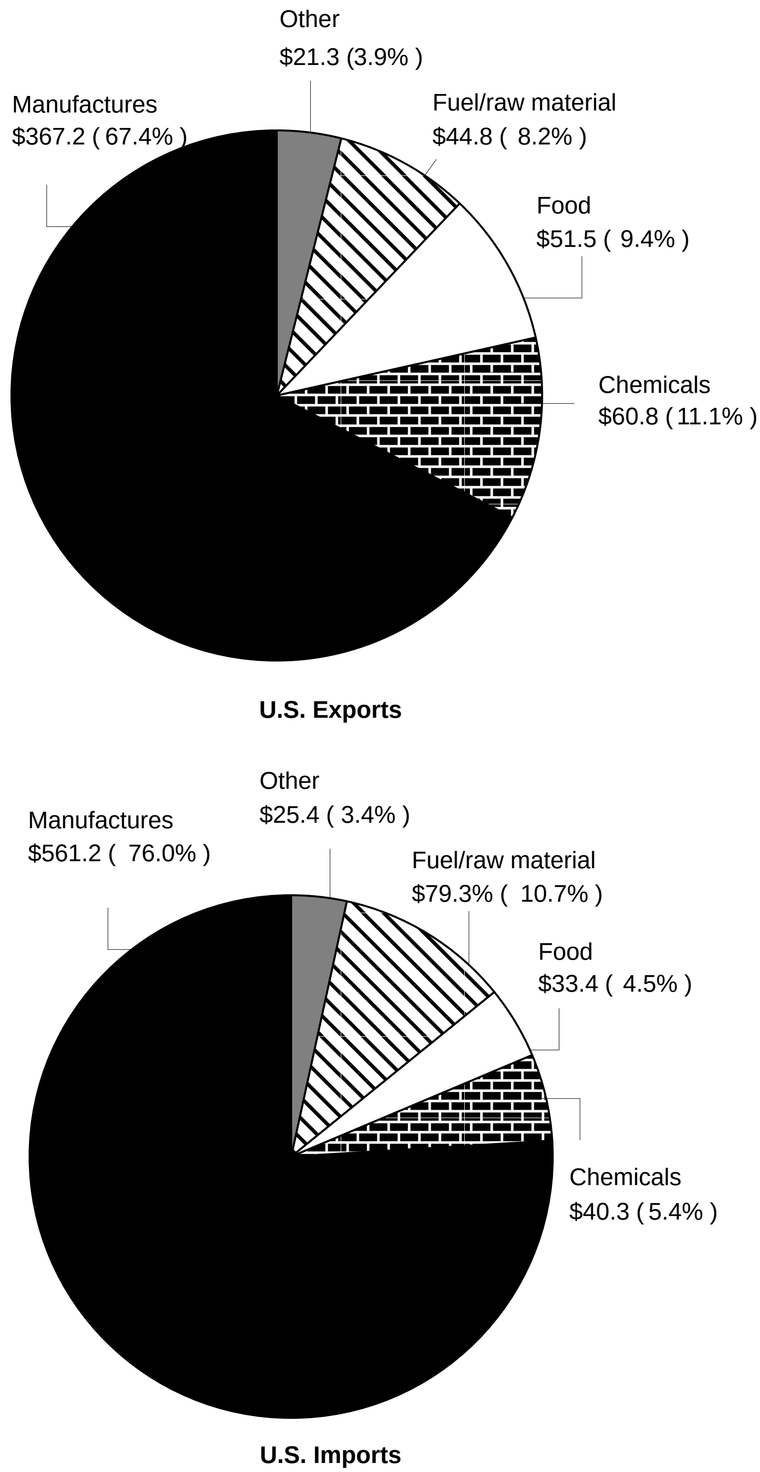
The following tabulation shows U.S. trade and current account balances with the world in billion dollars:

	1994	**1995**
Merchandise exports	502.5	574.9
Merchandise imports	-668.6	-749.3
Balance on merchandise trade	-166.1	-174.4
Balance on services	59.9	63.0
Balance on goods and services	-106.2	-111.4
Balance on investment income	-9.3	-11.4
Balance on goods, services, and income	-115.5	-122.8
Unilateral transfers	-35.8	-30.1
Balance on current account	-151.2	-152.9
U.S. assets abroad, net, outflow (-)	-125.8	-280.1
Foreign assets in the U.S., net, inflow (+)	291.4	426.3
Net capital inflows (+), outflows (-)	165.6	146.2

Source: U.S. Department of Commerce, BEA 96-07, *U.S. International Transactions: Fourth Quarter and Year 1995, Current Account.*

Figure 1-2
U.S. merchandise trade with the world, by product sectors, 1995

(Billion dollars)



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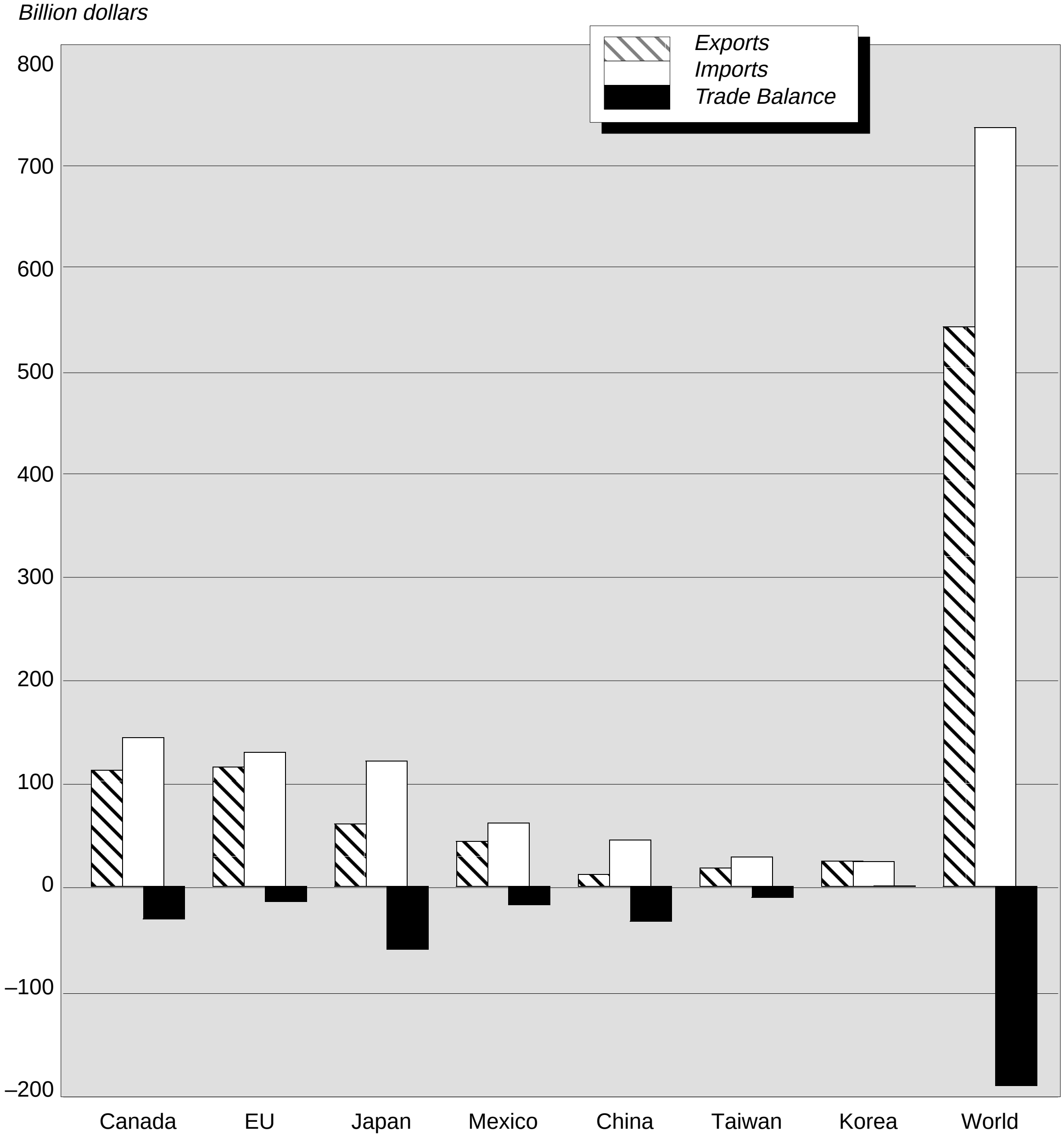
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 1-3
U.S. merchandise exports, imports, and trade balance (customs value basis) with major trading partners, 1995



Major trading partners	***Exports***	***Imports***	***Trade balance***
Canada	113.3	144.9	-31.6
EU	116.3	130.8	-14.5
Japan	61.0	122.4	-61.4
Mexico	44.0	61.7	-17.7
China	11.6	45.4	-33.8
Taiwan	18.0	28.9	-10.8
Korea	24.5	24.0	0.5
World	545.6	739.7	-194.0

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

ENDNOTES

[1] Section 163(b) 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] Executive Order No. 11846, Mar. 27, 1975.

[3] Office of the President of the United States, *Economic Report of the President*, Feb. 1996, p. 238.

[4] By mid-year 1996, China's lack of enforcement of the IPR agreement was a major source of trade friction with the United States. President Clinton affirmed that sanctions on Chinese exports to the United States would be imposed if the Chinese Government failed to halt production of pirated U.S. software, movies, and music. See the section on China in ch. 4 for more details.

[5] IMF, *World Economic Outlook*, Oct. 1995, p. 4.

[6] OECD, *OECD Economic Outlook*, 58, Dec. 1995, pp. 1-2.

[7] Ibid. pp. 92, 114.

[8] GATT press release, GATT/1570, Mar. 22, 1996.

[9] *U.S. Department of Commerce News*, CB-94-30, FT-900 (95-1), U.S. Merchandise Trade, Dec. 1994; and USITC, *International Economic Review (IER)*, Feb./Mar. 1996.

[10] *U.S. Department of Commerce News*, BEA 96-05, Gross Domestic Product 1995 (Advance).

[11] U.S. Department of Labor, Bureau of Labor Statistics.

[12] *Economic Report of the President*, 50th Anniversary, 1946-96, Feb. 1996, p. 367.

[13] USITC, *IER*, op. cit.

CHAPTER 2
Selected Trade Activities in the World Trade Organization and the Organization for Economic Cooperation and Development During 1995

World Trade Organization

Introduction

On January 1, 1995, the Agreement Establishing the World Trade Organization entered into force and the new World Trade Organization (WTO) officially came into existence. Designed to operate in much the same manner as the GATT institutional arrangements which it replaced, the WTO is a permanent forum for member governments to address their multilateral trade relations as well as to facilitate the implementation of the trade agreements negotiated during the Uruguay Round.[1] Because the Uruguay Round Agreements (URA) cover a broader range of subject matter, including for the first time services and intellectual property rights, and include improved decision-making procedures, the new WTO organization will oversee a wider variety of agreements and will likely play a larger role in facilitating dispute settlement than its predecessor organization.

While the institutional arrangements known as the GATT have been replaced by the new WTO, the agreement known as the GATT, the General Agreement on Tariffs and Trade, continues to exist.[2] The preexisting (pre-1995) agreement was redesignated as "GATT 1947" to distinguish it from the agreement as incorporated into the WTO Agreement, which has been designated as "GATT 1994." GATT 1947 and GATT 1994 are "legally distinct" agreements.[3] GATT 1947 was terminated at the end of 1995; therefore, all obligations under GATT 1947 ceased to exist at the end of 1995. Nevertheless, for transitional purposes, pre-1995 GATT rules continued to be applied during 1995 with respect to disputes for which consultations had been requested prior to January 1, 1995, and to panel reports not adopted as of that date. The Tokyo Round antidumping and subsidies codes were also terminated at the end of 1995. However, the committees administering those agreements continue in existence during 1996 solely for the purpose of dispute settlement.

Dispute Settlement

WTO Disputes

During 1995, 21 requests for consultations were notified under the new integrated dispute settlement procedures set up under the WTO, the Understanding on Rules and Procedures Governing the Settlement of Disputes, known also as the Dispute Settlement Understanding or DSU (see table 2-1). All involved trade in goods and in general were covered under the multilateral agreements found in annex 1A of the WTO Agreement (Agreement Establishing the World Trade Organization): seven requests referenced the Agreement on Technical Barriers to Trade, five the Agreement on Sanitary and Phytosanitary Measures, three the Customs Valuation Agreement, and two each the Agriculture Agreement and the Agreement on Import Licensing.

Disputes Under Pre-1995 Procedures

Paragraph 11 of the WTO Dispute Settlement Understanding provides that pre-WTO rules and procedures are to apply to any dispute for which consultations were requested prior to entry into force of the WTO Agreement and to panel reports that had

Table 2-1
WTO dispute settlement in 1995

Complainant	Dispute	Initial Consultations	Status (as of Apr. 1, 1996)
Singapore	Malaysia - import ban of polyethylene and polypropylene	Jan. 13, 1995	Settlement notified July 19, 1995
Venezuela	United States - standards for reformulated and conventional gasoline	Feb. 2, 1995	Panel est. Apr. 10, 1995 Panel report appealed Feb. 21, 1996 Panel and Appellate Body Reports adopted May 20, 1996
United States	Korea - testing and inspection of agricultural products	Apr. 6, 1995	Consulations ongoing at Apr. 1, 1996
Brazil	United States - standards for reformulated and conventional gasoline	Apr. 12, 1995	Panel est. May 31, 1995 Panel report appealed Feb. 21, 1996 Panel and Appellate Body Reports adopted May 20, 1996
United States	Korea - product shelf life	May 5, 1995	Settlement notified July 31, 1995
Japan	United States - import duties on automobiles	May 22, 1995	Settlement notified July 19, 1995
Canada	EC- trade description of scallops	May 24, 1995	Settlement notified July 19, 1995 Panel est. Oct. 11, 1995 Panel active at Apr. 1, 1996
EU	Japan - taxes on alcoholic beverages	June 29, 1995	Panel est. Sep. 27, 1995 Panel report issued July 12, 1996
Canada	EC- import duties on cereals	July 10, 1995	Panel est. Oct. 11, 1995
Canada	Japan - taxes on alcoholic beverages	July 17, 1995	Panel est. Sep. 27, 1995 Panel report issued July 12, 1996
United States	Japan - taxes on alcoholic beverages	July 17, 1995	Panel est. Sep. 27, 1995 Panel report issued July 12, 1996
Peru	EC- trade description of scallops	July 25, 1995	Panel est. Oct. 11, 1995 Panel active at Apr. 1, 1996
United States	EC- import duties on grains	July 26, 1995	(ongoing)
Chile	EC- trade description of scallops	July 31, 1995	Panel est. Oct. 11, 1995 Panel active at Apr. 1, 1996
EU	Japan - measures affecting purchases of telecommunications equipment	Aug. 24, 1995	Apparent settlement
India	Poland - import regime for automobiles	Sep. 28, 1995	Consultations ongoing at Apr. 1, 1996
Ecuador, Guatemala, Honduras, Mexico, United States	EC- import regime for bananas	Sept. 28, 1995	Consultations ongoing at Apr. 1, 1996
Thailand	EC- import duties on rice	Oct. 11, 1995	Consultations ongoing at Apr. 1, 1996

Table 2-1—*Continued*
WTO dispute settlement in 1995

Complainant	Dispute	Initial Consultations	Status (as of Apr. 1, 1996)
Canada	Australia - measures affecting imports of salmon	Oct. 11, 1995	Consultations ongoing at Apr. 1, 1996
Canada	Korea - measures affecting bottled water	Nov. 8, 1995	Consultations ongoing at Apr. 1, 1996
United States	Australia - measures affecting imports of salmon	Nov. 17, 1995	Consultations ongoing at Apr. 1, 1996

Source: WTO, "Overview of dispute settlement in the WTO," *Focus*, No. 10, May 1996, p. 10.

not been adopted or fully implemented as of that date. During 1995, several disputes continued under pre-1995 GATT procedures. Four panel reports were submitted to the GATT Council for adoption concerning: (1) the EU member states' import regimes for bananas, (2) the EU's import regime for bananas, (3) U.S. restrictions on imports of tuna, and (4) U.S. taxes on automobiles. One panel report involving the Antidumping Agreement was adopted concerning ECantidumping duties on imports of cotton yarn from Brazil, and one new panel report was circulated concerning ECantidumping duties on imports of audiocassette tapes from Japan. Under the Subsidies and Countervailing Measures Code, one dispute was suspended concerning U.S. countervailing duties on flat carbon steel products from certain EU member states; another panel report was circulated concerning U.S. countervailing duties on certain hot rolled lead and bismuth carbon steel products from certain EU member states; and a third panel report was adopted concerning U.S. countervailing duties on nonrubber footwear from Brazil.

Appeals Body Formed

The framework for the WTO integrated dispute settlement system was completed with the appointment of members to the WTO Appellate Body on November 29, 1995. Unlike the pre-1995 dispute settlement procedures, where one member (usually the country found to have violated the GATT) could block indefinitely the adoption of a panel report, under the new WTO procedures, panel reports are adopted automatically (unless there is a consensus to reject the report). However, reports may be appealed.[4]

Reformulated Gasoline Dispute

Following bilateral consultations with the United States, Venezuela requested a WTO dispute settlement panel to examine its complaint that standards on reformulated and conventional gasoline issued by the U.S. Environmental Protection Agency (EPA) in December 1993 discriminated against imports of gasoline. Specifically, Venezuela asserted that the standards violated Articles I (Most-Favored-Nation Treatment) and III (National Treatment) of GATT 1994, as well as several articles under the WTO Agreement on Technical Barriers to Trade concerning unnecessary barriers to trade. The WTO Dispute Settlement Body (DSB) established its first ever dispute panel on April 10, 1995 to address the complaint.[5] In May, Brazil brought a similar complaint against the United States and a new panel was established May 31, 1995 to examine the issue for both members.[6]

Accessions

When the WTO entered into force on January 1, 1995, it had 81 member countries and territories, representing over 90 percent of international trade in goods and services.[7] By November 17, 1995, WTO membership had risen to 110. As of February 22, 1996, WTO membership had increased further to 119 (see table 2-2), and 28 additional governments requesting WTO membership were involved in accession working parties (see table 2-3).[8]

Plurilateral Agreements

During the Tokyo Round, nine sector-specific agreements (the so-called Tokyo Round codes of conduct) were concluded under the GATT; these agreements—referred to as "plurilateral" agreements—were binding only on those GATT members that signed them, rather than binding on all GATT contracting parties (a "multilateral" agreement). Under the WTO Agreement, five of these agreements became multilateral agreements applicable to all WTO members—those concerning antidumping, subsidies, technical barriers to trade (or standards), customs valuation, and import licensing. The four remaining Tokyo Round agreements were carried over into the WTO as plurilateral agreements—the agreements on government procurement, civil aircraft, bovine meat, and dairy products.

Agreement on Government Procurement

In 1995, the Interim Committee on Government Procurement prepared for the entry into force of the 1996 Agreement on Government Procurement (GPA 1996), which became effective January 1, 1996. The GPA 1996 replaces the 1979 Agreement on Government Procurement (GPA 1979) concluded as one of the Tokyo Round codes. The procurement code has been the plurilateral agreement with the smallest membership, with only a dozen signatories for the GPA 1979, including Canada, Japan, the EC and the United States, and several other industrialized countries. The GPA 1996 retains roughly the same country membership except that Austria, Finland, and Sweden have since become members of the EU as of January 1995, and are now signatory to the GPA 1996 through the signature of the EU-15 rather than individually (see table 2-4). Korea will delay implementation of the GPA 1996 for 1 year, joining in 1997. Hong Kong

Table 2-2
WTO Members (as of Feb. 22, 1996)

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

Source: WTO, found at website http://gatekeeper.unicc.org/wto/memtab2_wpf.html, Feb. 22, 1996.

Table 2-3
Countries seeking membership through WTO Working Parties on accession (28)

Albania	China	Lithuania	Russia	Ukraine
Algeria	Croatia	Macedonia	Saudi Arabia	Uzbekistan
Armenia	Estonia	Moldova	Seychelles	Vanuatu
Belarus	Jordan	Mongolia	Sudan	Vietnam
Bulgaria	Kazakhstan	Nepal	Taiwan	
Cambodia	Latvia	Panama	Tonga	

Source: WTO, found at website http://gatekeeper.unicc.org/wto/memtab2_wpf.html, Feb. 22, 1996.

and Singapore were signatories to the GPA 1979 but are not to the GPA 1996. Hong Kong negotiated membership in the GPA 1996 during the Uruguay Round but later withdrew, citing the negotiation of reciprocal market access to certain procurement contracts as contrary to the principles of most-favored-nation and national treatment under the GATT/WTO multilateral trade system. Singapore did not participate in negotiation of the GPA 1996. However, Singapore opened accession negotiations in December 1995, tabling a list of its initial offer of procurement entities.[9] Negotiations for accession to the GPA 1996 are also underway with Aruba (under the aegis of the Netherlands), Liechtenstein, and Taiwan.[10]

Table 2-4
Signatories to the Agreement on Government Procurement

1979 Agreement (12)	1996 Agreement (8)
Austria	
Canada	Canada
EC	EC
Finland	Israel
Hong Kong	Japan
Israel	Korea (in 1997)
Japan	Norway
Norway	Switzerland
Singapore	United States
Sweden	
Switzerland	
United States	

Source: USTR, *1996 Trade Policy Agenda and 1995 Annual Report*, p. 149. Austria, Finland, and Sweden became members of the European Union on Jan. 1, 1995, and are bound to the agreement under the signature of the European Communities (EC)—at times popularly referred to in the singular as “the European Community.” The Commission of the European Communities is typically the legal entity that signs for member states of the European Union, although individual member states may also be separate signatories where legal competence may be divided between the Commission and the EU member state.

Agreement on Trade in Civil Aircraft

The 1979 Tokyo Round Agreement on Trade in Civil Aircraft was carried over into the WTO essentially unchanged with the same small number of signatories. Signatories to the Agreement on Trade in Civil Aircraft are Austria, Belgium, Canada, Denmark, the EC, Egypt, France, Germany, Ireland, Italy, Japan, Luxembourg, Macao, the Netherlands, Norway, Portugal, Romania, Spain, Sweden, Switzerland, the United Kingdom, and the United States.[11]

International Dairy Agreement

At the end of 1995, the nine members to the International Dairy Agreement were Argentina, Bulgaria, the EC, Japan, New Zealand, Norway, Romania, Switzerland, and Uruguay. In 1995, the International Dairy Council decided to suspend until December 1997 the implementation of the minimum export price provisions as well as the committee monitoring them.[12]

International Bovine Meat Agreement

At the end of 1995, the 16 members to the meat agreement were Argentina, Australia, Bangladesh, Brazil, Canada, Colombia, the EC, Japan, New Zealand, Norway, Paraguay, Romania, South Africa, Switzerland, the United States, and Uruguay. The International Meat Council agreed to take into account the priority work in the WTO Committee on Agriculture and the Committee on Sanitary and Phytosanitary Measures.[13]

Services Negotiations

Although the WTO Agreement included a General Agreement on Trade in Services (GATS) and countries made specific commitments concerning services in national schedules, negotiations were extended for a number of service sectors where additional rules were considered necessary. When completed, commitments pertaining to these particular sectors are to be incorporated into the national schedules of signatory countries, which are attached as annexes to the GATS. Additional annexes to the GATS provided for extended negotiations concerning financial services, movement of natural persons, basic telecommunications services, and maritime transport services, and for periodic reviews of certain air transport services. Owing to the extensive network of bilateral treaties governing air transport services, most air transport services remain outside the scope of the GATS. The GATS Annex on Air Transport Services largely exempts measures governing air traffic rights and most directly related services. (It does, however, apply to aircraft repair and maintenance services, selling and marketing of air-transport services, and computer reservation services.) Under terms of the URA, extended negotiations were to have been concluded by the following dates:

Financial Services	June 30, 1995
Movement of Natural Persons	June 30, 1995
Basic Telecommunications	April 30, 1996[14]
Maritime Transport Services	June 30, 1996

In addition, discussions concerning professional services are being held, with initial talks examining the field of accounting.

Financial Services

At the end of the Uruguay Round (as initialed by the *Final Act* in Marrakesh in April 1994) signatories undertook obligations to apply commitments specified in their national schedules to other signatories under the GATS financial services annex throughout the period of extended negotiations, scheduled to conclude June 30, 1995. On June 29, 1995, the United States announced that it would retain its MFN exemptions pertaining to banking and securities. In addition, the scope of the MFN exemption was expanded to encompass insurance. The United States undertook commitments to apply national treatment to all financial service providers already established in the United States, but no commitments that would necessarily allow foreign firms to establish new commercial presences, expand existing activities, or conduct new activities. U.S. commitments and MFN exemptions took effect July 1, 1995.

In the wake of this announcement, remaining participants crafted an interim financial services agreement, drawing upon the best offers tabled to date. Following an extension until July 28, 1995, an interim financial services agreement was secured among 80 participants, 32 of which had participated in the extended financial services negotiations. Since the conclusion of the Uruguay Round, 20 of these participants had improved commitments in insurance, 24 in banking, 17 in securities, and 25 in other financial services.[15] Eight countries deleted their exemptions to MFN obligations under the GATS in financial services and others reduced the scope of their exemptions. All other members with specific commitments have maintained their existing schedules.[16]

It was agreed that the protocol for the interim agreement would be open for signature until June 30, 1996 to allow governments time to ratify the results. The interim agreement was scheduled to take effect August 1, 1996, after acceptance by all members concerned, and to last through December 31, 1997. During the last 60 days of that period, signatories may modify, change, or withdraw their offers, in effect providing for new negotiations concerning financial services.

Movement of Natural Persons

Negotiations on the movement of natural persons, although not linked with those on financial services, were extended and concluded on the same schedule as the financial services negotiations. The results of these negotiations now become part of the GATS as the Annex on Movement of Natural Persons. The annex clarifies that GATS members are free to regulate the entry and temporary stay of natural persons in their territory and that specific commitments made under the annex concerning the entry or temporary stay of these foreign nationals do not affect domestic laws governing the employment market or citizenship.

Basic Telecommunications Services

Discussions in the Negotiating Group on Basic Telecommunications (NGBT) resumed in May 1994 and were scheduled to conclude April 30, 1996. The aim of these negotiations is to liberalize market access and national treatment restrictions, with participants encouraged to base their offers on procompetitive regulatory principles. Key among these principles are—

- Competitive safeguards, including prohibition of cross-subsidization;
- Transparent and nondiscriminatory interconnection with essential telecommunications facilities;
- Transparent and timely licensing procedures;
- Regulatory authorities that are independent of any basic telecommunication services supplier; and
- Transparent, published, and justifiable international accounting rates.

Initial offers were due by July 1995 but by November 1995 only 14 draft offers had been submitted.[17] By April 30, 1996, 53 participants had submitted 47 offers but key participants deemed that a sufficient number of acceptable, high-quality offers had not yet been put forward by the scheduled conclusion of the negotiations.[18] To preserve the substantial offers already made, participants agreed to retain January 1, 1998 as the starting date for an agreement on basic telecommunications but elected to reexamine their liberalization commitments during a 30-day period beginning January 15, 1997.[19] This decision in effect extends the basic telecommunications negotiations until February 15, 1997.

Maritime Transport Services

Discussions in the Negotiating Group on Maritime Transport Services (NGMTS) resumed in May 1994 and were scheduled to conclude by June 30, 1996. The aim of the negotiations is to devise a model schedule for making market-access commitments that will provide MFN and national treatment to cover the "three pillars" concerning maritime transport: (1) international shipping, (2) auxiliary services, and (3) access to and use of port facilities, but excluding cabotage services.[20] At the end of 1995, there were 42 participants plus 15 observer governments. During the last half of 1995, the group moved from technical discussions to negotiations, with six governments re-instating their best offers tabled during the Uruguay Round[21] and others offering to maintain commitments in their last offers.[22]

Professional Services

Arising out of Uruguay Round discussions on professional services, the WTO established in 1995 the Working Party on Professional Services (WPPS) to examine the disciplines necessary to ensure that measures relating to qualification requirements and procedures, technical standards, and licensing requirements in the field of professional services do not constitute unnecessary barriers to trade. The first sector to be examined is the field of accountancy, on which the working party is collecting information regarding domestic regulatory requirements as well as gathering available information from three other sources— the OECD, the United Nations Conference for Trade and Development (UNCTAD), and the International Federation of Accountants.[23]

Organization for Economic Cooperation and Development

Investment Negotiations Begin

In their 1991 ministerial communique, member states of the Organization for Economic Cooperation and Development (OECD) expressed interest in the interrelationship between trade and a number of various topics as part of a "new trade agenda" that includes such subjects as trade and the environment, trade and competition policy, trade and investment, and trade and labor standards. Initial discussions began shortly thereafter in the OECD Trade Committee, Committee on Capital Movements and Invisible Transactions (CMIT), and Committee on Investment and Multinational Enterprises (CIME) that focused on the feasibility of negotiating a multilateral agreement on investment.

In July 1994, the OECD Secretariat set up four working groups to look into the issues involved in pursuing negotiations of a multilateral agreement on investment (MAI). These working groups included: (1) liberalization (both existing and new disciplines), (2) investment protection, (3) dispute settlement, and (4) nonmembers and institutional matters. These groups concluded their work in time for the 1995 OECD ministerial meeting on May 23-24, 1995. In their 1995 communique, ministers stated that:

"... Ministers also commit to the following elements to strengthen the multilateral systems:

- promote initiatives for domestic regulatory reform aimed at positive structural adjustment, especially when they lead to the liberalization of trade and investment flows;

- the immediate start of negotiations in the OECD aimed at reaching a Multilateral Agreement on Investment by the Ministerial meeting of 1997, which would:

  — provide a broad multilateral framework for international investment with high standards for the liberalization of investment regimes and investment protection and with effective dispute settlement procedures;

  — be a free-standing international treaty open to all OECD Members and the European Communities, and to accession by non-OECD Member countries, which will be consulted as the negotiations progress;

- prepare for discussions on investment in the WTO which it would be appropriate to envisage in the future, and encourage the OECD to co-operate with the WTO to this end ..."[24]

Thus, in May 1995, OECD ministers agreed to negotiate a multilateral agreement on investment (MAI) open to all OECD members and the European Communities, and to accession by non-OECD member countries. The agreement aims to build on experience with existing OECD investment instruments,[25] consolidate the results achieved, and create new disciplines in order to provide a comprehensive framework for international investment. It seeks to set high standards for investment liberalization and investment protection, as well as contain dispute settlement procedures.[26]

In September 1995, MAI negotiators held their first meeting where groups were established to treat the different subjects in a flexible manner. To date, these groups include drafting groups on investment protection and treatment of investors and investment, as well as expert groups on dispute settlement and geographic scope, and on treatment of taxes in bilateral/multilateral trade or investment agreements. Negotiators have granted observer status to the WTO and to nonmember countries whose request for OECD membership has been approved by the OECD Council (Korea, Hungary, Poland, and Slovakia) with the reservation that negotiators may close any meeting to observers as need be.[27]

Other New Trade Agenda Issues

Trade and Environment

Member countries expressed interest in trade and environmental subjects in both their 1991 and 1992 OECD ministerial communiques, seeking "to promote the compatibility of trade and environmental policies and thereby contribute to the achievement of sustainable development." A Joint Experts Group on Trade and the Environment was formed to examine a number of trade and environment issues. In 1993, the group developed procedural guidelines relating to four areas: (1) transparency and consultation; (2) trade and environmental examinations, reviews, and follow up; (3) international environmental cooperation; and (4) dispute settlement.

The group's 1995 report describes the progress made by members in carrying out these guidelines. It also contains conclusions on several key issues in the area of trade and the environment including the effects of environmental policies on competitiveness, the effects of trade liberalization on the environment, the effects of economic instruments (such as environmental subsidies or border tax adjustments), and the use of trade measures in international environmental agreements. In 1995, the group also began study of the relation between trade and the environment in the transportation sector. The group has announced that it will continue its work, examining ecolabelling requirements, extended producer responsibility, and environmentally preferable purchasing. It has indicated that it will also begin to analyze data issues concerning the transhipment of hazardous waste.[28]

Trade and Competition Policy

Following initial direction from OECD ministers in their 1992 communique, the Trade Committee and the Competition Law and Policy Committee (CLP) submitted a joint report to ministers in 1993 containing a number of generic issues raised by the interaction of trade policies and competition (antitrust) policies. The two committees have continued their work examining these issues, focusing on the trade difficulties resulting from gaps in coverage and enforcement of competition policy.[29]

Trade and Labor Standards

In 1994, OECD member countries added to the new trade agenda the subject of the relation between trade and labor standards. Discussions have focused on (1) how to define "core" labor standards; (2) the relation of trade to labor standards, employment, and investment; (3) the impact of labor standards on economic development; and (4) the effectiveness of current multilateral mechanisms in this area to monitor, review, enforce, and promote labor standards. A report to ministers covering this subject is likely for the 1996 OECD ministerial meeting.[30]

Czech Republic Accedes

Following examination of its terms of accession, the Czech Republic was invited in November and joined the OECD in December 1995, making it the 26th OECD member.[31] Other countries in the process of accession to the OECD include Hungary,[32] Korea, and Poland.

ENDNOTES

[1] For a description of the functions of the WTO, see article III of the Agreement Establishing the World Trade Organization (hereafter "WTO Agreement").

[2] The term "GATT" referred to both the institution that oversaw the agreement between meetings of the Contracting Parties and to the agreement itself.

[3] Article II:4 of the WTO Agreement.

[4] The seven members of the Appellate Body are Mr. James Bacchus (United States), Ambassador Christopher Beeby (New Zealand), Professor Claus Dieter Ehlermann (Germany), Justice Florentino Feliciano (Philippines), Ambassador Julio Lacarte Muro (Uruguay), Professor Mitsuo Matsushita (Japan), and Dr. Said El-Naggar (Egypt).

[5] WTO, "WTO establishes its first dispute settlement panel," *Focus*, No. 2, Mar.-Apr. 1995, p. 3.

[6] WTO, "Brazil joins gasoline panel," *Focus*, No. 3, May-June 1995, p. 3. In Jan. 1996, the WTO panel issued its findings that in certain instances treatment of gasoline imports under the EPA regulation was inconsistent with certain provisions of GATT 1994, notably Article III:4 concerning national treatment, and could not be justified under Article XX (General Exceptions). On Feb. 21, 1996, the United States appealed the panel findings: USTR, "Before the Appellate Body of the World Trade Organization - United States Standards for Reformulated and Conventional Gasoline - Notice of Appeal by the United States," Feb. 21, 1996. On Apr. 29, 1996, the Appellate Body upheld the findings of the panel report that the EPA provisions do not comply with WTO rules, although the Appellate Body did adjust certain reasoning by the panel related to the conservation of exhaustible natural resources. USTR, "WTO Appellate Body Issues Report on EPA Rules for Imported Gasoline," press release 96-38, Apr. 29, 1996.

[7] WTO, "The World Trade Organization is launched with 81 members," *News GATTWTO*, GW/13, Jan. 4, 1995.

[8] WTO, found at website http://gatekeeper.unicc.org/wto/memtab2_wpf.html, Feb. 22, 1996.

[9] U.S. Department of State telegram, No. 000521, "Singapore Accession to the WTO Government Procurement Code," prepared by U.S. Embassy, Singapore, Feb. 6, 1996.

[10] WTO, "Overview of developments in international trade and the trading system," WT/TPR/OV/1, found at WTO website, http://gatekeeper.unicc.org/wto/Whats_new/ov11.html, pp. 19-20, Dec. 1, 1995 .

[11] USTR, *1996 Trade Policy Agenda and 1995 Annual Report*, p. 149. Finland and Greece are not separate signatories to the Agreement on Civil Aircraft, although they are bound under the signature of the EC Commission.

[12] WTO, "Overview of developments in international trade and the trading system,"WT/TPR/OV/1, found at WTO website, http://gatekeeper.unicc.org/wto/Whats_new/ov11.html, p. 20, Dec. 1, 1995.

[13] Ibid.

[14] Negotiations on basic telecommunications were further extended to Feb. 15, 1997 (see below).

[15] The participants in extended financial services negotiations were Australia, Brazil, Canada, Chile, the Czech Republic, the Dominican Republic, Egypt, the EU, Hong Kong, Hungary, India, Indonesia, Japan, Korea, Kuwait, Malaysia, Mexico, Morocco, Norway, Pakistan, the Philippines, Poland, Singapore, the Slovak Republic, South Africa, Switzerland, Thailand, Turkey, and Venezuela. Colombia, Mauritius, and the United States added to or expanded the scope of their MFN exemptions in financial services.

[16] WTO, "Overview of developments in international trade and the trading system," WT/TPR/OV/1, found at WTO website, http://gatekeeper.unicc.org/wto/Whats_new/ov11.html, pp. 16-17, Dec. 1, 1995.

[17] These 14 were Australia, Canada, the Czech Republic, the EU, Hong Kong, Japan, Mexico, New Zealand, Norway, Singapore, the Slovak Republic, Switzerland, Venezuela, and the United States.

[18] USTR, "Statement of Ambassador Charlene Barshefsky - Basic Telecom Negotiations - April 30, 1996," press release 96-40, Apr. 30, 1996.

[19] WTO, "WTO's Basic Telecommunications Negotiations Result in Substantial Offers: Re-examination in Early 1997," press release, PRESS/48, May 1, 1996.

[20] In March 1996, the United States indicated it would not bind its maritime policy for an agreement that left current restrictive policies of other countries in place, and so would not submit either an offer or written requests to other countries. On June 28, 1996, participants agreed to suspend negotiations, to be resumed in 2000.

[21] These six were Australia, Canada, the EC, Japan, New Zealand, and Norway.

[22] The United States announced on June 14, 1996 that it would not submit an offer after concluding that the offers presented by the 23 participants in the maritime services negotiations on June 4, 1996 were not sufficiently forthcoming. USTR, "Statement by Ambassador Charlene Barshefsky on the WTO Maritime Services Negotiations," *Press Release 96-51*, June 14, 1996, Washington, DC. On June 28, 1996, the United States announced the conclusion of the maritime services negotiations that had been extended beyond the end of the Uruguay Round. USTR, "United States Announces Closure of Maritime Negotiations," *Press Release 96-56*, June 28, 1996, Washington, DC.

[23] WTO, "Overview of developments in international trade and the trading system," WT/TPR/OV/1, found at WTO website, http://gatekeeper.unicc.org/wto/Whats_new/ov11.html, p. 18 Dec. 1, 1995.

[24] OECD, "Meeting of the OECD Council at Ministerial Level," press release, SG/NEWS(95)41, May 24, 1995, p. 3.

[25] Such as the 1961 OECD Codes of Liberalization and the 1976 Declaration on International Investment and Multinational Enterprises (also known as the "National Treatment Instrument").

[26] OECD, *Multilateral Agreement on Investment Progress Report by the MAI Negotiating Group*, OCDE/GD(96)78, (OECD: Paris, 1996), p. 3.

[27] U.S. Department of State telegram, No. 23781, " ECD: U.S. delegation report, Multilateral Agreement on Investment (MAI) negotiations open," prepared by U.S. Embassy, Paris, Oct. 4, 1995; and U.S. Department of State telegram, No. 05006, "OECD: Multilateral Agreement on Investment (MAI) - report of January, 1996 negotiating session," prepared by U.S. Embassy, Paris, Mar. 6, 1996.

[28] USTR, *1996 Trade Policy Agenda,* and *1995 Annual Report*, p. 72.

[29] Ibid, p. 73.

[30] USTR, *1996 Trade Policy Agenda and 1995 Annual Report*, p. 72.

[31] OECD, OECD Press Release, SG/PRESS(95)74, Nov. 16, 1995, and OECD website, found at http://www.oecd.org.sge/ccet/cet_pit.htm.

[32] Hungary became the 27th OECD member on March 29, 1996. U.S. Department of State telegram, No. 07057, "Hungary accedes to the OECD," prepared by U.S. Embassy, Paris, Mar. 29, 1996.

CHAPTER 3
Regional Trade Activities

As in recent previous years, regional trade initiatives were an important component of U.S. trade policy during 1995. The North American Free-Trade Agreement (NAFTA), the primary vehicle for the conduct of U.S. trade relations with Mexico and Canada, celebrated its second year of operation. The United States and other members of the Asia Pacific Economic Cooperation (APEC) forum adopted an action agenda that provides the framework for achieving their commitment to achieve free and open trade and investment in the Asia-Pacific region by 2020. As momentum toward a trans-Atlantic agenda gathered speed, a mix of ideas for strengthening the U.S.-EU economic relationship was explored during the year. A review of 1995 developments in these three areas follows.

NAFTA Activities

This section discusses 1995 trade developments under the NAFTA through an examination of the second year experiences of Mexico and Canada under the agreement, and their trade with the United States. Also discussed are the stalled efforts to negotiate with Chile for accession to the NAFTA, and progress made during the year on achieving free trade in the Western Hemisphere by 2005, as embodied by the Free-Trade Area of the Americas (FTAA) initiative. Bilateral issues that arose with Canada and Mexico are discussed in chapter 4.

Mexico's Second Year Under the NAFTA

The NAFTA, now in its third year, remains controversial in some Mexican circles as well as in the United States. Benefits to Mexico (as well as to the other NAFTA partners) were in evidence following 1994, the first NAFTA year.[1] However, the collapse of the Mexican peso in December 1994, obscured the picture for 1995, during which the economic consequences of this event for Mexico were most gravely felt. Although observers tended to view the peso's depreciation as having been mostly precipitated by economic policy errors of the previous Mexican administration, some observers are blaming the NAFTA for the crash of the currency and its economic consequences. Such criticism stems in part from the overly high expectations of new job creation and the other benefits the accord was expected to bring to Mexico, and in part from misconceptions about the real causes of the business closures and other economic difficulties Mexico has been experiencing since the end of 1994.[2]

The peso crisis, while pushing Mexico into a deep recession, also improved the country's foreign trade balance, with an impact on trade with the preeminent trading partner—the United States. In addition, some bilateral U.S.-Mexican trade issues sharpened due to the effect of the cheap peso and of certain new measures each country had to take in 1995 to implement the NAFTA.[3]

The Economy

On March 9, 1995, Mexican President Ernesto Zedillo announced an austerity and economic recovery program following an international rescue package put together for Mexico by the U.S. Treasury and the International Monetary Fund (IMF) early in the year.[4] Although this international assistance largely precluded an immediate default by Mexico, it increased the country's total foreign indebtedness from $127.4 billion at the end of 1994 to $173.4 billion by April 1996.[5] In view of the magnitude of this debt and the need to stabilize Mexico's financial markets, the Zedillo administration adopted tight fiscal and monetary policies that predictably led to the deepest recession to hit the country since 1932.[6]

The March austerity program specified an increase in Mexico's value-added tax from 10 percent to 15 percent, and raised the price of gasoline by 35 percent, and the price of electricity to final consumers by 20 percent. In addition, these measures included specific incentives for new privatizations, stringent Federal budget cuts, higher reserve requirements for banks, and tight limits for domestic credit creation. The program also provided for restructuring the Government's short-term debt with the help of U.S. and international loans. The floating exchange rate regime was to continue for an undetermined time.

With Mexico's economic predicament even more serious than originally believed, the year 1995 became one of the country's most difficult years on record. The contraction of the 1995 Gross Domestic Product (GDP) was 6.9 percent, compared with an increase of 3.5 percent in 1994. Manufacturing declined by 6.6 percent and construction activity by 22.0 percent.[7] Interest rates for a time surged above 90 percent, contributing to a severe credit crunch.[8] The high interest and mortgage rates choked off investment and caused bankruptcies and loan defaults to the point where the solvency of the entire banking system was threatened, and government funds were required for the rescue.[9]

Unemployment became an increasingly grave problem in Mexico during 1995. The broadest measure of unemployment published by Mexico's National Statistical and Geographics Institute (INEGI,) which considers persons employed less than 35 hours per week as unemployed, showed that 28.7 percent of the economically active population was unemployed in May,[10] and 26.4 percent in December.[11] More than one million jobs have been reportedly lost following the peso crisis.[12]

The peso floated at around 6.5 pesos to the U.S. dollar during much of 1995, compared with about 3.5 pesos to the dollar before the crisis. However, the exchange rate fell to a new low of 7.9 pesos to the dollar in November. At that time, the Banco de Mexico intervened to prop up the peso, drawing on the country's some $14 billion international reserves.[13] Inflation also accelerated in 1995, despite the austerity measures designed to reduce the inflationary impact of the peso devaluation on the economy. On an annual basis, inflation exceeded 50 percent.[14] High rates of inflation, interest and taxes; widespread small business failures; diminished revenues for the self-employed; joblessness; and a policy of wage restraints, all had the effect of reducing household consumption and living standards.

However, as the year progressed, some measure of normalcy returned. Mexico was able to return to international capital markets far sooner than expected, apparently because the administration's austerity plan generated confidence. In comparison, it took Mexico 7 years after its 1982 debt crisis to regain access to international capital markets. Although the value of foreign equity investment fell steeply following the peso's devaluation due to both falling prices and liquidation of positions, a recovery was already noticeable in August 1995. Economic performance also showed some signs of improvement in the fourth quarter of 1995, raising hopes that the crisis may have bottomed out.[15] These signs appeared to justify the administration's strategy of applying a "shock treatment" so recovery could follow sooner.

Another positive development was the improvement of Mexico's balance-of-payments current account for 1995. This account's $29.4 billion deficit at the end of 1994 virtually disappeared, showing a negligible deficit of $654 million at the end of 1995.[16] The principal instrument of this accomplishment was the shift in Mexico's large 1994 trade deficit to an impressive 1995 trade surplus, as discussed below, and to an increase in net receipts from tourism.[17]

Trade with the United States

The peso's depreciation in December 1994 had a profound effect on Mexico's overall foreign trade. Mexico posted a $7.3 billion trade surplus in 1995, reversing a 4-year string of trade deficits which, by 1994, reached an unsustainable level of $18.5 billion. Mexico's 1995 trade surplus resulted from a 31.2-percent growth of exports and an 8.8-percent decline of imports.[18] The surge of exports—the largest since 1980—was made possible by the competitive edge Mexico acquired with the smaller-valued peso. By the same token, the dramatic loss of the peso purchasing power accounted for falling Mexican imports.

Among Mexico's trading partners, the reversal of Mexico's trade balance had its greatest impact on the United States, because of its commanding role in Mexico's foreign trade. (In 1995, the United States received 84 percent of Mexico's total exports and supplied 73 percent of Mexico's overall imports.)[19] According to official U.S. statistics, U.S. exports to Mexico fell by 10.4 percent during the year, while U.S. imports from that country surged by 27.0 percent. These divergent developments of the export and import flow caused a sharp deterioration of the U.S. trade balance vis-a-vis Mexico in 1995: a record $17.7 billion U.S. trade deficit, compared with a slight U.S. surplus in 1994 (figure 3-1).

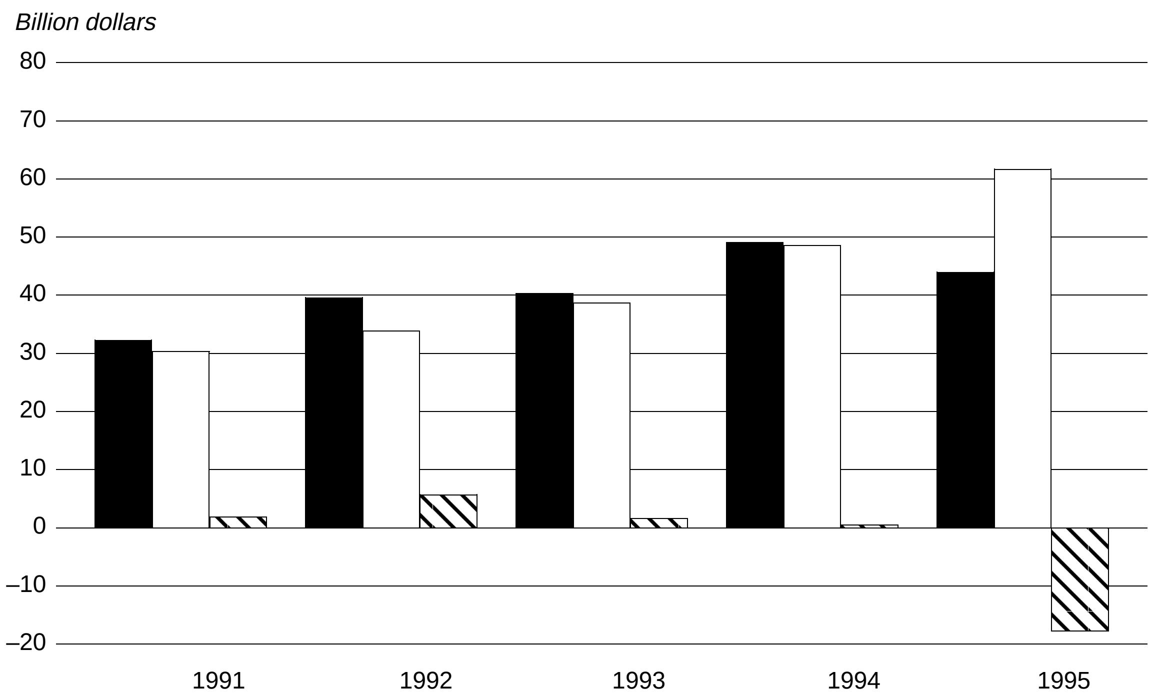
Mexico's trade surplus with the United States helped offset Mexico's trade deficit with third countries. It should be noted that Mexico registered a large overall trade deficit in 1994, but this deficit was not caused by trade with the United States or Canada, but by trade outside the NAFTA—predominantly with

Asian countries and the EU.[20] Mexican official data show that Mexico continued to have trade deficits with both Europe and East Asia in 1995, although significantly smaller ones than in 1994.[21] Thus, in both the first and second NAFTA year, both before and after the peso crash, trade with NAFTA partners had the effect of strengthening Mexico's overall trade position.

Although the peso devaluation and ensuing recession in Mexico undoubtedly contributed to the U.S. trade deficit vis-a-vis Mexico—the first in 5 years—the 1995 trade data reflected a continuation of an ongoing deterioration in the U.S. bilateral trade balance. A U.S. surplus in trade with Mexico, which was attained in 1991 for the first time in years, and which peaked at $5.7 billion in 1992, narrowed considerably the next year. Subsequently, during the first year of the NAFTA, the U.S. surplus virtually disappeared (figure 3-1).[22] Thus, this tendency of the balance to shift in Mexico's favor first asserted itself in 1993-94, in spite of the then overvalued peso that made U.S. imports from Mexico expensive. In 1995, this trend was, of course, reinforced by a cheap peso, switching bilateral trade into a record U.S. deficit (figure 3-1).

However, the NAFTA—first, the expectation of such an accord, and then the accord implementation—can be credited with generating high levels of trade in both directions. In the first NAFTA year, two-way trade reached a record $97.7 billion; it continued to rise to $105.7 billion in the second NAFTA year, due this time solely to the continued surge of U.S. imports from Mexico. Mexico continued to rank as the third-largest U.S. trading partner, after Canada and Japan, on both the export and import side, accounting for 8.1 percent of overall U.S. exports and 8.3 percent of total U.S. imports.

Figure 3-1
U.S. trade with Mexico: Exports, imports, and trade balance, 1991-95



	1991	1992	1993	1994	1995
Exports	$32.3	$39.6	$40.3	$49.1	$44.0
Imports	$30.4	$33.9	$38.7	$48.6	$61.7
Balance	$1.9	$5.7	$1.6	$0.5	-$17.7

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

U.S. exports

U.S. merchandise exports to Mexico amounted to $44.0 billion in 1995. The 10.4-percent decline in the second NAFTA year signals a drastic change compared with a 22.0-percent increase in the first. Nonetheless, 1995 U.S. exports to Mexico still represent a record value compared with pre-NAFTA years (figure 3-1).

Exports to Mexico in 1995 were down in virtually all Standard Industrial Trade Classification (SITC) product categories compared with 1994 (table A-10). As before, machinery and transportation equipment was the largest product category, since Mexican producers continued to depend on the capital goods this U.S. industry provides. Machinery and transportation equipment accounted for 45.8 percent of total U.S. exports to Mexico; slightly down from 46.7 percent in 1994 (figure 3-2). Meanwhile, the aggregate exports of the 20 leading U.S. export items to Mexico edged higher in 1995, indicating that the decline of overall U.S. exports has not taken place in the realm of the leading export items, those specifically shown in table A-11. The exceptions among the leading export items were two top automotive parts categories and soybeans, which registered export declines.

Notably, official Mexican data show 1995 imports from the United States declining less than imports from important third-country groups: Europe and East Asia.[23] According to an analysis of the Commerce Department, "There is no doubt that NAFTA helped limit U.S. export losses, preserving U.S. jobs."[24] The report compares the effects of the peso crash in 1982 and 1994. In 1982, Mexico responded by raising duties to 100 percent, imposing import licenses across the board, and nationalizing sectors of the economy. U.S. exports to Mexico were cut in half as a result, then took 6 years to recover. If this experience had been repeated in 1995, U.S. exports would have plunged to $20 billion, and would not have recovered until the year 2000, the Commerce report notes. Meanwhile, with NAFTA and the steady growth in bilateral production ties, U.S. exports to Mexico bottomed out in the second quarter of 1995, and have since began to recover.

The NAFTA's tariff provisions have also protected U.S. exporters from Mexico's 1995 decision to raise tariffs by 20 to 35 percent on selected products (textiles, apparel, and footwear articles) imported from countries with which Mexico does not have free trade agreements. Indeed, it has been argued that one of the more important achievements of NAFTA is Mexico's commitments to a continuing liberalization of its trade policies.[25]

U.S. imports

U.S. merchandise imports from Mexico continued their surge from $48.6 billion in 1994 to $61.7 billion in 1995 (figure 3-1). Nonetheless, the 27-percent increase in imports from Mexico was smaller than that registered by major country groups outside the NAFTA, as official Mexican data show Mexico's exports to Europe and East Asia surging much more than exports to the United States.[26]

U.S. imports from Mexico rose in all SITC categories (table A-10). As on the U.S. export side, machinery and transportation equipment continued to be the dominant SITC category, accounting for 53.9 percent of the total (figure 3-2). Most leading import items in this category, many of them motor vehicles or parts, were up in 1995 (table A-12). Also notable is the increase in U.S. imports of petroleum—traditionally the leading item from Mexico. However, the real surge of overall imports was not in the area of leading items.

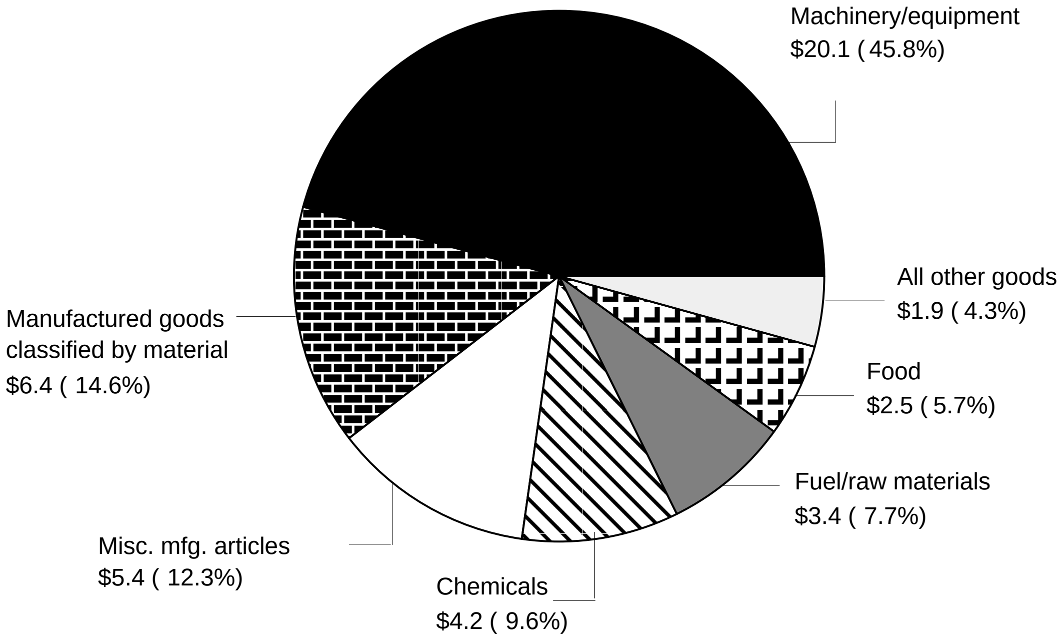
The Commerce report also points out that the NAFTA helped Mexico to capture a larger share of the U.S. import market, just as it helped the United States to increase its share of the Mexican market. There are some indications that U.S. imports from Mexico began to replace certain imports from other countries—for example in the area of automotive items and textiles.[27] A shift towards Mexico in sourcing U.S. imports tends to benefit the United States, because many such imports are shared production items which, though assembled in Mexico, incorporate more U.S. inputs than from other countries.

Production sharing

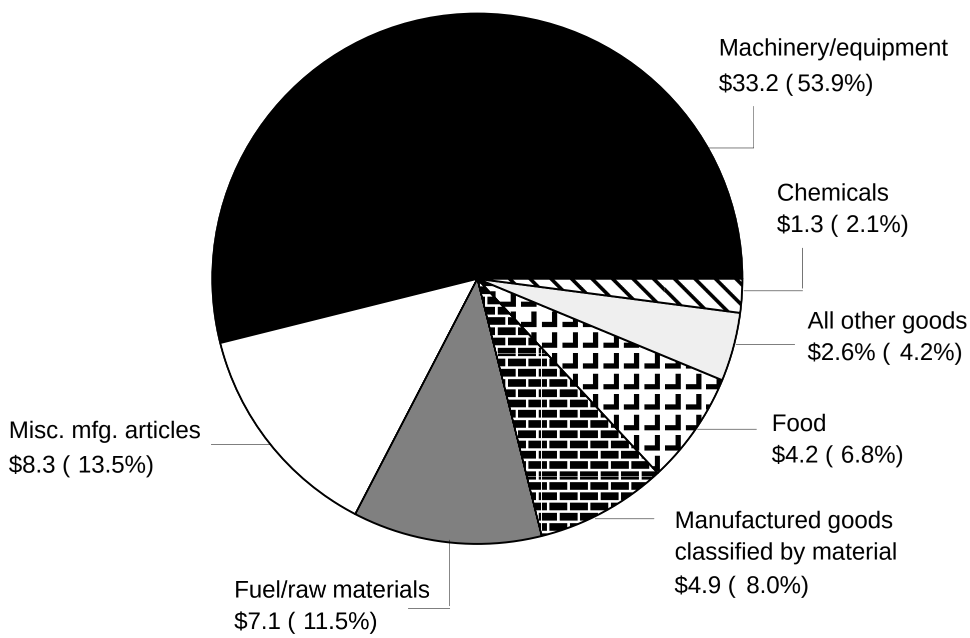
Much of U.S.-Mexican trade takes place within the machinery and transportation equipment sector, which dominates trade in both directions, and in the textiles and apparel sector that makes "miscellaneous manufactured products classified by material" an important portion of bilateral trade. A significant share of such intra-industry trade—29.1 percent of all U.S. exports and 40.4 percent of all U.S. imports—is generated by production sharing between U.S. and Mexican plants (table 3-1).[28] Having U.S. materials processed or U.S. components assembled in Mexico, where wages are lower, helps many U.S. producers of labor-intensive articles to compete with Asian imports in the U.S. market. At the same time, this arrangement benefits Mexico by creating jobs, and transferring U.S. managerial and technological know-how to Mexican establishments. The facilities involved in production sharing on the Mexican side are generally the

Figure 3-2
U.S. trade with Mexico: Exports and imports, by product sectors, 1995

(Billion dollars)



U.S. Exports



U.S. Imports

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

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

Table 3-1
Analysis of “Maquiladora” trade, 1990-95

(Million dollars)

Item	1990	1991	1992	1993	1994	1995
Total imports from Mexico	29,506.0	30,445.1	33,934.6	38,667.7	48,605.3	61,721.0
U.S. imports from “Maquiladoras”:						
Total value	13,024.6	14,334.3	16,502.0	18,967.7	23,068.2	24,962.3
Percent of total imports	44.1%	47.1%	48.7%	49.1%	47.5%	40.4%
U.S. components:						
Total value	6,544.8	7,254.8	8,691.9	9,871.9	11,608.4	12,832.8
Percent of “Maquiladora” imports	50.2%	50.6%	52.7%	52.0%	50.3%	51.4%
Percent of total imports	22.2%	23.8%	25.6%	25.5%	23.9%	20.8%
U.S. imports under HTS subheadings:						
9802.00.60	188.3	183.5	229.4	206.3	130.5	197.1
U.S. components	140.7	137.1	169.5	156.1	97.9	150.1
Percent	74.7%	74.7%	73.9%	75.7%	75.0%	76.1%
Foreign value added	47.6	46.4	59.9	50.2	32.6	47.0
9802.00.80	12,836.3	14,150.8	16,272.6	18,761.4	22,937.7	24,765.3
U.S. components	6,404.1	7,117.6	8,522.4	9,715.8	11,510.5	12,682.7
Percent	49.9%	5O.3%	52.4%	51.8%	50.2%	51.2%
Foreign value added	6,432.2	7,033.1	7,750.2	9,045.6	11,427.2	12,082.5
Total exports to Mexico	27,467.6	32,279.2	39,604.9	40,265.5	49,136.1	44,031.2
U.S. exports of components to maquiladora industry[1]	6,544.8	7,254.8	8,691.9	9,871.9	11,608.4	12,832.8
Percent of toal U.S. exports	23.8	22.5	21.9	24.5	23.6	29.1
Estimated net exports for Mexican consumption	20,922.8	25,024.5	30,913.0	30,393.6	37,527.7	31,198.4
Estimated net imports from Mexico[2]	22,961.2	23,190.3	25,242.7	28,795.8	36,996.9	48,888.2
Net U.S. merchandise trade balance with Mexico[3]	-2,038.4	1,834.2	5,670.3	1,597.8	530.8	-17,689.8

[1] Based on the value of U.S.-made components contained in U.S. imports from Mexico under Harmonized Tariff Schedule (HTS) provisions 9802.00.60 (metal processing) and 9802.00.80 (assembly) which accounts for most of the value of U.S. exports of components to the maquiladora industry.

[2] Includes the dutiable value (value added in Mexico) of products assembled in Mexico and imported into the United States under HTS provisions 9802.00.60 and 9802.00.80

[3] (-) indicates trade deficit.

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

"maquilas," i.e. in-bond production units, established since 1965 under Mexico's Border Industrialization Program.

Products of production sharing reenter the United States under chapter 98 of the *Harmonized Tariff Schedule (HTS)*. Since the United States levies duties only on the value added in Mexico and the U.S. input returns duty-free, the overall rate of U.S. duty in this import category is reduced. More than half of these imports consisted in 1995 of U.S. components returned after further processing or assembly. U.S. content returned accounted for 20.8 percent of all U.S. imports from Mexico in 1995.

It should be pointed out that the U.S. position in shared-product trade was not affected adversely by the crash of the peso, as it was in the rest of bilateral trade. U.S. exports of components to the maquiladora industry continued to grow from $11.6 billion in the first NAFTA year to $12.8 billion in the second, because the maquiladora sector, as before, depended on U.S. goods. With the rest of U.S. exports to Mexico declining sharply, the shipments destined for the maquilas gained relative significance; they accounted for 29.1 percent of overall U.S. exports in 1995, compared with 23.6 percent in the first year of the NAFTA. Without production sharing, the collapse of the peso would have depressed U.S. exports to Mexico undoubtedly even more. U.S. imports from the maquiladora sector were also up from $23.1 billion in 1994 to $25.0 billion in 1995. Yet, the percentage of these shared-product imports in total U.S. imports from Mexico declined steeply from 47.5 to 40.4 percent, respectively, owing to the surge in the rest of the total.

There is a consensus that, far from hurting the maquiladora industry, the depreciation of the peso has spawned a boom in this sector, the trade effects of which may show up in years to come. Foreign investment in assembly plants for the production of auto parts and electronic products has risen sharply as maquilas gained a competitive edge with the decline of dollar-denominated production costs in the wake of the peso's depreciation.[29] In the words of Mexican analysts, "[w]hile it cannot be said that the in-bond plants are taking over the Mexican economy, it is clear that their impact has increased."[30]

Canada's Second Year Under the NAFTA

The second year of the NAFTA proved to be another year of growth in U.S.-Canada trade. Over three-fourths of Canadian trade is with the United States, making the U.S.-Canadian relationship particularly significant. In 1995 U.S.-Canadian two-way trade reached $258.1 billion, up by 11 percent from the 1994 value of $232.4 billion (figure 3-3). Canada's other major trading partners, the EU and Japan, together accounted for less than 15 percent of Canada's 1995 trade.

Total Canadian exports surged 16 percent to reach $184 billion in 1995, up from $158 billion in 1994. Total Canadian imports grew only 11 percent to equal $164 billion in 1995. The higher rate of export growth caused Canada's total trade surplus to increase to $20.6 billion in 1995. This compares to a 1994 balance of $10.9 billion.[31]

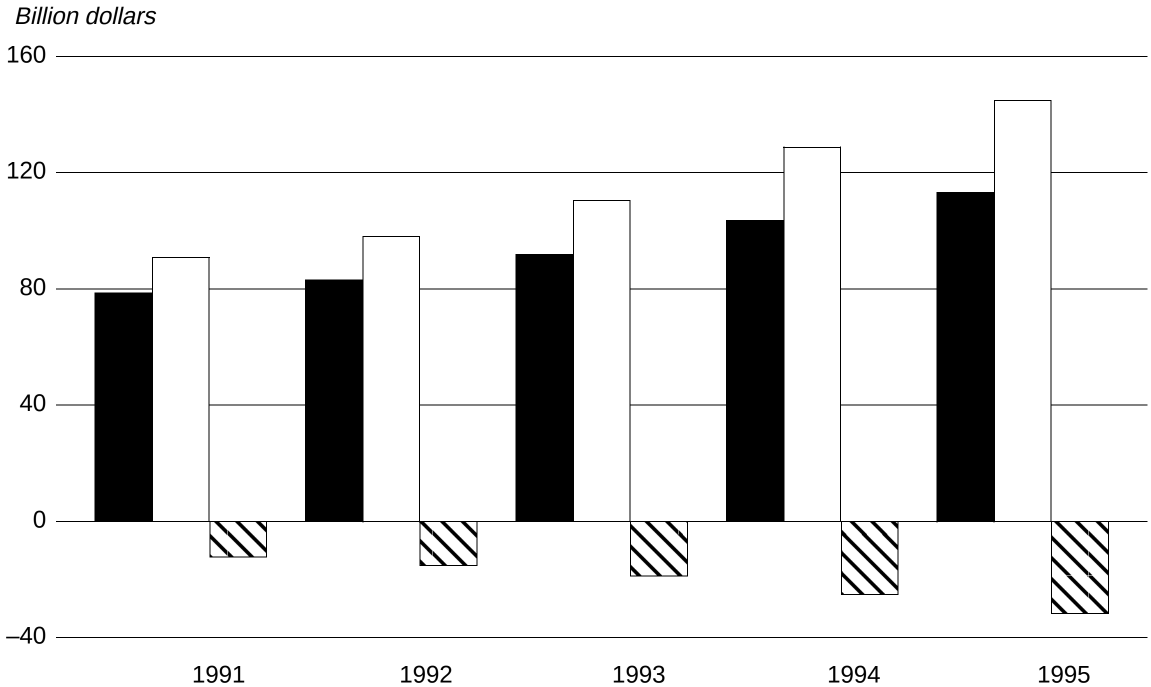
Trade with the United States

U.S. exports to Canada have grown steadily in recent years. Exports rose 10.4 percent in 1993 and 12.8 percent during 1994, the first year of NAFTA. In 1995, exports grew 9.3 percent, slightly slower than during the previous 2 years. Of total U.S. exports to Canada, the machinery and equipment sector accounted for over half, equaling $61.7 billion in 1995 (figure 3-4). Other manufactured goods make up the next largest sector equaling 13.6 percent, while chemicals also constitute a significant portion. The top 20 export commodities account for approximately one-third of total U.S. exports to Canada (table A-2). Eight of the top 20 commodities fall in the automotive category and account for well over half of the total for the top 20 exported items.

U.S. imports from Canada have grown at a slightly higher rate than exports, widening the bilateral trade imbalance. Imports grew 12.5 percent in 1993 and escalated 16.6 percent during the first year of NAFTA. In 1995 they increased by 12.5 percent, comparable to the 1993 increase. Similar to exports, machinery and equipment is the principal U.S. import from Canada, accounting for 43.9 percent of U.S. imports (figure 3-4). Other manufactured goods are the next largest category making up 17.5 percent of U.S. imports from Canada. Third in rank is fuel and raw materials accounting for 17.0 percent. The three leading natural resource imports are crude oil, coniferous wood, and natural gas.

The top 20 commodities imported by the U.S. from Canada equal $74 million, accounting for a little over half of total imports (table A-3). Seven of the top 20 items are in the automotive sector. This leading

Figure 3-3
U.S. trade with Canada: Exports, imports, and trade balance, 1991-95



	1991	1992	1993	1994	1995
Exports	$78.9	$83.2	$91.9	$103.6	$113.3
Imports	$90.9	$98.2	$110.5	$128.8	$144.9
Balance	-$12.2	-$15.0	-$18.6	-$25.1	-$31.6

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

presence of automotive goods in two-way trade illustrates the integration of the North American automotive industry.

Canadian-Mexican Trade Flow

The Canadian-Mexican relationship is not an insignificant one. According to 1994 statistics, Mexico is Canada's 13th largest export market.[32] Mexico was Canada's fourth largest supplier with 2.4 percent of 1994 Canadian imports. Mexico's exports to Canada are about equal to exports from the United Kingdom and are surpassed only by Japan and the United States. Two-way Canadian-Mexican trade equaled $4.72 billion in 1995, a 15.7-percent increase from $4.08 billion in 1994 (figure 3-5).

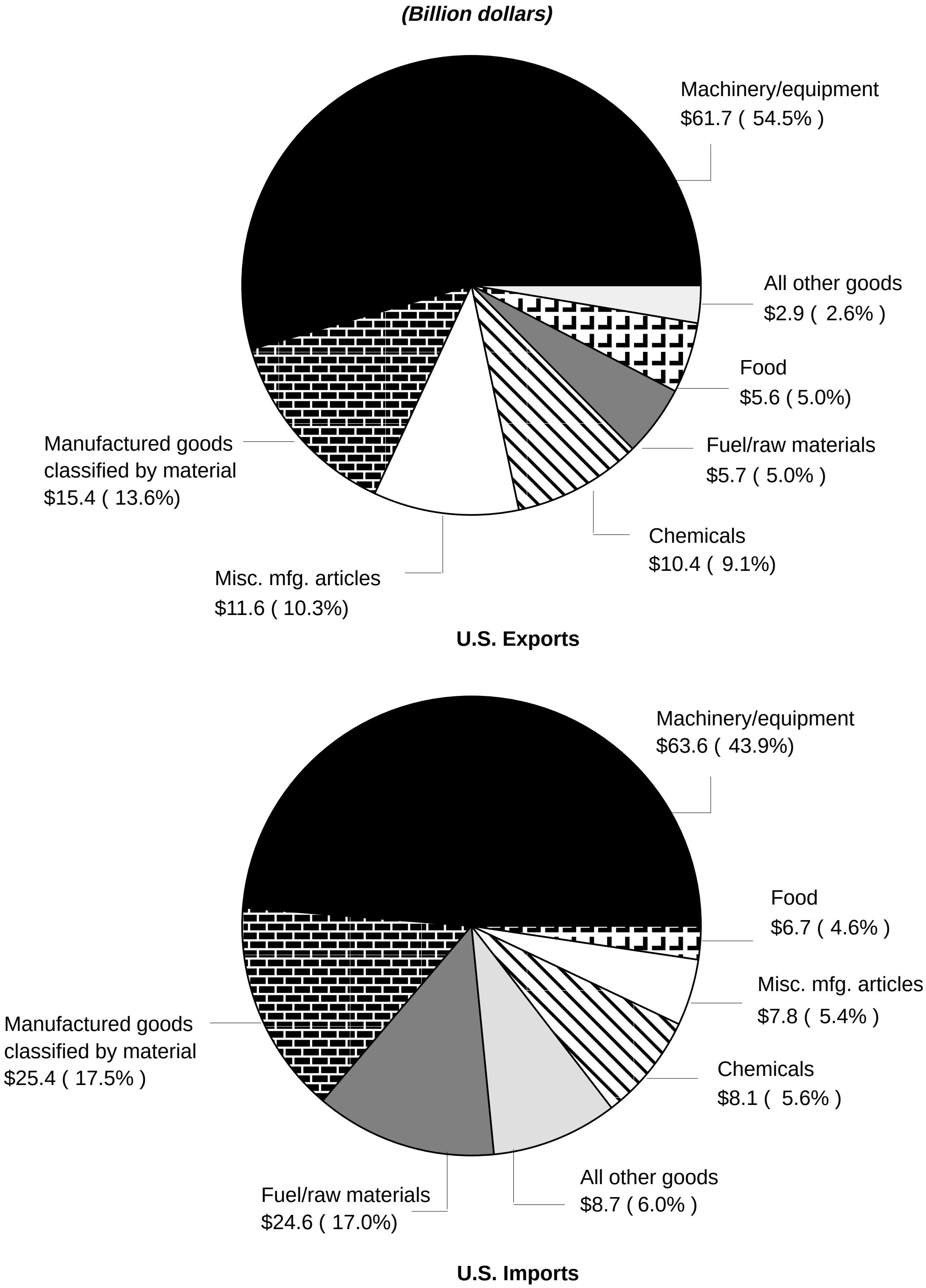
Pre-NAFTA trade flows showed a high growth rate in the 1990-93 period, with Canadian imports from Mexico averaging increases of 36 percent annually. In 1993, imports were $2.71 billion and increased almost 22 percent to $3.30 billion in 1994.[33] (This increase is comparable to the 1995 increase of 17.8 percent from $3.30 billion in 1994 to $3.89 billion in 1995.) Leading Canadian imports from Mexico in 1995 consisted of fruits and vegetables, electrical machinery, motor vehicles, furniture, mineral fuels, and organic chemicals.

Pre-NAFTA years show variable growth rates of Canadian exports to Mexico. In 1993, exports were $0.76 billion and increased to $0.78 billion in 1994.[34] Canadian exports increased only 6.9 percent in 1995 to $0.83 billion (figure 3-5). Despite the low growth of exports, the bilateral trade balance widened by 21.2 percent between 1994 and 1995. The leading Canadian commodities supplied to Mexico include cereals, oil seed, wood pulp, machinery and mechanical appliances, and motor vehicles.

NAFTA Accession Negotiations

The United States, Canada, and Mexico launched formal negotiations with Chile during 1995 for eventual Chilean accession to NAFTA. These efforts stalled later that year, however, after the U.S.

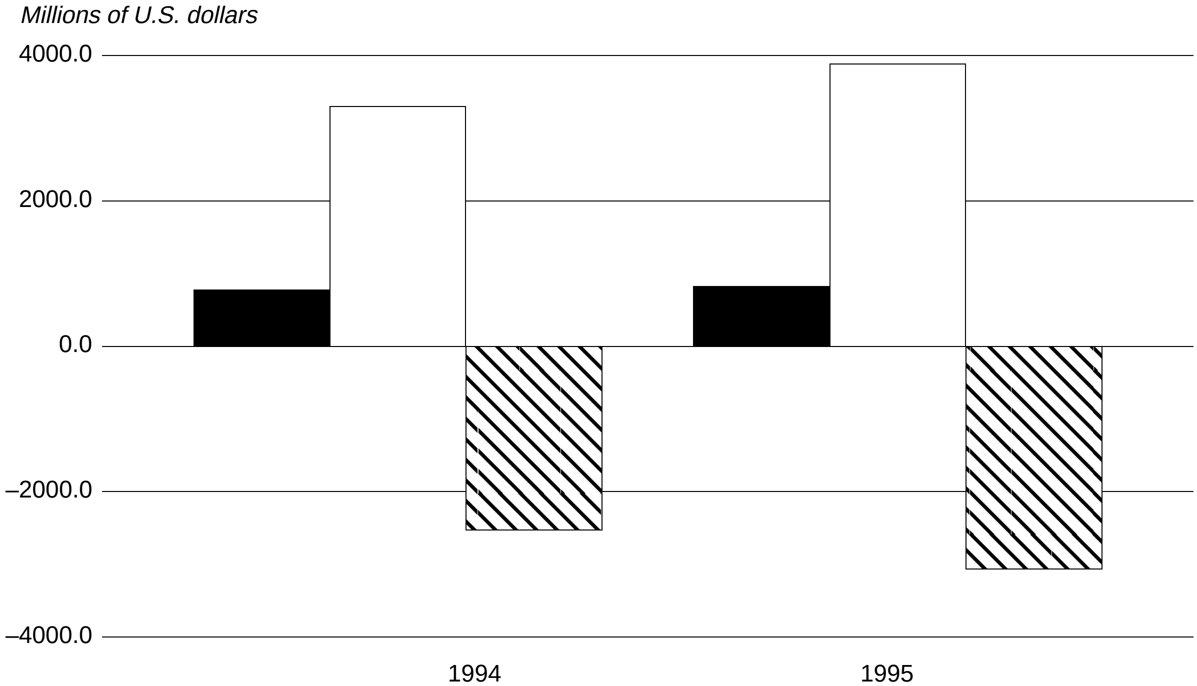
Figure 3-4
U.S. trade with Canada: Exports and imports, by product sectors, 1995



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

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

Figure 3-5
Canada-Mexico, merchandise trade, 1994-95



	1994	1995
Exports	$775.5	$828.7
Imports	$3,302.4	$3,890.6
Balance	-$2,526.9	-$3,061.9

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

administration was unable to secure ”fast track” negotiating authority.[35]

Chile has long been considered as the first country that would be permitted to accede to NAFTA,[36] based on that country's role as "regional leader in long-term macroeconomic stabilization," its ”outstanding record of sustained economic growth," and its "comprehensive market-based economic reform program . . . [and] one of the most transparent and nondiscriminatory trade regimes in Latin America and the Caribbean."[37]

NAFTA permits a country or group of countries to accede to the agreement, subject to certain conditions. NAFTA Article 2205 sets out two general terms of reference for accession:

1. Any country or group of countries may accede to [NAFTA] subject to such terms and conditions as may be agreed between such country or countries and the [NAFTA Free Trade] Commission and following approval in accordance with the applicable approval procedures of each country; and

2. [NAFTA] shall not apply as between any Party and any acceding country or group of countries if, at the time of accession, either does not consent to such application.

On December 11, 1994, the leaders of the United States, Canada, and Mexico announced their intention to begin negotiations with Chile no later than May 31, 1995.[38] President Clinton stated that Chile's eventual accession to NAFTA was ”further proof of our intentions . . . to complete the free trade agreement for all the Americas by 2005.[39] On March 7, 1995, under authority delegated by the President, the USTR requested the USITC to provide advice to the President with respect to the probable economic effects on the United States of providing duty-free treatment to Chile for each article listed in the U.S. HTS; USTR also provided an opportunity for written comments, and conducted a public hearing on this topic on April 25, 1995.[40] On March 17, 1995, Senator Richard Lugar

(R-Indiana) introduced S. 577, a bill to establish fast-track procedures, which was referred to the Committee on Finance.[41] On June 21, 1995, the House of Representatives held a hearing on Chilean accession to NAFTA.[42]

Following technical working-level discussions, formal negotiations for Chilean accession to NAFTA began when trade ministers from the NAFTA countries and Chile met on June 7, 1995 in Toronto. The ministers issued general negotiating guidelines, but set no timetable for the conclusion of the negotiations.[43] These negotiations began even though the U.S. administration did not have fast-track negotiating authority. (Chilean Finance Minister Eduardo Aninat was reported as saying that Chile would not complete the negotiations until after fast-track authority was formally approved.[44]) U.S. officials noted that the United States had initiated other trade talks, including both NAFTA and the Uruguay Round, without fast track.[45]

The trade ministers initially agreed[46] that Chile's accession to NAFTA also would require that Chile accede to NAFTA environmental and labor standards side agreements.[47] The Clinton administration supported the inclusion of these side agreements in the plan for Chile's NAFTA accession[48] based on the concern that without them, Chile could have an unfair trade advantage through the lower production costs of not having to meet the NAFTA environmental and labor standards. Congressional opposition to the inclusion of environmental and labor issues in Chile's NAFTA accession agreement (even though many in Congress stated support for the idea of Chile eventually acceding to NAFTA) was based on the concerns that applying such environmental and labor standards might (1) impede trade, (2) ultimately result in tougher regulations on U.S. businesses operating abroad, or (3) possibly block deregulation of environmental and labor rules in the United States.[49]

By yearend 1995, negotiations between the Clinton administration and Congress on a new fast-track authority were at an impasse with no prospects of a resolution until after the 1996 U.S. Presidential election. These actions brought Chile's NAFTA accession talks to a standstill, with no further negotiations as of this writing.[50]

Free Trade Area of the Americas

At the December 1994 Summit of the Americas, the heads of state of the Western Hemisphere's 34 democracies declared their resolve "to begin immediately to construct the Free Trade Area of the Americas (FTAA) in which barriers to trade and investment will be progressively eliminated. . . . to conclude the negotiations of the Free Trade Area of the Americas no later than 2005, and agree that concrete progress toward the attainment of this objective will be made by the end of this century."[51] Several FTAA-related activities were formally launched during 1995.

The Hemisphere's Trade Ministers convened in June 1995 in Denver to draft a more complete plan for FTAA negotiations. On June 30, 1995, the ministers formally approved a joint declaration and initial work program. In their joint declaration, ministers:

- pledged to begin a work program to prepare for the initiation of negotiations of the FTAA, and

- agreed to ensure that the FTAA will (1) be fully consistent with the WTO; (2) be balanced and comprehensive in scope; (3) not raise barriers to other countries; and (4) represent a single undertaking comprising mutual rights and obligations.[52]

While the Ministers agreed that the FTAA should "build on existing subregional and bilateral arrangements," they did not decide on how to harmonize such existing agreements. Harmonizing the existing subregional arrangements may be problematic because some of the agreements, like NAFTA, are free-trade accords while others, like MERCOSUR,[53] are customs unions.

The work program approved at the June Ministerial meeting provided the basis for initial preparatory work in advance of active FTAA negotiations. Ministers set up seven trade-related working groups. The working groups are for market access (El Salvador to provide chairman); customs procedures and rules of origin (Bolivia); investment (Costa Rica); sanitary and phytosanitary measures (Mexico); standards and technical barriers to trade (Canada); subsidies, antidumping and countervailing duties (Argentina); and smaller economies (Jamaica).[54] Dispute settlement was the only area mentioned for consideration in the 1994 Miami summit for which a working group was not established; instead, ministers voiced support for the WTO dispute settlement mechanism and declined, at that time, to take on the role of creating a new mechanism solely for FTAA members.[55] (Ministers agreed to establish an additional four working groups—for competition policy, government procurement, intellectual property, and services—and their terms of reference as part of their March 1996 meeting in Cartagena, Colombia.)

Each working group was directed to identify and examine existing trade-related measures in its respective area, with a view to identifying possible approaches to negotiations. All seven working groups had met at least once by the end of September 1995.[56] The working groups were to report their findings at the March 1996 Ministerial meeting, when subsequent directives would be announced.[57]

The Hemisphere's Trade Ministers convened again in March 1996 in Cartagena, Colombia. As agreed, the Ministers created working groups for competition policy (Peru to provide chairman), government procurement (United States), intellectual property (Honduras; Colombia as back-up), and services (Chile). Ministers made no new commitments during the March 1996 meeting other than directing their Vice Ministers to make an assessment of when and how to launch the FTAA negotiations and to make recommendations on those issues before the 1997 Trade Ministerial meeting. Working groups were directed to carry out their respective work with a view to presenting conclusions and recommendations for consideration at the 1997 Ministerial meeting. It was agreed that a working group on dispute settlement would be created in 1997.[58] Press reports cited the relative lack of progress in the Chile NAFTA accession negotiations and upcoming U.S. presidential election as factors impeding further significant advancement in FTAA negotiations.[59]

APEC's Osaka Action Agenda

APEC was established in 1989 as an informal forum to promote economic cooperation in the Pacific Rim region. Since that time APEC has expanded its membership, developed into a more formalized institution with a Secretariat located in Singapore, and adopted an ambitious trade agenda.[60] Membership in APEC as of December 31, 1995 numbered 18 economies: Australia, Brunei, Canada, Chile, the People's Republic of China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand, and the United States. Since the organization's founding, six annual Ministerial meetings[61] have been held in Canberra, Singapore, Seoul, Bangkok, Seattle and Osaka. The APEC Chair rotates annually among the APEC members. Japan hosted the 1995 Ministerial meeting in Osaka during November 16-17 and the 1996 Ministerial will be held in Manila, the Philippines.[62]

APEC Senior Officials are responsible for making recommendations and carrying out the decisions of the Ministers. The Senior Officials review the work of the two permanent APEC committees — the Committee on Trade and Investment (CTI) and the Economic Committee — and the 10 working groups that cover broad issue areas.[63] The CTI is the permanent focus group for development and implementation of APEC's trade and investment agenda. During 1995, one of the CTI's major activities was completion of collective action plans in the areas of deregulation, dispute settlement, Uruguay Round implementation, investment, customs procedures, standards and conformance, and government procurement. These action plans form the basis for the guidelines and actions in the Osaka Action Agenda (see discussion below) and work on them will continue in 1996.[64] The Economic Committee serves as APEC's analytical group and provides reports on economic trends and related issues in the region, including an annual economic outlook paper.[65] The Eminent Persons Group (EPG), was established in 1992 to provide a "vision" for APEC's future and to offer recommendations regarding the elimination of barriers to trade and investment in the region. The EPG issued its third and final report at the November 1995 Ministerial.[66] The Pacific Basin Forum (PBF) was established in 1993 as a temporary group to provide private-sector participation in APEC. At the 1995 Ministerial, the Leaders agreed to appoint members to a permanent APEC Business Advisory Council (APBAC) to provide private sector advice on APEC's priorities for trade facilitation and liberalization.[67]

APEC Leaders' meetings are held in conjunction with the annual Ministerial and provide political support for APEC's initiatives. At the first Leaders' meeting held in Seattle in 1993, APEC Leaders adopted a vision for free trade and investment in the region and agreed to create a "community of Asia Pacific economies."[68] The following year in Bogor, Indonesia, the Leaders committed to achieving "free and open trade and investment" in the region by 2010 for the industrialized economies and 2020 for developing economies.[69]

1995 Developments

In November 1995, the APEC Leaders adopted the Osaka Action Agenda, which sets forth a "template" for implementing the commitment made in Bogor to liberalize trade and investment, beginning in January 1997.[70] In adopting the Action Agenda, the Leaders noted, "We have, with Osaka, entered the action phase in translating this vision [of a community of

Asia-Pacific economies] and these goals into reality. Today we adopt the Osaka Action Agenda, the embodiment of our political will, to carry through our commitment at Bogor."[71] The Leaders emphasized that the Osaka Action Agenda rests on the three pillars of trade and investment liberalization, facilitation, and economic and technical cooperation. The Leaders reaffirmed APEC's determination to lead in strengthening the multilateral trading system, as represented by the downpayments or "initial actions" brought by each of the APEC economies to Osaka to accelerate implementation of their commitments made in the Uruguay Round and their commitment to advancing global trade and investment liberalization.[72]

In moving towards the long-term goal of free trade and investment in the region, APEC will employ voluntary efforts by individual economies and collective actions. Part One of the Osaka Action Agenda sets forth the guiding principles to be used in advancing liberalization and business facilitation including: comprehensiveness; WTO-consistency; comparability; nondiscrimination; transparency; standstill; simultaneous start, continuous process, and differentiated timetables; flexibility; and cooperation. The principle of flexibility with regard to the pace and process of liberalization, within the timeframe agreed to, reflects a recognition of the different domestic situations of APEC economies.[73] Overall objectives, guidelines for individual economies and collective actions are defined for 15 concrete issue areas: tariffs, nontariff measures, services, investment, standards, customs, intellectual property rights, competition policy, government procurement, deregulation, rules of origin, dispute mediation, mobility of business people, implementation of Uruguay Round outcomes, and information gathering and analysis.[74]

Work began on the individual and collective action plans following the Osaka Ministerial. They are to be submitted at the 1996 Ministerial meeting for review. Overall implementation of the Action Plans is to begin in January 1997 and will be reviewed annually.[75]

Part Two of the Osaka Action Agenda sets forth economic and technical cooperation to be undertaken jointly by APEC members in the ten areas covered by the APEC Working Groups. Common policy concepts, including goals, basic principles and priorities will be developed in each of the 10 specific areas (for example, providing a quality basic education is one priority in the area of human resources development). In each area, joint activities such as compilation and sharing of data and information, surveys, training, seminars, research and technical demonstrations will be conducted. In addition, an economic policy dialogue will be held to review and evaluate the common policy concepts and the joint activities.[76] See figure 3-6 for a chronology of important APEC events.

Figure 3-6
Major APEC developments

November 6-7, 1989	First APEC Ministerial is held with 12 economies participating.
November 14, 1991	The *Seoul APEC Declaration* is issued, formally establishing APEC and setting forth APEC's objectives, scope of activity, and mode of operation. China, Hong Kong, and Chinese Taipei are admitted as APEC members.
November 20, 1993	APEC Leaders issue a statement setting forth their vision of "a community of Asia-Pacific economies" in which trade and investment barriers are reduced, trade within the region and with the world expands, and goods, services, capital, and investment flow freely among economies in the region. The Leaders also "ask APEC to undertake work aimed at deepening and broadening the outcome of the Uruguay Round, strengthening trade and investment liberalization in the region, and facilitating regional cooperation." Mexico and Papua New Guinea join APEC.

Figure continued on next page.

Figure 3-6
Major APEC developments

November 15, 1994	APEC Leaders issue the *Declaration of Common Resolve*, or Bogor Declaration, setting the objectives of APEC leadership in strengthening the open multilateral trading system, enhancing trade and investment liberalization in the Asia-Pacific, and intensifying Asia-Pacific development cooperation. The Leaders adopt the long-term goal of free and open trade and investment in the Asia-Pacific region, and announce their commitment to attain this goal by no later than the year 2020. The declaration states that "The pace of implementation will take into account differing levels of economic development among APEC economies, with industrialized countries achieving the goal of free and open trade by no later than the year 2010 and developing economies no later than the year 2020."[77] Elaborating on APEC's long-standing commitment to "open regionalism," APEC Leaders state that "the outcome of trade and investment liberalization in the Asia-Pacific will not only be the actual reduction of barriers among APEC economies but also between APEC economies and non-APEC economies."[78] Leaders also commit their economies to carry out Uruguay Round commitments fully and without delay and to continue the process of liberalization. They adopt a standstill under which their economies will refrain from instituting measures that would have the effect of increasing levels of protection.
November 19, 1995	APEC Leaders adopt *The Osaka Action Agenda*, the first stage in a process designed to turn the goals set out at Blake Island and Bogor into reality. The *Action Agenda* sets forth a blueprint to guide the implementation of free and open trade and investment in the Asia-Pacific. It provides broad principles such as comprehensiveness, WTO-consistency, nondiscrimination, and comparability. Members also announce initial "down payments" to implement the Bogor goal. The *Action Agenda* recognizes both liberalization and facilitation steps as integral to attaining APEC's goals. The 15 concrete issue areas in which trade liberalization and facilitation will be pursued include tariffs and nontariff measures, trade in services, investment, intellectual property rights (IPR), standards and conformance, government procurement, customs procedures, and competition policy. Basic approaches to each area are also outlined. The Leaders agreed that the goal of free and open trade and investment will be attained by voluntary liberalization in the region, collective actions, and contributing to further momentum for global liberalization. They directed ministers and officials to immediately begin preparation of concrete and substantive Action Plans. These Action Plans will be submitted to the November 1996 Ministerial Meeting in the Philippines for assessment. Overall implementation of the Action Plans is to begin in January 1997 and will be reviewed annually.

Source: Compiled by USITC staff from official APEC documents.

The New Trans-Atlantic Agenda

Introduction

On December 3, 1995, President Clinton and leaders of the EU launched an initiative billed as key to revitalizing the trans-Atlantic partnership. Known as the New Trans-Atlantic Agenda (NTA), it sets a framework for cooperation in the economic, political, and security realms and calls for a number of actions to further common U.S.-EU interests. From a trade policy perspective, the key political commitments were to create a Trans-Atlantic marketplace characterized by the progressive reduction or elimination of barriers that hinder the flow of goods, services, and capital and to strengthen and exert leadership in the multilateral trading system. Such steps are expected to expand trade and investment opportunities, multiply jobs, and contribute to global economic growth.[79] Nearly 120 specific actions are outlined in the accompanying Joint U.S./EU Action Plan, some 40 of which relate to economic and trade matters. Background on U.S.-EU relations, the NTA and Joint Action Plan, and next steps is presented below.

U.S.-EU Commercial Relations

The U.S.-EU relationship has come to dominate the multilateral trading system and plays a key role in global commerce. Despite some notable disagreements over substance and tactics, the relationship supports sizeable flows of goods, capital, and ideas and exerts a decisive influence over world trade events. Nevertheless, the end of the Cold War, the conclusion of the Uruguay Round, and the lure of fast-growing markets elsewhere have led some to worry that a sense of drift in U.S.-EU relations could inadvertently cause the overall relationship to fall into disrepair.[80] Convinced that the two regions share a common destiny and a historic burden for exerting global leadership, in 1995 the EU and the United States began exploring means to deepen their partnership in the economic, political, and security realms. Trade and investment were key elements in the effort to formalize and reinvigorate the relationship.

U.S.-EU trade and investment is already considerable. According to the WTO, after netting out intra-EU trade, the United States and the EU together accounted for some 35 percent of world merchandise exports and 39 percent of world merchandise imports in 1995. The EU alone accounted for 20 percent of world merchandise exports and 19 percent of world merchandise imports. EU members accounted for 10 of the world's top 30 exporters and importers of commercial services in 1995, and these members accounted for 39.0 and 39.9 percent respectively of world services exports and imports. (The U.S. shares were 16.5 percent and 12.0 percent, respectively.)[81]

The EU was the third largest U.S. regional trading partner during 1995, after North America and the Pacific Rim. Total U.S.-EU trade was $247.2 billion in 1995, up from $219.0 billion in 1994. U.S. imports from the EU were $130.8 billion, and represented 18 percent of total U.S. imports. U.S. exports that year to the EU were $116.3 billion, representing 21 percent of total U.S. exports.[82] Leading U.S. exports are machinery and transportation equipment (notably, computers, aircraft, automobiles and parts thereof), chemicals and related goods, miscellaneous manufactures (including medical devices and scientific instruments), and crude materials. The leading U.S. import categories were all manufactured goods: machinery and transport equipment (particularly cars, aircraft, computers, and parts thereof), miscellaneous manufactured articles, manufactured goods classified chiefly by material, and chemicals and related products (notably pharmaceuticals).

Services trade and investment ties are important components of the Trans-Atlantic commercial relationship. Yearly private services transactions now are about half as large as merchandise trade flows, with U.S. exports to the EU totaling $61.6 billion in 1995, and U.S. imports from the EU totaling $46.1 billion.[83] The United States and the EU are each other's most significant source of direct investment. By the end of 1994, the EU had more than $274 billion invested in the United States (historical cost basis), accounting for 54 percent of foreign direct investment (FDI) in the United States, and the United States had more than $251 billion invested in the EU (historical cost basis), with the EU accounting for 41 percent of total U.S. FDI.[84]

Although the EU share of world merchandise trade has fallen with the increasing importance of Asia and Latin America, the reach of the EU's trade regime has broadened, particularly in recent years. Three high-income northern European countries, Austria, Finland, and Sweden, became full-fledged members of the EU on January 1, 1995, and the economies of Central and Eastern Europe and the Former Soviet Union continued to receive substantial EU financial and technical assistance. Moreover, the EU has an extensive and growing array of preferential trading arrangements. Its agreements with Central and Eastern

Europe are of particular strategic and economic importance to the United States.

Yet, countries within the EU have increasingly been importing from other EU members at the expense of imports from third countries over the 1980-1993 period (1993 being the lone exception).[85] It has been suggested that EU level laws in such areas as product standards, government procurement, and financial market regulation that are designed to further integrate the EU internal market may explain this phenomenon. Indeed, addressing disparities in treatment that have resulted from Europe's Single Market (1992) Initiative tops the list of U.S. business interests in the New Trans-Atlantic Agenda.

Attaining that goal requires dealing with several types of barriers. Tariffs, though not generally high in the United States or the EU, remain high for certain sectors. Even after the Uruguay Round, the EU has high tariffs on agriculture (meat, dairy, sugar, and tobacco), textiles and apparel, motor vehicles, electronics, and paper products. In addition, tariff escalation, or rising tariffs with degree of processing, is particularly pronounced in the fish, tobacco, leather, rubber, textile, and metal industries.[86] Recent reclassification decisions by EU member state customs authorities affecting U.S. computer equipment have also been a source of U.S. frustration.[87] Nontariff barriers run the gamut from subsidies to product standards and officially-sanctioned discrimination in such sectors as telecommunications.[88] Uneven or poor implementation of single market rules in such areas are a particular problem for U.S. business. "Cultural" barriers to U.S. movies and broadcasts and discriminatory restrictions on imported bananas are also sources of U.S. concern. Overzealous environmental and labor policies, such as an extensive ecolabelling scheme for environment-friendly products, have recently emerged as issues.

The EU complains about what remains of Buy America policies affecting European suppliers in public airport and subway construction projects, various restrictions on the use of non-U.S. vessels in cargo-handling, the extraterritorial reach of U.S. laws, notably recent ones relating to Cuba, Libya, and Iran,[89] and difficulties in penetrating U.S. markets for regulated goods such as pharmaceuticals. At a more fundamental level, the EU continues to lead the global call for a U.S. retreat from unilateral tactics to attain its market access goals. Yet a report issued by the EU Commission in July 1995 detailing U.S. market access barriers notes that the Uruguay Round has largely settled some long-standing issues and created a more solid foundation for resolving others.[90] In contrast to the situation with its Latin American and Pacific trading partners, U.S. economic ties with EU member states have in some ways been made easier by the EU overarching legal competence in many aspects of economic and commercial policy across the Union and the increasing realization of a single market for goods, capital, and people among its 15 member states.

The United States has long discussed foreign and trade policy issues on an ad hoc basis with the EU. These arrangements were formalized by the Declaration on U.S.-EU Relations of November 23, 1990, which institutionalized regular consultation and cooperation on political, economic, scientific, educational, and cultural matters. The U.S. President now meets twice annually with the head of the executive branch of the EU and the President of the European Commission. The Secretary of State meets twice annually with the EU foreign ministers and as necessary with the foreign ministers of the "troika" countries (the EU presidency country, its predecessor, and its successor).

In mid-1995, leaders on both sides of the Atlantic began to take steps to define the overall U.S.-EU relationship and prepare it for future challenges. On June 14, senior officials from the United States and the EU were charged by President Clinton, EU Commission President Jacques Santer, and EU Council President Jacques Chirac with the development of an agenda for the 21st century to be considered at the December 1995 Madrid Summit. The decision came on the heels of a major speech by Secretary of State Warren Christopher signaling U.S. support for an intensification of U.S.-EU dialogue on key issues.

The joint efforts complemented preparations underway in both the EU and the United States. On April 27, 1995, the EU Commission announced that it had begun studying the feasibility of a U.S.-EU free-trade area (FTA). Among other things, it sought to identify candidates for further tariff reductions, to explore whether enhanced cooperation in such areas as competition policy, investment, and product approval would be more advantageous than a full-fledged FTA, and to evaluate whether a North America-EU is preferable to a U.S.-EU FTA. In late July, the EU Commission released a communication containing proposals for action in each major aspect of the U.S.-EU relationship.[91] On May 22, USTR Kantor announced a four-pronged initiative to deepen U.S.-EU ties. Its four key elements included (1) studying remaining barriers in such areas as services, investment, intellectual property, telecommunications, and agriculture, (2) launching an immediate phase-down of barriers in such areas as standards, investment, and financial services, (3) developing a modality for addressing remaining barriers, (4) launching a Trans-Atlantic Business Dialogue (TABD) to serve as an early warning mechanism and to recom- mend a future course for U.S.-EU economic relations.

Some of the ideas floated during the presummit period included a Trans-Atlantic Free-Trade Area (TAFTA) or somewhat less comprehensive ”economic space” agreement. Other proposals were procedural, aimed at heading off friction and setting priorities for the future. A TAFTA was soon dismissed as premature, however. Given concerns about such an agreement’s impact on the global trading system, difficulties in improving present levels of market access in such sensitive sectors as agriculture and textiles, and post-Uruguay Round ”trade fatigue” by negotiators and policymakers alike, some urged that, in the short-term, the two sides should pursue more pragmatic and less ambitious means to fortify trade ties and deepen economic relations across the Atlantic. Indeed, a building block approach, incorporating, expanding, and perhaps putting a deadline on existing initiatives, seemed to be a common theme in public statements by U.S. and EU officials.[92]

Over 100 U.S. and European business leaders met in Seville November 10-11 to conduct a Trans-Atlantic Business Dialogue aimed at improving the Trans-Atlantic marketplace, strengthening the multilateral system and preparing concrete recommendations on how to boost trade and investment across the Atlantic.[93] The conference resulted in a number of recommendations that will be followed up in 1996. Many of the issues identified are technical in nature, arising out of the Single Market Initiative, expansion of EU membership,[94] and the transformation of markets in Central and Eastern Europe. The recommendations closely tracked those contained in a November U.S. Chamber of Commerce report, which identified four main areas that the TABD ought to address: the reduction of regulatory burdens, including the convergence of standardization and certification policies and the completion of Mutual Recognition Agreements (MRAs); the continuation of trade liberalization via accelerations of Uruguay Round tariff cuts and an Information Technology Agreement that would eliminate tariffs in that sector; the establishment of global rules to govern international investment; and cooperation on third-country aspects of issues such as public procurement, the environment, corruption and bribery, and intellectual property rights.[95]

December 3 Madrid Summit and the New Trans-Atlantic Agenda

On December 3, 1995, President Clinton, Prime Minister of Spain Felipe Gonzalez, and European Commission President Jacques Santer announced a New Trans-Atlantic Agenda at the U.S.-EU Summit in Madrid, Spain. The agenda takes a practical, action-oriented approach to strengthening economic ties. The four key goals established in the agenda are promoting peace, democracy, and development around the world; responding to global challenges; contributing to the expansion of world trade and bilateral economic ties; and ”building bridges across the Atlantic” by promoting closer communication between American and European business people, scientists, educators, and others.[96]

More than 40 specific actions dealing with economic and trade cooperation are listed in the accompanying Joint U.S.-EU Action Plan. Among the specific measures are—

(1) tariff liberalization and other competitiveness-boosting measures in such areas as information technology**:** The two sides noted that they had agreed to seek an agreement eliminating tariffs on information technology equipment by the year 2000 and to consider tariff liberalization in other sectors for which the U.S. President presently has tariff authority, such as electronics and chemicals. They will also seek to expand their commitments under the WTO Government Procurement Agreement. Other steps will facilitate customs clearance and encourage cooperative research and development;

(2) standards and regulatory cooperation: In an effort to reduce costs associated with different product standards and regulatory requirements, the two sides pledge to conclude mutual recognition agreements on conformity assessment as well as to work towards similar technical regulations on such topics as interconnection and interoperability of telecommunications equipment, vehicle safety, aircraft noise emissions, pesticide residues, and veterinary standards and procedures. A report issued by the Trans-Atlantic Industry Conference in April 1996, estimated that

U.S.-European differences in the design and development of automobiles amount to about 10 percent of the cost of an imported car here and in the EU;[97]

(3) multilateral cooperation: Both sides are to cooperate in such areas as financial services, government procurement, investment, intellectual property, and accession to the WTO by China and Russia. They also will promote the effective functioning of the dispute settlement system and full implementation of the Uruguay Round Agreements. The goal of such cooperation is to broaden and strengthen the multilateral trading system;[98]

(4) joint study of ways to facilitate trade in goods and services and further reduce or eliminate barriers;

(5) business involvement in shaping priorities via a continuation of the Trans-Atlantic Business Dialogue.

Not specifically mentioned in the agenda are any actions dealing with such sensitive topics as agriculture, steel, aviation, shipping, and "cultural" industries. These were among the major sticking points in the Uruguay Round, and many believed little would be gained by reopening them now.

Next Steps

Meetings among the senior and working level officials charged with realizing these broad trade ambitions are well underway. During early February, staff-level talks were held in Geneva on the potential scope of the Information Technology Agreement (ITA). In March, EU officials came to Washington to discuss the terms of reference for the joint study on trade facilitation and liberalization, which have now been finalized.[99] Separate talks on the ITA agreement, government procurement, intellectual property, and MRAs also occurred.[100] At the end of March, U.S. officials met with their Commission counterparts in a senior level group to review the state of play on implementing the New Trans-Atlantic Agenda.[101] A formal U.S. proposal on the ITA agreement was presented at the April 1996 meeting among Quad Trade Ministers (the United States, the EU, Canada, and Japan).

Although the broad outline of measures to be taken in the trade area was set out in 1995, much work remains before agreement on concrete details is reached. On the ITA agreement, for example, the EU indicated at the April Quad meeting that it would like to add technical standards to the agreement as well as broaden it to include a trilateralized version of the expiring U.S.-Japan semiconductor arrangement, a long-standing EU goal. The United States and Japan both reacted skeptically, but for different reasons. The United States does not want to hold back the ITA agreement over complex technical and contentious political issues. Japan preferred not to renew the expiring bilateral accord. Both technical details and differences in philosophic approach separate the United States and the EU in continuing MRA discussions. The EU would like an umbrella agreement coupled with a package of sectoral deals that would attain a rough balance of benefits between the two sides; the United States is urging a more gradualist approach that permits prompt agreements on individual sectors as soon as key technical issues are resolved and puts off for a later date areas where sufficient confidence or regulatory harmonization does not exist.

In spite of these near-term obstacles, realization of a Trans-Atlantic Marketplace is recognized as an ambitious, long-term endeavor that involves complex issues of regulatory and economic convergence. Twice yearly Presidential summits should provide political oversight and impetus. Business involvement may help ensure that implementing officials focus on making practical progress.

ENDNOTES

[1] For more detail, see "Mexico's First Year under NAFTA," USITC, *The Year in Trade: OTAP, 1994,* USITC publication 2894, pp. 87-92.

[2] See for example Anthony de Palma, "For Mexico, Nafta's Promise of Jobs is still just a Promise," *The New York Times International*, Oct. 10, 1995, p. 7.

[3] See "Mexico," ch. 4.

[4] For more detail see, "Assistance to Mexico," in USITC, *The Year in Trade: OTAP, 1994,* USITC publication No. 2894, pp. 86-87.

[5] U.S. Department of State, "Mexico: Economic and Financial Report, Fall 1995," prepared by the U.S. Embassy, Mexico City, p. 9, and *El Financiero,* Apr. 8, 1996.

[6] U.S. Department of Commerce, International Trade Administration (ITA), NAFTA office,"NAFTA: 1995 Update," Feb. 28, 1995, and U.S. Department of State telegram, No. 02580, "Mexican GDP for 1995," prepared by the U.S. Embassy, Mexico City, Feb. 21, 1996.

[7] U.S. Department of State, No. 03520, "Mexico's Aggregate Supply and Demand Figures," prepared by the U.S. Embassy, Mexico City, March 8, 1996.

[8] U.S. Department of State telegram, No. 03387, "Mexico's Trade by Country for 1995," prepared by the U.S. Embassy, Mexico City, Mar. 15, 1996.

[9] On Nov. 30, Banco Inverlat, a major bank of Mexico, was taken over by the Mexican Government to prevent its collapse.

[10] The official unemployment rate, defined similarly in most countries, exceeded 7 percent in mid-1995. However, as the Mexican press confirms, these official figures in Mexico do not reflect the real extent of unemployment, due to the country's large sector of informal economy. Therefore, a broader definition of unemployment calculated by INEGI based on the 39 principal urban areas of Mexico, and used also by the U.S. Embassy in Mexico City, is a more accurate measure of Mexican unemployment. *La Jornada,* Mar. 4, 1995, and U.S. Department of State, "Mexico: Economic and Financial Report, Fall 1995," pp. 7, 34.

[11] U.S. Department of State telegram, No. 03314, "Mexican Unemployment in 1995," prepared by the U.S. Embassy, Mexico City, Mar. 6, 1996.

[12] Leslie Crawford, "Mexico: The International Rescue Package," *Financial Times*, Oct. 6, 1995. p. 7.

[13] The intervention was successful for a while, but then the exchange rate continued to deteriorate again. On April 15, 1996, the exchange rate was 7.5 pesos to the dollar.

[14] U.S. Department of State, "Mexico: Economic and Financial Report, Fall 1995."

[15] Mr. Jesus Silva-Herzog, Mexico's Ambassador to the United States, said on November 3, 1995, that "The Mexican economy's vital signs are improving and the worst of its troubles are over." *International Trade Reporter*, Nov. 8, 1995, p. 1859.

[16] U.S. Department of State telegram, No. 03333, "Balance of Payments Current Account Figures for 1995," prepared by the U.S. Embassy, Mexico City, Mar. 6, 1996.

[17] See following section.

18 U.S. Department of State telegram, No. 03387, "Mexico's Trade by Country for 1995," prepared by the U.S. Embassy, Mexico City, Mar. 15, 1996.

[19] Ibid.

[20] See "Mexico's First Year under NAFTA," USITC, *The Year in Trade: OTAP, 1994,* USITC publication 2894, p. 89.

[21] U.S. Department of State telegram, No. 03387, "Mexico's Trade by Country for 1995," prepared by the U.S. Embassy, Mexico City, Mar. 15, 1996.

[22] USITC, *The Year in Trade: OTAP, 1994,* USITC publication 2894, figure 4-1.

[23] U.S. Department of State telegram, No. 03387, "Mexico's Trade by Country for 1995,"prepared by the U.S. Embassy, Mexico City, Mar. 15, 1996.

[24] *NAFTA: 1995 Update*, prepared by the U.S. Department of Commerce, International Trade Administration, NAFTA office, on Feb. 28, 1995.

[25] Tornell, Aaron and Gerardo Esquivel, *The Political Economy of Mexico's Entry to Nafta*, working paper 5322, Cambridge, National Bureau of Economic Research, Oct. 1995, p. 27.

[26] U.S. Department of State telegram, No. 03387, "Mexico's Trade by Country for 1995," prepared by the U.S. Embassy, Mexico City, Mar. 15, 1996.

[27] *NAFTA: 1995 Update*, U.S. Department of Commerce, ITA, NAFTA office, Feb. 28, 1995.

[28] Prior to the implementation of NAFTA, almost all U.S. imports from assembly plants in Mexico entered under *Harmonized Tariff Schedule* (HTS) provision 9802.00.80. In the two years since the implementation of NAFTA, a growing portion of production-sharing imports has been entering duty free under NAFTA exclusively rather than under 9802.00.80 or under both provisions. As a result, data on imports understate actual U.S. imports from production sharing operations in Mexico.

[29] For more details on maquiladora trade, see "NAFTA Update: Early Signs Confirm Benefits," USITC, *Industry Trade and Technology Review,* Publication 2942, Dec. 1995, pp. 41-47, and "The Maquiladora Industry Thrives since the Peso's Devaluation," USITC, *International Economic Review,* Feb. 1996.

[30] Alva Senzek, Fred Rosen and Lourdes Gonzales, "Weighing Up Nafta's Performance," *El*

Financiero International Edition," Jan. 15-21, 1996, p. 8.

[31] Statistics Canada, *Canadian International Merchandise Trade* - cat. 65-001, Dec. 1995.

[32] Statistics Canada, *Pocket Facts: Canada - Economic Indicators*, No. 36. Mar. 15, 1996.

[33] Senate of Canada, *Proceedings of the Standing Committee on Foreign Affairs*, 1st Session 35th Parliament, 1994-1995, No. 26, Aug. 3, 1995.

[34] Ibid.

[35] This series of reports documented the use of fast-track procedures in covering the conclusion of the NAFTA negotiations. Under fast-track procedures, a bill to implement a trade agreement, once introduced by the President, cannot be amended by Congress; passage by both houses of Congress is required. These procedures are established in section 1103 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100-418). For more detailed information on the use of fast-track procedures during the NAFTA negotiations, see USITC, *The Year in Trade: OTAP, 1993*, USITC publication 2769, p. 56; and USITC, *The Year in Trade: OTAP, 1992*, USITC publication 2640, p. 9.

[36] In 1992, President Bush announced that "the United States intends to negotiate a comprehensive free- trade agreement with Chile upon the conclusion of the North American free-trade agreement [negotiations]." "Remarks at the State Dinner for President Patricio Aylwin of Chile," May 13, 1992, *Weekly Compilation of Presidential Documents*, May 18, 1992, p. 859.

[37] USTR, "Report to the President and the Congress on Significant Market Opening," May 1, 1994 (report pursuant to Section 108 of the NAFTA implementing legislation, PL 103-182, 107 Stat 2057).

[38] The White House, "Statement by Prime Minister Jean Chretien of Canada, President Eduardo Frei of Chile, President Ernesto Zedillo of Mexico, and President William Clinton of the United States," Dec. 11, 1994.

[39] The White House, "Announcement by the President," Dec. 11, 1994. The Free Trade Area of the Americas (FTAA) is discussed in more detail below.

[40] USTR, "Negotiation of Chilean Accession to the North American Free-Trade Agreement," 60 F.R. 13746 and USTR, "Extension of Comment Period Concerning Negotiations Regarding Chilean Accession to the North American Free Trade Agreement," 60 F.R. 21013.

[41] U.S. Senate, *Trade Agreement Implementation Reform Act*, 104th Congress, 1st sess., S. 577, *Congressional Record*, Congressional Record Online (Mar. 17, 1995), S4148-S4149.

[42] U.S. House of Representatives, Committee on Ways and Means, *Accession of Chile to the North American Free Trade Agreement: Hearing Before the Subcommittee on Ways and Means*, 104th Cong., 1st sess. June 21, 1995.

[43] "Formal NAFTA Negotiations with Chile Begin," *U.S.-Mexico Free Trade Reporter*, June 15, 1995, p. 4.

[44] "Chile Will Not Complete NAFTA Talks Unless Fast-Track Authority Is Approved," *International Trade Reporter*, June 14, 1995 (Washington, DC: BNA, 1995), p. 1033.

[45] Ibid.

[46] Ibid.

[47] The NAFTA implementing bill was accompanied by several supplementary agreements. For a more detailed discussion of the NAFTA side agreements on environmental and labor standards, see USITC, *The Year in Trade: OTAP, 1993*, USITC publication 2769, p. 57.

[48] Ambassador Charlene Barshefsky, Testimony Before the Trade Subcommittee, House Ways and Means Committee, June 21, 1995, 104th Congress, 1st sess., (Washington, DC: GPO, 1995), p. 30.

[49] See statement by Senator Robert Dole (R-Kansas) on fast-track authority, 104th Congress, 1st sess., *Congressional Record* Online (Nov. 3, 1995) S16695-S16696. For additional background, see John Maggs, "Negotiations Resume on NAFTA Expansion," *Journal of Commerce*, Aug. 25, 1995, p. 1A and John Maggs, "House Nears Fast-Track Agreement," *Journal of Commerce*, Sept. 11, 1995, p. 1A.

[50] In early 1996, Chile initiated talks with Canada for a bilateral free-trade agreement. Chile has had a bilateral free-trade agreement with Mexico since 1992.

[51] The Declaration of Principles and Plan of Action, reprinted in *Business America*, Dec. 1994, pp. 10-13. For additional information on the 1994 Summit of the Americas, see *The Year in Trade: OTAP, 1994*, USITC publication 2894, pp. 39-41.

[52] Summit of the Americas, First Trade Ministerial, Final Joint Declaration, June 30, 1995.

[53] MERCOSUR is the Spanish acronym for the Southern Common Market, a subregional customs union operative since January 1, 1995, linking the economies of Argentina, Brazil, Paraguay, and Uruguay.

[54] Summit of the Americas, First Trade Ministerial, Initial Work Program, June 30, 1995.

[55] "Ministers Leave Aside Key Details in Denver But Approve Main Blueprint," *Inside NAFTA*, July 4, 1995, p. 4.

[56] Organization of American States, OAS Trade Bulletin, Dec. 1995, pp. 2-4.

[57] Summit of the Americas, First Trade Ministerial, Initial Work Program, June 30, 1995.

[58] Summit of the Americas, Second Ministerial Trade Meeting, Joint Declaration, Mar. 21, 1996.

[59] See for example Kevin G. Hall, "After an 'Orgy of Semantics,' Summit Closes Without Free-Trade Commitment," *Journal of Commerce*, Mar. 21, 1995, p. 2A and Diana Jean Schemo, "Unity Cracking as American Nations Meet on an Economic Zone," *New York Times*, Mar. 24, 1996.

[60] For information regarding APEC's organizational structure and activities, see USITC,

The Year in Trade: OTAP, 1993, USITC publication 2769, pp. 64-67.

[61] The Ministerial meetings held each November include the trade and foreign ministers from each APEC economy. Other meetings involving ministers responsible for finance, transportation, energy, small and medium enterprises, telecommunications, and science and technology are held periodically.

[62] *U.S. Department of State Dispatch*, "Fact Sheet: Asia-Pacific Economic Cooperation," July 31, 1995, vol. 6, No. 31, p. 597.

[63] APEC working groups are headed by "shepherds" or APEC economies, which volunteer to take responsibility for their activities. The working groups focus on particular sectors or issues including: human resources development, tourism, trade and investment data, fisheries, trade promotion, marine resource conservation, energy cooperation, industrial science and technology, transportation and telecommunications.

[64] Other activities of the CTI included: compilation of a report on domestic deregulation and liberalization measures undertaken by APEC members; conducting Uruguay Round implementation seminars; preparation of a survey on regional trade impediments by the Pacific Economic Cooperation Council (PECC); holding APEC Symposium on Investment in Bangkok and Customs Symposium in Osaka; completing pilot APEC-wide tariff data base CD-ROM; completion of case studies on the alignment of APEC members' standards with international standards in four priority areas; and initiating pilot projects for mutual recognition arrangements in the food and toy sectors. USTR, *1996 Trade Policy Agenda* and USTR, *1995 Annual Report*.

[65] Ibid.

[66] APEC, *Implementing the APEC Vision*, Third Report of the Eminent Persons Group, Aug. 1995.

[67] APEC, "APEC Economic Leaders' Declaration for Action, Osaka, Japan, Nov. 19, 1995.

[68] APEC, "APEC Leaders' Vision Statement," Seattle, Wash., Nov. 20, 1993.

[69] APEC, "APEC Economic Leaders' Declaration of Common Resolve," Bogor, Indonesia, Nov. 15, 1994.

[70] APEC, "APEC Economic Leaders' Declaration for Action," Osaka, Japan, Nov. 19, 1995.

[71] Ibid.

[72] APEC plans to present the program of "next steps" which will be agreed to at the Subic Bay Ministerial in November 1996 at the WTO ministerial conference in Singapore in December 1996. See also, C. Fred Bergsten, "An Asian Push for World-Wide Free Trade," *The Economist*, Jan. 6, 1996, pp. 62-63.

[73] APEC, "The Osaka Action Agenda," Osaka, Japan, Nov. 19, 1995.

[74] Ibid.

[75] Initial Action Plans were tabled at the Second Senior Officials Meeting during May 22-24, 1996, in Cebu, the Philippines. The plans were to be further reviewed by the Trade Ministers in July and the Senior Officials in August and November prior to the Ministerial. Ibid.

[76] APEC, "Osaka Action Agenda," Osaka, Japan, Nov. 19, 1995.

[77] APEC, "APEC Economic Leaders' Declaration of Common Resolve," Nov. 15, 1994, Bogor, Indonesia.

[78] Ibid.

[79] The text of the Trans-Atlantic Agenda is reprinted in *U.S. Department of State Dispatch*, Dec. 4, 1995, vol. 6, No. 49, pp. 894-897.

[80] This theme is evident in several recent publications, including *A Transatlantic Blueprint: Final Report of the European Institute Transatlantic Joint Action Initiative*, (Washington, DC: The European Institute, Oct. 1995) and Mark M. Nelson and G. John Ikenberry, *Atlantic Frontiers: A New Agenda for U.S.-EC Relations*, (Washington, DC: Carnegie Endowment, 1993).

[81] WTO, "World Trade Expanded Strongly in 1995 For the Second Consecutive Year. Robust Trade Growth Expected This Year," press release No. 44, Mar. 22, 1996, appendix table 2, p. 13.

[82] Compiled by the staff of the USITC from official statistics of the U.S. Department of Commerce. Exports are domestic exports at f.a.s. value; imports are imports for consumption at customs value.

[83] U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis, *Survey of Current Business*, Apr. 1996, pp. 82-83. The data presented are for private sector exports and imports only; military transfers and government miscellaneous services have been netted out.

[84] U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis, *Survey of Current Business*, June 1995, pp. 67 and 63.

[85] WTO, *Trade Policy Review of the European Union: Report by the Secretariat*, WT/TPR/S/3, June 30, 1995, p. 9.

[86] Ibid., pp. 52-55.

[87] See, for example, U.S. Department of State telegram, No. 091479, "Demarche Request: HMG Customs Classification Decision on Information Technology Products,"prepared by Secretary of State, Washington, DC, May 2, 1996.

[88] See, for example, USTR, *1996 National Trade Estimate Report on Foreign Trade Barriers*, pp. 91-115.

[89] "EU Regrets U.S. Trade Legislation on Cuba, Iran and Libya," *European Union News*, No. 23/96, Apr. 22, 1996.

[90] Services of the European Commission, *Report on United States Barriers to Trade and Investment, 1995*, Brussels: May 1995; and *European Union News*, "1995 Report on United States Barriers to Trade and Investment," July 6, 1995.

[91] The communication by the EU Commission to the Council of Ministers, entitled "Europe and the US:

A Way Forward," was released on July 26, 1995. "Commission Launches Blueprint to Prepare for Deeper Transatlantic Ties," *European Union News*, No. 54/95, July 26, 1995.

[92] For a fuller discussion of the various options discussed, see, Kim Frankena, "Trans-Atlantic Ties To Be Strengthened," USITC, *International Economic Review*, Aug. 1995, pp. 8-10.

[93] U.S. Department of State telegram, "Trans-Atlantic Business Dialogue: Commission Press Preview on Seville Conference," message reference No. 011442, prepared by U.S. mission to EU, Brussels, Nov. 7, 1995.

[94] Expansion of EU membership and associated compensation to the United States are discussed in ch. 4 of this report.

[95] U.S. Chamber of Commerce, International Division, *The Future of Transatlantic Trade Relations: A U.S. Business Perspective*, Nov. 1995 and "Transatlantic Business Dialogue, Overall Conclusions," summary reprinted in *Washington Trade Daily*, Dec. 8, 1995, full final text provided by the U.S. Chamber of Commerce.

[96] U.S. Department of State, Bureau of Public Affairs, "Fact Sheet: The New Trans-Atlantic Agenda," Dec. 1995.

[97] Warren Brown, "U.S., European Carmakers Reach Accord," *The Washington Post*, Apr. 12, 1996.

[98] "The New Trans-Atlantic Agenda: Joint U.S.-EU Action Plan," U.S. Department of State fact sheet, Bureau of European and Canadian Affairs, Dec. 1995.

[99] USTR, Letter from Ambassador Kantor to Sir Leon Brittan, Mar. 1, 1996.

[100] U.S. Department of State telegram, No. 002745, "New Trans-Atlantic Agenda: Progress Report With Brittan Cabinet," prepared by U.S. mission to EU, Brussels, Mar. 18, 1996.

[101] U.S. Department of State telegram, No. 003439, "Mini-Senior Level Group Meeting on Implementing the New Trans-Atlantic Agenda,"prepared by U.S. mission to EU, Brussels, Apr. 4, 1996.

CHAPTER 4
U.S. Relations With Major Trading Partners

This chapter reviews bilateral trade relations and issues with seven major U.S. trading partners during 1995: Canada, the EU, Japan, Mexico, China, Taiwan, and Korea. See appendix tables A-1 to A-21 for detailed information on U.S. trade with these partners.[1]

Canada

Lumber

Lumber has been the subject of the longest running bilateral dispute between the United States and Canada, dating from 1982. Following a series of CFTA (U.S.-Canada Free-Trade Agreement)/NAFTA panel decisions that upheld the Canadian position (i.e., that Canadian policies with regard to softwood lumber do not constitute subsidies), the U.S. industry, faced with increased market share by Canada, threatened another countervailing duty (CVD) action in 1994. High-level negotiations recently resulted in a 5-year agreement-in-principle between both countries. Under the terms of the agreement, which became effective April 1, 1996, Canada will limit its exports of lumber to the United States, while the United States agrees to take no official action against lumber imports from Canada. Should the agreement fail, the USTR outlined the steps that the United States would take. They include initiation of a Section 301 trade action against Canada, immediate imposition of higher tariffs on Canadian lumber imports, and the filing of a CVD case by the U.S. lumber industry.[2]

U.S.-Canadian Softwood Lumber Agreement

Under the elements of the consultative process agreement, signed by the United States and Canada in late 1994, both sides were required to enter into a dialogue on the issues that have caused this bilateral trade dispute. This process was the principal bilateral activity on lumber throughout 1995. Officials from U.S. and Canadian Governments and executives from lumber industries, met to discuss the various forestry practices in their respective jurisdictions. Plenary meetings were held in May, July, and September of 1995 with the objective that all sides would come to understand the respective forestry practices and policies. Realizing that forestry policies varied greatly among the Provinces, and that one solution applying across the Provinces was impossible, U.S. and Canadian negotiators decided that individual provincial solutions were needed.[3]

On February 16, 1996, the United States and Canada entered into an agreement-in-principle limiting the amount of Canadian exports of softwood lumber to the United States, thus ending the longstanding trade dispute between the two countries.[4] The agreement-in-principle called for an export tax levied on U.S.-destined lumber originating in British Columbia, Canada's largest lumber-exporting province, and an increase in stumpage fees that producers pay the provincial government to fell trees in Quebec, Canada's second largest lumber producing province.[5] In 1995, imports from Canada were 16.2 billion board feet, yielding a 36-percent share of the U.S. lumber market. Under the accord announced on February 16, British Columbia agreed to reduce its volume of exports to the United States by about 14 percent, while Quebec, resisting the export tax regime employed by British Columbia, agreed to raise producers' harvesting costs by about 60 percent.[6] In return for these concessions, Canada was assured that no further trade complaints would be launched against softwood lumber by the United States for the 5-year duration of the accord.

After concluding the February 16 accord, both sides entered into a series of negotiations needed to reach agreement on the implementation and enforcement of the agreement-in-principle. On April 2, 1996, Ambassador Kantor announced that the agreement-in-principle of February 16, was now finalized, albeit in a different fashion. Realizing that a province-by-province solution was not possible as previously envisaged, Canada and the four major exporting provinces concluded that a straightforward, unified approach would be more workable and effective.[7] Specifically, British Columbia, Quebec, Ontario, and Alberta agreed to reduce their combined shipments from the 1995 level of 16.2 billion board feet to 14.7 billion for the year starting April 1, 1996.[8] However, a provision allows for additional Canadian lumber to enter the U.S. market in times of increased demand. This lumber will be subject to a Canadian export tax at a rate of US$50 per 1,000 board feet for the first 650 million board feet in excess of the annual threshold and US$100 per 1,000 board feet in excess of the additional amount.[9] In turn, Canada received a pledge by U.S. lumber companies, unions, and trade associations that they will not seek recourse to the trade laws for the duration of the agreement. Furthermore, Canada was assured that the U.S. Department of Commerce would not self-initiate any trade action during the life of the agreement and would dismiss any petition from this sector that was brought under the countervailing duty or dumping law as long as the agreement is in effect and not breached.[10]

Grain

On August 3, 1994, the USTR and the Secretary of the U.S. Department of Agriculture (USDA) reached an agreement with the Government of Canada concerning U.S. and Canadian trade in wheat.[11] Using the authority under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624),[12] President Clinton established separate tariff-rate quotas (TRQs) on durum and nondurum wheat that totalled 1.5 million metric tons.[13] The section 22 restrictions did not affect U.S. imports of semolina or wheat flour nor U.S. imports of white wheat.[14] The TRQs applied to wheat imports from all countries and were applicable for 1 year or until September 11, 1995. However, virtually all U.S. wheat imports over the past 5 years have come from Canada.

On September 12, 1995, USDA and USTR announced the expiration of the TRQs on wheat.[15] Both agencies indicated that the TRQs had been effective in moderating imports of Canadian wheat in crop year 1994/95, and were a necessary response to the market disruptions of 1993/94 and prior years.[16] Moreover, in 1995/96 the market for U.S. and Canadian grain outside North America improved because of tight world grain supply conditions and attractive financial returns from overseas sales.

The administration also indicated through the press release that: (1) the United States will not accept market disruption of imports of Canadian wheat; (2) Canadian grains to the United States will be closely monitored between September 1995 and September 1996; and (3) the United States will consult with the Government of Canada to discuss potential problems before imports from Canada reach disruptive levels. These consultations will occur at 6, 9, and 11 month intervals if Canadian exports of wheat should exceed proportional shares of the expired 1994-95 TRQs.

Following the announcement that TRQs would not be renewed, USDA continued to monitor weekly U.S. imports of Canadian wheat. These have declined from their record levels in 1993/94. U.S. imports of wheat from Canada in crop year 1995/96 fell by about 40 percent below the corresponding level in 1994/95. U.S. imports of wheat from Canada during September-December 1995 amounted to 543,000 metric tons, as compared to 932,000 metric tons during the corresponding period in 1994.

As part of the August 1994 agreement with Canada on wheat trade, a bilateral Joint Commission on Grains was established to examine the countries' marketing and support systems for all grains. This Joint Commission was composed of U.S. and Canadian private-sector experts to provide nonbinding recommendations to help the two countries find solutions to bilateral grain trade problems. The Commission issued a preliminary report in June 1995, and a final report in October 1995.[17] The final report included recommendations on agricultural policy coordination, cross-border trade, grading and regulatory regimes, infrastructure, domestic support and export programs and institutions, and other bilateral and international issues in the grain (wheat and barley) trade.

Canadian Rail Subsidy Terminated

One of the leading complaints of U.S. wheat farmers against Canadian trade practices involved the rail subsidy program operated by the Canadian Government. On August 1, 1995, the Canadian Government ended its century-old subsidy program for rail freight for grain and certain other agricultural products, known as the Western Grain Transportation Act (WGTA) or the "Crows Nest Rate." Until a few years ago, the WGTA had cost the Government over C$700 million (about US$510 million) annually, but budget cuts, induced by Canadian Government fiscal austerity, reduced the program to C$600 million (US$ 437 million) in 1993/94, and to C$561 million (US$ 409 million) in 1994/95, its last year.[18] In addition to the fiscal burden, the Canadian Government cited its obligations under the Uruguay Round Agreement to reduce its export subsidy programs as justification for ending the WGTA.

The program paid railroads for part of the freight cost of moving grain and other eligible crops from the producing Prairie provinces (Saskatchewan, Alberta, Manitoba, and parts of British Columbia) to ports on the Pacific coast or to Thunder Bay on the Great Lakes. The products could then either be exported or consumed domestically. In its last full year, the WGTA paid 51 percent of the total freight cost of shipping grain from the leading producing province, Saskatchewan, to Vancouver on the West Coast (the primary export port in Canada).[19]

As compensation to Canadian grain producers for the loss of the WGTA subsidy, the Canadian Government created a C$1.6 billion (US$ 1.2 billion) lump sum payment to farmland owners (who are likely to experience lower land values), and a C$300 million (US$ 219 million) adjustment assistance fund.[20] The adjustment assistance will be paid over a 6-year period to sectors or regions experiencing unusual hardship.[21] The Government promised to provide C$1 billion (US$ 729 million) in export credit guarantees for the Canadian Wheat Board and the Export Development Corporation to target sales to "non-Sovereign" foreign purchasers.

With the ending of the WGTA, the deregulation of the Canadian rail system is expected to reduce farmgate prices for farmers, to lower prices of feed grains thereby fostering the livestock sector in Canada's Prairie provinces, and to make adjacent U.S. export markets more attractive.[22] Depending on world supply and demand conditions, Canadian grain shipments to the United States are widely expected to increase, *ceteris paribus*.

Role of Canadian Wheat Board

The Canadian Wheat Board (CWB), the state trading enterprise for Canadian wheat and barley, faces a changing situation with regard to its role as the sole Canadian exporter of wheat and barley. The CWB was allocated C$700 million (US$510 million) in August 1995 to support export sales of western Canadian wheat and barley, by easing the loss of the Canadian rail subsidy.[23] Another state-trading enterprise, the Export Development Corporation (EDC), was given C$200 million (US$146 million) for other agricultural products, such as alfalfa or dry peas and lentils, for export credit guarantees. Another C$100 million (US$73 million) will be allocated to the CWB and the EDC at a later time. The CWB has provided similar export credit for wheat and barley, averaging in recent years C$400 million (US$291 million) annually, according to Canadian Government officials, but the C$700 million (US$510 million) represents a near doubling of this support for export sales.

As part of the deregulation of the Canadian rail system, the Board also faced increasing Canadian farmer opposition to its role dating from the Depression era of the 1930s as the exclusive exporter and domestic marketer of wheat and barley. In line with the ending of the WGTA, the Canadian Government's and CWB's ownership or leasing of the vast majority of more than 19,000 Canadian grain hopper cars, and the CWB's tight export control is under scrutiny.[24] A number of Canadian Prairie farmers have indicated that they can take better advantage of currently buoyant world grain markets (including the U.S. market) than currently taken by the Board. These grain farmers have mounted both court challenges and occasional truck convoys to the United States without the required CWB export permits. Such convoys have led to grain seizure and arrests.[25]

Cultural Protection

Under the terms of the CFTA, and grandfathered by the NAFTA, Canada enjoys special protection for its cultural industries.[26] This protection was the result of Canadian sensitivity to the influence of U.S. popular culture on certain Canadian industries. As noted below, during 1995 this enshrined protection became the subject of a number of bilateral disagreements.

Country Music Television

A longstanding dispute involving a U.S. cable service was seemingly resolved last year, but later unraveled and was only recently settled as a result of the threat of section 301 retaliation. The dispute centers around a U.S.-owned cable channel, Country Music Television (CMT), that was replaced by a Canadian station in June 1994 and bumped from Canadian airwaves. The Canadian Radio-television and Telecommunications Commission (CRTC) de-listed CMT's country music cable service by licensing a new Canadian-owned specialty channel. CMT sought relief from the CRTC decision by filing a section 301 petition with USTR.[27] The investigation was the result of "CRTC's practice of denying market access to foreign-owned television programming services that are determined to be directly competitive with Canadian-owned services."[28] The issue was apparently resolved when the U.S. company tentatively merged with a Canadian station a year later.[29] However, the corporate merger still had not been completed by February 1996 and USTR, having earlier initiated a section 301 case on the license revocation, threatened retaliation.[30]

Magazines

The issue of split-run publications (i.e., U.S. publications with a foreign version, e.g. *Sports Illustrated Canada*) has been of concern to Canadian officials for some time. In fact, Canada has banned such publications at the border for 30 years. In order to further discourage such publications in Canada now that this hurdle can be leaped electronically, and to reportedly protect Canadian cultural interests, in December 1995 Canada imposed a tax of 80 percent on revenue from advertising in these separate Canadian editions. The intent of the action, according to USTR, was to force an end to publication of Time-Warner's *Sports Illustrated Canada* edition.[31] The United States argued that the action was discriminatory and contrary to WTO rules and is seeking review by the WTO dispute resolution body. The U.S. complaint was filed on March 11, 1996.[32]

Borders Books

Late last year the American bookseller, Borders Books, attempted to open a Canadian subsidiary. Borders was to be a minority partner in a joint venture with two Toronto business people. The investment review division of Industry Canada informed the U.S. company that it did not appear to meet Canadian criteria for foreign ownership in this sector, one of the areas protected by the cultural exemptions to NAFTA.[33] According to Canadian officials, the safeguards are a necessary means of protecting Canadian culture from being overwhelmed by the product of the much larger cultural industries in the United States.[34] In the case of Borders, there was a concern that the large size of the U.S. company and its centralized book-ordering/distribution system would shut out low-volume Canadian titles. The Canadian Industry Minister maintained that, despite majority Canadian ownership, the Borders' Canadian undertaking would be effectively controlled by Americans and not under Canadian control.[35]

The unsuccessful Borders venture has been offered as another example during the year of the official cultural protectionism in Canada that disturbs the bilateral trading relationship with the United States. USTR has argued that such policies protect Canadian industry by discriminating against legitimate U.S. interests.

European Union

Bananas

During 1995, the EU banana import regime was again one of the primary sources of tension between the EU and the United States. The banana regime, instituted in July 1993, favors bananas from domestic producers and former European colonies in Africa, the Caribbean and the Pacific (ACP countries) over cheaper "dollar bananas" from Latin America.[36] The regime imposes duty and quota restrictions and limits the amount of non-ACP bananas that can be marketed by traditional operators (e.g., U.S. companies). In January 1994, a GATT panel, requested by five Latin-American banana-producing countries (Colombia, Costa Rica, Guatemala, Nicaragua, and Venezuela), determined the regime to be discriminatory and GATT-illegal.[37] During the spring of 1994, the EU and four of the five Latin American governments (except Guatemala) signed a "Framework Agreement on Bananas" in which the EU increased and guaranteed the volume of their export quotas in return for their agreement to withdraw their GATT complaint and not challenge the import regime for its duration (December 31, 2002).[38] The Framework Agreement was ratified by the EU General Affairs Council on December 19, 1994, and the date January 1, 1995, was designated as the implementation date. Colombia and Costa Rica, on December 1 and 27, 1994, respectively, issued decrees to implement the agreement at the start of the new year.[39] Venezuela and Nicaragua, although they signed the agreement, never formally implemented it.

In September 1994, Chiquita Brands International and the Hawaii Banana Industry Association filed a petition with the USTR requesting an investigation of the EU banana regime. They claimed that the regime and the Framework Agreement were "unreasonable and discriminatory" and a "burden and restriction on U.S. commerce." On October 17, 1994, USTR initiated a section 301 investigation of the EU banana regime. On January 9, 1995, the USTR announced a preliminary decision that the regime adversely affected U.S. economic interests and has "already cost U.S. banana marketing and distribution firms hundreds of millions of dollars at a minimum."[40] Public comments were requested on potential retaliatory measures if the full investigation confirmed the same finding. On the same date, similar section 301 investigations were initiated of the banana policies and practices of Colombia and Costa Rica.[41]

EU officials immediately denounced threats of possible unilateral trade retaliation by the United States[42] and remained "confident that the European banana policy is implemented in full conformity with our international obligations, notably those based on the WTO."[43] The banana dispute was one of the key topics during high level talks in Washington, January 26-30, 1995, but trade officials failed to resolve the issue. The EU defended the policy on moral grounds, citing it as a valuable aid policy tool that is legally defendable in the Uruguay Round texts, where a waiver exists for the Lome Convention's special trade preferences.[44] While they conceded that there might be room for changes at the margins, they remained firm that there were no plans to make any fundamental changes in the policy. On April 6, 1995, the European Commission adopted proposals to simplify the import regime and modify it to account for the recent EU enlargement from 12 to 15 members.[45]

Opposition to the U.S. stance on the issue was strong throughout the year. USTR received a number of letters from officials of Eastern-Caribbean banana-producing nations expressing concern over the section 301 investigation of the EU banana regime and its possible referral to the WTO.[46] A study, commissioned by the Caribbean Banana Exporters Association, was released in late May that stated there would be disastrous economic and social effects on the Eastern Caribbean nations if the United States were to succeed in getting the EU to abandon its banana import regime. The study concluded that a substantial fall in banana prices would cause a collapse of the banana industry in the majority of those countries, leading to economic ruin and potential political and social unrest.[47] In June 1995, 14 of the ACP countries asked Washington to suspend its section 301 investigation into the EU regime, stressing that it was in the United States' greatest interest for the Caribbean to remain economically stable.[48] The United States reaffirmed that its sole objective was only to encourage the EU to adopt a regime that allowed Caribbean nations to continue to supply the EU market, retaining preferences for Caribbean bananas, but not discriminating against U.S. marketing companies.[49]

Informal bilateral negotiations continued, although neither side showed signs of weakening. Dole Food Company, though not a formal petitioner, floated a compromise solution, but it lacked the necessary support from the United States as well as the EU. Also, sharp splits within the member states and the European Commission presented problems during the summer. France wanted to maintain the regime, as did the United Kingdom, and to a lesser extent, Spain, Greece, Portugal, Italy, and Ireland. Germany, backed by the Benelux countries, Denmark, and Finland, was firmly opposed to the banana regime and supported measures to open up the EU market to the cheaper Latin American bananas.[50] Since its conception, Germany has been an active opponent of the EU's banana regime, arguing that the import quotas and licensing arrangements discriminate in favor of former French and British colonies. The German Government took the Commission to the European Court of Justice (ECJ) in late 1994 on grounds that the banana regime violates provisions of several of the EU's international commitments, including the Treaty of Rome and the EU/ACP Lome Convention. The ECJ ruled against the Germans on all counts.[51] During the summer, Germany continued to put pressure on the EU. On July 4 and 10, 1995, a Hamburg court authorized German traders to import "dollar bananas" from Latin America without paying the customs duties in force in the EU.[52]

Within the Commission, the Directorate-General for External Economic Relations led the minority who favored issuing a formal negotiating mandate and settling the dispute with the United States bilaterally, lest the United States initiate dispute settlement procedures in the WTO. The Development Directorate-General, representing the majority, considered it inappropriate to negotiate with the United States, a third party, not involved in direct banana trade with the EU, either as an exporter or as an importer.[53]

In light of the failure of the EU Commission to obtain a mandate to negotiate a settlement, on September 27, 1995, the USTR announced the termination of the original section 301 investigation and the initiation of dispute settlement procedures in the WTO.[54] The United States was joined by Guatemala, Honduras, and Mexico in its WTO challenge of the EU.[55]

Enlargement and U.S. Compensation

Austria, Sweden, and Finland acceded to the EU on January 1, 1995, and as a result, some of the tariffs facing U.S. exports to the new member states increased. In order to compensate the United States for the effects of the accession, a 6-month interim agreement was reached, effective January 1, 1995, that allowed the majority of U.S. exports to enter the new member states unaffected while extending the time period for a permanent compensation package to be reached.[56] The agreement established tariff-rate quotas, which permitted U.S. exports of certain products to enter Austria, Sweden, and Finland at the tariff rates prevailing in those countries before the enlargement up to an agreed-upon quota. For exports above that quota, the EU tariff would apply.[57] Agricultural products and paper were not included in the provisional accord but are expected to be addressed in the final package.[58]

The EU Commission received a formal mandate from the EU General Affairs Council on February 6, 1995, to conduct negotiations for a permanent solution with trading partners who held that the enlargement had adversely affected them. In addition to the United States, Canada, Japan, Korea, Indonesia, Thailand, Iceland, Australia, and New Zealand were among the countries that requested consultations under the GATT with the EU.[59] The mandate argued that these countries actually benefited from the enlargement and that a global assessment of the changes in the tariff rates should be taken, rather than a sector-by-sector approach.[60]

Agriculture presented the primary stumbling block during the first 6 months of the negotiations. A U.S. compensation package proposal presented to the EU in late March requested tariff-rate quotas for a number of agricultural products.[61] The idea was immediately rejected by EU negotiators, who stated that "this concept is a non-starter for the EU as part of any permanent deal because it would introduce different access situations in different Member States and would also be difficult to defend in the WTO."[62]

Discussions geared up toward the end of May as the GATT-imposed June 30 deadline drew near. Under GATT article XXIV:6, compensation must be offered within 6 months of the date on which the tariff increase takes effect. If no agreement is reached by then, the injured party can retaliate by withdrawing trade concessions covering an equivalent value of trade. During talks in Brussels on May 22, 1995, U.S. and EU officials agreed to extend the interim agreement and deadline for negotiations by 6 months.[63] This required the approval of the WTO, which was granted in late May.[64]

The early fall was relatively quiet until the Quadrilateral Group meetings, October 20 - 21, 1995, where bilateral U.S./EU talks on the sidelines included enlargement compensation. Although negotiations resulted in "significant progress,"[65] on October 24, 1995, the USTR self-initiated an investigation under Section 301 of the Trade Act of 1974 to maintain its time-limited right to retaliate against the EU in the event that an agreement was not reached by the end of the year.[66] Under WTO rules, members invoking article XXVIII:3 must provide notice of their intent to modify or withdraw equivalent concessions at least 30 days prior to the effective date of such action. The proposed retaliation list included certain cheeses and chestnuts, chocolate products and bread, perfumes and after-shave lotions, lipstick and shampoos, dishwashing machines, juke-boxes and mini-buses.[67]

Working under the new December 1, 1995 deadline, U.S. and EU officials met several times in person and by telecast during November. By mid-November both sides confirmed that an agreement seemed close at hand.[68] There were unresolved issues in both the industrial as well as the agricultural sectors. The EU continued to insist that EU-based companies be allowed to participate in cooperative industry efforts under the U.S.-Japan semiconductor agreement[69] as a condition for EU tariff cuts in the industry.[70] There were significant differences over agriculture, particularly rice and other grains, where the EU's import valuation system for grains, effective July 1, 1995, resulted in tariffs that exceeded the tariff bindings agreed to in the Uruguay Round.[71] The EU also insisted that any final compensation package take into account the "credits" made as part of the Uruguay Round trade negotiations while U.S. officials stated that such an arrangement would be inconsistent with world trading rules.[72]

An agreement was finally reached hours before the December 1 deadline that would, according to U.S. officials, "fully compensate the United States for increased tariffs applied in Austria, Finland, and Sweden due to their EU membership."[73] At the December 4th EU Foreign Affairs Council meeting, the Ministers gave their political backing to the agreement reached with the United States, Canada, and Australia,[74] and asked the EU Commission to extend the offer to all the other EU trading partners.[75] During the last week of December, the European Commission reached supplemental agreements on specific items with Chile, Japan, New Zealand, and Thailand. Negotiations with Argentina have not been concluded.[76]

The highest value concessions were in agriculture, chemicals, and semiconductors.[77] Under the deal, the EU agreed to accelerate the Uruguay Round tariff cuts by reducing to 7 percent those semiconductor tariffs at or above 7 percent, and eliminating those under 7 percent by January 1, 1996.[78]

Tariff reductions were also agreed to for milled rice, brown rice, almonds, pet food, cherries, fresh foliage, crayfish, numerous other seafood items, nearly 200 chemical products, plywood, newsprint, non-woven fabrics, chromatographs, spectrometers, and oscilloscopes. The hundreds of tariff reductions in the agreement will result in $4 billion in tariff savings by U.S. companies over the next 10 years.[79] The agreement also commits the United States and the EU to attempt to conclude an Information Technology Agreement that will eliminate tariffs in the information technology sector by the year 2000.[80]

The final draft has yet to be signed, although the EU has implemented large pieces of the agreement.[81] According to USTR, when the agreements have been signed, the United States will officially close its section 301 case and terminate its counter-withdrawal procedures.[82]

Japan

Autos and Auto Parts

In 1995, U.S. auto exports to Japan totaled 58,469 units, or only 0.85 percent of the market, excluding exports from Japanese transplants in North America. U.S. exports of auto parts totalled $1.6 billion, or 1.1 percent of Japan's estimated total parts market of $141 billion.[83] Autos and auto parts were chosen under the July 1993 Framework Agreement as a priority sector and negotiations began that September.[84] Following almost 2 years of talks, on May 5, 1995, USTR Michael Kantor announced that the two countries had been unable to reach an agreement. He indicated that the Government of Japan had refused to address fundamental concerns in the three areas of negotiation: vehicles, original equipment or parts sales to Japanese producers in Japan and the United States, and sales of replacement/aftermarket parts in Japan.[85] On May 10, 1995, the USTR announced delivery of a pre-filing notification to the WTO indicating the U.S. intent to invoke the dispute settlement mechanism under the WTO to challenge the continuing discrimination against U.S. exports of automobiles and parts to Japan.[86] In announcing the decision, Ambassador Kantor noted that:

> *The Government of Japan in the past implemented measures to protect the domestic automobile industry, such as discriminatory allocation of capital, foreign investment restrictions, high tariffs, and a range of other measures. . . . Such measures included, among others, excessively burdensome inspection requirements for imported vehicles, discriminatory access to vehicle registration data, and maintaining an unreasonably complex system of motor vehicle inspection and repair regulations.*
>
> *At the same time, the Japanese automotive sector as it has developed has been pervasively characterized by close interlocking relationships between auto manufacturers, suppliers, distributors, dealers, and those who repair and inspect cars. The Government of Japan has guided or tolerated the creation by industry of informal market restrictive measures and market structures, which have played a critical role in excluding foreign competitive suppliers of autos and autos parts from the market.*[87]

Moreover, pursuant to sections 301 and 304 of the Trade Act of 1974, USTR made a determination "that certain acts, policies and practices of Japan restrict or deny U.S. auto parts suppliers access to the auto parts replacement and accessories market in Japan, and are unreasonable and discriminatory and burden or restrict U.S. commerce."[88]

On May 16, 1995, a proposed sanction list under section 301 which included imports of 13 models of Japanese luxury automobiles, with list prices ranging from $26,435 to $52,850 and an import value of $5.9 billion, was announced by USTR. Tariffs were to be raised from 2.5 percent to 100 percent on those models if USTR made an affirmative determination pursuant to Section 304 (a)(1)(B). The proposed duty increases were to be applied effective May 20, 1995, rather than after June 28, 1995, the deadline for a determination on retaliation under section 301.[89] A public hearing was held by USTR on June 8, 1995, in accordance with section 304 (b) of the Trade Act, to consider the views of interested parties on the appropriateness of subjecting the imports of certain luxury motor vehicles from Japan to increased duties, the levels at which duties should be set, and the degree to which an increase in duties might have an adverse effect on U.S. consumers.[90]

After further bilateral consultations, on June 28, 1995, an agreement was reached and the proposed duties were withdrawn.[91] The U.S.-Japan Automotive Agreement (signed on August 23, 1995) included provisions regarding all of the aforementioned problems. Under the agreement, Japan agreed to provide increased access to Japanese dealerships. The goal of U.S. auto manufacturers under the agreement is to establish 200 dealerships in Japan by the end of 1996 and 1,000 new dealerships by 2000. In addition, Japan agreed: (1) to provide government support and financial incentives to encourage imports of autos and parts to Japan, (2) to deregulate the aftermarket for auto parts,[92] (3) to purchase more original equipment parts from non-keiretsu suppliers for use in their transplants in the United States and for use in Japan, (4) to address many performance and technical standards that affect Japanese imports of autos, and (5) to provide vehicle registration data for use in market research on a more equal basis to foreign and Japanese manufacturers.[93] The agreement contained objective criteria for assessing progress and a monitoring mechanism was established.[94]

On September 6, 1995, USTR Kantor and Secretary of Commerce Ronald Brown announced the formation of an Interagency Enforcement Team headed jointly by the two agencies to monitor and publicly release an assessment of progress under the agreement every 6 months. Data collection and analysis mechanisms were strengthened under the agreement. All commitments and plans announced under the agreement are to be monitored, including: improved access for foreign vehicle imports, regulatory changes in the Japanese parts replacement market, expansion of original equipment auto parts purchases by Japanese companies, expansion of opportunities for other foreign companies, increases in the degree of localization of parts purchases by Japanese transplants in the United States, efforts to ensure nondiscrimination against U.S. company-made auto parts by Japanese vehicle manufacturers, and opening of distribution channels for replacement parts in Japan.

In November 1995, USTR announced that as a result of the agreement, Japan's Ministry of Transportation was eliminating most restrictions on external modifications of vehicles (including accessories such as side mirrors, roof racks, brush guards, and spoilers). One month earlier, the Ministry had removed a series of replacement parts, including shocks, struts, power steering equipment, and trailer hitches from the "critical parts" list.[95]

As of December 1995, exports of U.S. vehicles to Japan had increased, some changes had been made in the purchasing practices of Japanese transplants in the United States, and some measures had been implemented with regard to deregulation of the aftermarket for auto parts. However, the United States remained concerned about the slow pace of opening Japanese dealerships to U.S. producers and continued to closely monitor progress under the June agreement.[96]

Investment and Buyer-Supplier Relationships

Japan has the lowest level of inward direct investment of all OECD countries. Mergers and acquisitions, a prevalent form of foreign direct investment in most industrialized countries, are rare in Japan. In 1994, only 7 percent of total investment in Japan involved mergers and acquisitions. Although there are no legal barriers to takeovers, Japanese corporations and authorities are generally unreceptive to bids by foreign firms or investors. Stable cross-share holding accounts for about 30 percent of listed firms, thereby limiting the amount of shares available for trading. In addition, firms planning to engage in acquisitions must notify the Ministry of Finance when more than 5 percent of a company's shares are acquired.[97]

During the U.S.-Japan Framework talks (1993-1995), various issues regarding existing investment barriers in Japan were discussed under the Working Group for investment and buyer-supplier relations.[98] Of particular note, the United States encouraged Japan to change various laws, regulations, and policies that have the effect of reducing the supply and raising the price of land available to foreign investors. The United States also urged Japan to take numerous actions to facilitate foreign investment including offering tax incentives, increasing low-cost investment financing through the Japan Development Bank, reducing regulatory costs for acquiring land and office space, improving the ability of foreign firms to hire employees, and improving transparency in corporate transactions.

In June 1995, the Japan Investment Council (established in 1994) released a statement that emphasized the benefits to Japan's economy of encouraging direct inward investment. The bilateral talks were concluded on July 15, 1995, and on July 20, 1995, the United States and Japan signed the "Policies and Measures Regarding Inward Direct Investment and Buyer-Supplier Relationships." Japan agreed to take specific actions to promote foreign direct investment including: improving tax incentives for foreign direct investment, including extending the loss carry forward period from 7 to 10 years and expanding the number of eligible sectors, and expanding incentives for import-related infrastructure. Japan also agreed to strengthen the Office of Trade and Investment Ombudsman, expand the activities of the Japan External Trade Organization (JETRO) and the Foreign Investment in Japan Development Corporation (FIND), and assure foreign access to the Japan Development Bank's (JDB) loan program for foreign direct investment.[99] With regard to other areas of interest to the United States, Japan agreed to implement the following steps:

- *Deregulation* — conduct an examination of industrial sectors regulated by the Foreign Exchange and Control Law.

- *Mergers and acquisitions* — enhance disclosure provisions, strengthen shareholders' rights and auditors' functions; improve over-the-counter market system, and consider mergers and acquisitions through the Japan Investment Council

- *Land policy* — Give consideration to how factors such as land costs affect the activities of foreign companies; other assistance under the Private Participation Promotion Law and provisions regarding Foreign Access Zones (FAZs)

- *Labor market* — Implement employment programs on a non-discriminatory basis

- *Buyer-Supplier relationships* - Construct joint facilities to serve as a base for foreign companies attempting to access Japan's market[100]

In late 1995, Japan extended its Inward Investment Law, as called for in the agreement, to May 2006 and lowered the interest rate charged by the JDB to foreign investors in high technology projects. In addition, the JDB will be permitted to lend to foreign affiliated firms for merger and acquisitions related expenses as of April 11, 1996.

Financial Services

Despite numerous reforms, Japan's financial markets remain heavily regulated and segmented through laws, administrative regulations, and institutional arrangements. Administrative guidance,[101] lack of transparency, keiretsu relationships, inadequate disclosure and lengthy processing of applications, limits competition and foreign access, especially with regard to pension fund and investment trust asset management, securities underwriting and trading, and banking.[102] On February 13, 1995, the United States and Japan concluded an agreement that included market-opening actions in the areas of asset management, corporate securities and cross-border financial transactions. The objectives of the agreement were to:

- increase substantially access to financial markets for competitive foreign financial services suppliers;

- promote the development of more liquid and efficient financial markets that are more fully integrated with global financial markets;

- enhance transparency and procedural protection in the regulation of financial activity;

- ensure the safety and soundness of the financial system and the integrity of financial markets; and,

- provide a mechanism for ongoing consultation and review to assess the implementation of the Measures [provisions of the agreement] to resolve problems affecting foreign financial services suppliers in each market, and to promote further progress toward the objectives of the Measures.[103]

Under the agreement, with regard to asset management Japan agreed to: 1) provide unrestricted access to its public pension fund market and to expand access to the private pension fund market, 2) allow investment advisory companies and trust banks to sell specialized fund management services, 3) move toward market value accounting for pension liabilities and disclosure of fund manager performance on a market value basis, and 4) permit dual licensing of an investment trust business and a discretionary investment management business to operate as one entity. In the area of corporate securities, Japan agreed to: 1) liberalize restrictions on introducing new securities products, 2) introduce a domestic asset-backed securities market, and 3) eliminate restrictions on offshore securitization of Japanese assets. In the area of cross-border measures, the agreement allows unlimited operations for qualified Japanese corporate investors abroad and eliminates restrictions on securities offerings abroad. Restrictions on securities offerings by residents and nonresidents and the elimination of seasoning requirements on nonresident offers of euro-yen issues are eliminated under the agreement.[104]

Japan has implemented most of the commitments under the agreement. The United States continues to monitor the agreement to ensure full implementation of its provisions. Under the terms of the agreement, the two countries will meet annually, or at any time upon the request of either government, to review implementation of the agreement and to discuss other issues regarding the financial services market. During the February 1996 consultations, the United States stressed the need for further improvements with regard to financial disclosure and transparency.[105]

Mexico

Tomatoes

U.S. and Mexican growers have long competed for shares of the U.S. fresh winter vegetable market. Since the devaluation of the Mexican peso in December 1994, imports of fresh winter vegetables have risen sharply. In March 1995, Florida tomato growers sought relief from the USITC under the U.S. global action safeguard law. The USITC instituted investigation TA-201-64 under section 202 (b) of the Trade Act of 1974 to determine whether fresh winter tomatoes are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. Since the subject tomatoes are perishable products, already subject to import monitoring, the petitioners also requested that provisional relief be provided through April 30, 1995. The provisional relief phase of the investigation resulted in a negative determination in April.[106] Subsequently the growers withdrew their petition, the investigation was terminated and no relief was provided. U.S. imports of fresh or chilled tomatoes and fresh or chilled peppers (other than chili peppers) are being monitored by the USITC through January 1, 2009, as directed under section 316 of the NAFTA Implementation Act.[107]

In December 1995, the USTR proposed to change the application of the existing seasonal tomato quota for imports from Mexico, in effect from November 15 in any year to the last day of the following February, to quotas applied on a weekly basis throughout this same period.[108] This proposal was discussed in formal consultations under chapter 20 of the NAFTA, during which "[M]exico expressed its concerns with regard to the proposal . . . Mexican representatives argued the proposed measure would have additional trade restrictive effects and thus be contrary to the objectives and principles set forth in the NAFTA."[109]

On March 11, 1996, following receipt of a petition from the Florida Fruit & Vegetable Association et al, the USITC instituted investigation TA-201-66, on fresh tomatoes and bell peppers. Petitioners did not request provisional relief. In addition, on April 1, 1996, following receipt of a petition from the Florida Tomato Growers Exchange et al, the USITC instituted antidumping investigation 731-TA-747 (preliminary) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Mexico of fresh or chilled tomatoes that are alleged to be sold in the United States at less than fair value. On March 16, 1996, the USITC made an affirmative injury determination in its preliminary investigation.

As of this writing, bills are pending in both the House (H.R. 2795) and the Senate (S.1463) that would amend section 202 of the Trade Act to allow the USITC to take seasonality into account. Mexico has expressed opposition to this proposal as well, stating that, if enacted, it would be inconsistent with the NAFTA.[110]

Trucking

Under the NAFTA, all limits on access to international traffic between the United States and Mexico are scheduled to end in the year 2000.[111] This relatively long transition period may be primarily attributed to the time required for implementing measures that would reconcile the differences between U.S. and Mexican safety standards.

Federal law presently permits cross-border trucking in smaller "border zones" within the border states. In scheduling the implementation of the NAFTA, the parties agreed to an interim step to take effect on December 18, 1995. On that date, U.S. and Mexican firms were to be permitted to apply for licenses to travel freely in one another's border states.[112] In order to prepare Mexican truckers to meet U.S. safety and insurance regulations, this date was preceded by extensive preparations throughout 1995 by transportation officials of both countries.[113]

However, in response to U.S. trucking industry concerns regarding the safety of Mexican trucks on U.S. highways, the U.S. Government effectively postponed the December date by delaying the processing of Mexican motor carriers' applications to operate freely in the border states (Arizona, California, New Mexico, and Texas) until consultations to improve safety have been completed.[114] Mexico claims that the United States violated the NAFTA with the postponement, and that it will initiate formal dispute settlement procedures under chapter 20 of the accord.[115] For its part, Mexico denies national treatment to U.S. trucks by not allowing them to use transportation terminals within 20 kilometers of the border.

Tires

In 1995, Mexico's labeling and inspection requirements were challenged on grounds that they had a restrictive effect on U.S. tire exports to that country. Mexican authorities insisted that virtually all certification of imported tires be done by Mexican labs. According to U.S. tire manufacturers, however, most Mexican testing facilities are owned by domestic tire makers which U.S. interests asserted constituted conflict of interest. Also, the Mexican Government did not permit the product certification of a certain model to be shared; each importer had to obtain its own certification. This caused major problems to those U.S. exporters who dealt with multiple importers or those who wished to change their importers or distributors.

Negotiators of the U.S. Government on behalf of U.S. tire makers[116] urged their Mexican counterparts to recognize the self-certification procedure applied in the United States, i.e. certification by the National Highway Traffic Safety Administration (NHTSA) in the Department of Transportation, based on random testing. Bilateral consultations led Mexican officials in October 1995 to consent to accept certain test data from U.S. testing facilities. Mexico also agreed to change its labeling requirements to stick-on paper labels for posting the technical specifications of tires in Spanish, instead of requiring that foreign makers mold the label on the tires' sidewalls, as they have done earlier. This relaxation of labeling requirements was published on October 6, 1995, by Mexico's Minister of Transportation.[117]

The final accord on tire safety certification was reached in March 1996. Under the agreement, the NHTSA identified three U.S. laboratories (and may recognize additional ones) for purposes of providing test data to Mexico. Mexican authorities will then determine on their part whether a product meets Mexican regulations for obtaining certification. The agreement also provides that efforts should be made to eliminate duplications in doing performance and safety testing by both partners. According to the USTR, this accord was made possible by cooperation between U.S. and Mexican regulatory authorities working together on a range of standards' issues as part of the NAFTA Committee on Standards-Related Measures.[118]

Small Parcel Deliveries

Under the NAFTA, Mexico is committed to accord national treatment to U.S. express delivery companies such as United Parcel Service (UPS). In an apparent effort to protect domestic carriers, however, Mexico restricted granting full operating authority to U.S. companies by denying them the use of full-size vehicles to move parcels. Mexican authorities argued that full-size trucks should transport only larger loads, those qualifying as "freight". On July 31, 1995, UPS responded by suspending land deliveries from the United States to Mexico on grounds that Mexico's restrictions handicap them in competing with domestic carriers on the Mexican market. The decision to suspend deliveries was also based on the reluctance of UPS to submit to inspections by Mexican customs authorities at the border that they found burdensome and time-consuming.[119] UPS will continue, however, to offer air service to Mexico, as well as ground services within that country.

On April 26, 1995, the USTR initiated dispute resolution under chapter 20 of the NAFTA, making this issue the first formal dispute filed under these procedures.[120] No resolution had been reached during the year under review or to date. Mexico is currently working on defining the difference between "parcel" and "freight"; these definitions would then determine delivery standards to be applied in Mexico.[121] UPS objects, however, to limitations of any kind in their choice of vehicles.

China

Intellectual Property Rights Protection and Enforcement

During the 2 years after the United States and China signed a MOU on Intellectual Property Rights (IPR) in January 1992, the Chinese Government made the required changes in its laws and regulations to lay the foundation for an IPR system that could meet international standards.[122] It failed, however, in the view of the U.S. Government, to meet its commitments under the agreement to establish an adequate and effective mechanism for IPR enforcement. In addition, the U.S. Government found that China failed to provide fair and equitable market access for persons who rely on IPR.

On June 30, 1994, USTR Michael Kantor identified China as a "priority foreign country" under the Special 301 provisions of the Trade Act of 1974 and immediately initiated a 6-month investigation into its IPR enforcement practices.[123] Numerous negotiations between the United States and China were held on these issues. China indicated that it would take some actions to address U.S. concerns, but U.S. negotiators indicated that significant movement on a majority of issues was lacking. Therefore, on December 31, 1994, a list of products being considered for retaliation was issued by the USTR and the investigation was extended until February 4, 1995.[124] The value of Chinese exports to the United States on the list amounted to approximately $2.8 billion per year.[125]

On February 4, 1995, after public hearings and 9 days of additional negotiations in Beijing, USTR Kantor announced trade sanctions that would automatically take effect on February 26, 1995, unless an agreement acceptable to the United States could be reached. The sanctions were to consist of additional duties of 100 percent ad valorem on 33 product categories of imports from China selected from the earlier list of products considered for retaliation. The products selected for retaliatory tariffs accounted for $1.08 billion in annual imports, a figure intended to approximate the value of damage done to the U.S. economy resulting from poor IPR enforcement in China.[126]

On February 26, 1995, the USTR announced that the United States and China had reached an agreement for China to take specific actions to provide protection of IPR for U.S. companies and provide market access for U.S. intellectual property-based products. The agreement also led to the end of the Special 301 investigation, termination of the retaliatory tariffs, and an end to China's designation as a "priority foreign country." Under the terms of the accord, China agreed to the following detailed commitments in three broad areas of action:

(1) Take immediate steps to address rampant piracy throughout China.

- Implement a Special Enforcement Period during which enhanced resources will be allocated to cleaning up large-scale producers and distributors of infringing products.
- Take actions against the factories that are currently producing infringing products.
- Prohibit the exportation of illegal products, including pirate compact disks (CDs), laser disks (LDs), and CD-ROMs (compact disks containing computer software), and allocate adequate resources to ensure that this takes place.

(2) Make long-term structural changes to ensure effective enforcement of intellectual property rights.

- Establish a strong intellectual property enforcement structure.
- Ensure that cross-jurisdictional enforcement efforts are carried out cooperatively and effectively.
- Create an effective customs enforcement system modeled on the U.S. customs service.
- Create a title verification system to help prevent the production, distribution, importation, exportation, and retail sale of U.S. audio visual works as well as software programs in CD-ROM format, without the verified consent of the U.S. right holder. Associations of U.S. right holders will be allowed to establish offices in China to participate in this system.
- Establish focused enforcement efforts for intellectual property rights in audio visual works, computer programs, and publications.
- Ensure that U.S. right holders have access to effective judicial relief.
- Establish a system whereby statistics concerning Chinese enforcement efforts are provided to the U.S. government, and to provide for the Chinese and U.S. Governments to meet on a regular basis to discuss the adequacy of enforcement efforts.
- Ensure the transparency of any laws, regualtions, or rules related to the grant, maintenance and enforcement of intellectual property rights.

(3) Provide U.S. right holders with enhanced access to the Chinese market. This includes a commitment by China to:

- Place no quotas on the importation of U.S. audio visual products.
- Allow U.S. record companies to market their entire catalogue of works in China.
- Allow U.S. intellectual property-related companies to enter into joint venture

arrangements to produce, distribute, and sell their products in China. They will be able to establish operations in Shanghai and Guangzhou initially and expand to eleven other cities within five years. [127]

By the fall of 1995, U.S. officials expressed concerns that China was lagging in implementing some parts of the agreement, despite progress in implementing other parts.[128] The United States has expressed general satisfaction with China's actions to stop the sales of pirated products at the retail level and with its efforts to put an IPR administrative structure in place that should, over time, contribute to enhanced enforcement efforts. Concerns that continue to dominate U.S.-China IPR dialogue include the U.S. contention (1) that 34 factories continue to produce pirated CDs, LDs, and CD-ROMs and that China should take actions to end piracy in these plants; (2) that Chinese customs border enforcement is inadequate to stop exports to third-country markets of pirated CDs, LDs, and CD-ROMs; and (3) that China has not yet taken the steps necessary to provide access for U.S. exports of intellectual property-based products.[129]

Agreement on International Trade in Commercial Space Launch Services

On March 13, 1995, the United States and China signed an agreement renewing the bilateral agreement on international trade in commercial space launch services. The original agreement covered the period from 1989 through the end of 1994 and contained limits on the number of launches of foreign commercial satellites that could be provided by China and limits on the prices that could be charged for these launch services. The new agreement specifies the limit on geosynchronous earth orbit (GEO) launches, establishes conditions for flexibility in the quantitative limits on launches, clarifies the pricing provisions, and, for the first time, covers low earth orbit (LEO) launches.[130]

Under the new agreement, China is limited to no more than 11 GEO launches over the 7 years covered, but adjustments to the GEO quota can be made if, for example, there is stronger than predicted demand for GEO launch services, or if Western launch services are not available during a specified launch period. The 1989 agreement required that China offer launch services on a par with those prices, terms, and conditions prevailing in the international market for comparable launch services. The new agreement contains a detailed annex on appropriate adjustments that can be made in comparing Chinese and Western launch prices and a provision that Chinese prices falling within 15 percent of Western prices will generally be assumed to be in compliance with the "par pricing" provisions of the agreement.[131]

Only 4 launches out of the 9 allowed under the 1989 agreement took place because of U.S. sanctions relating to the June 1989 massacre in Tiananmen Square and Chinese sales of missile components to Pakistan in 1992 in violation of the Missile Technology Control Regime (MTCR).[132] Sanctions were lifted in November 1994 when China agreed to adhere to the guidelines of the MTCR.[133] The new agreement allows 4 launches in 1995-96 to be counted against the quota of the first agreement.[134]

Market Access Agreement

The 1992 MOU signed by the United States and China committed the Chinese Government to lift import quotas, licensing requirements, and controls at the end of each year for a 5-year period.[135] Although the MOU eliminated import barriers on some product groups ahead of schedule in 1993, the first year of the agreement, it did not lift the restrictions scheduled to be eliminated at the end of 1994 until June 30, 1995.[136] This delay in implementation stemmed from strained relations between the United States and China based, in part, on a dispute regarding IPR, and because of problems arising from China's accession negotiations to the WTO at the beginning of 1995.[137]

China eliminated restrictions on 176 items on schedule at the end of 1995. Commodities on which restrictions were eliminated include vehicle bodies, copy machines, vehicle differential axles, air conditioners, automobile chassis, vegetable oil, and chemical products.[138]

Taiwan

In 1995, Taiwan made progress implementing several trade-related actions that have been ongoing topics of bilateral negotiations and agreement. Many of the moves were made as part of Taiwan's effort to join the World Trade Organization (WTO).[139] Taiwan passed a long-debated tariff law that lowers tariffs on a broad range of products. The law cuts tariffs by an average of 21 percent. The United States and Taiwan reached a bilateral agreement governing government procurement rules in Taiwan. The agreement, a set of transitional measures until Taiwan accedes to the WTO, is designed to foster consistency and transparency in the Taiwan government procurement process. The United States lifted import sanctions on Taiwan's exports of wildlife products. The ban was imposed in 1994 in response to U.S. concern that Taiwan was not taking sufficient action to stop illegal trade in products of endangered species. Finally, a frequent topic of bilateral dispute, protection of intellectual property rights (IPR) in Taiwan, diminished somewhat as a central issue of bilateral discussions as Taiwan enacted greater protection for IPR.

Tariffs

As part of the Taiwan WTO accession process, the United States requested that Taiwan implement a series of tariffs cuts. Taiwan has implemented a series of tariff reductions, the most recent being tariff cuts that were enacted in mid-1995. On June 23, 1995, the Taiwan legislature approved tariff cuts on 758 types of imports. Under the new law, 30 import categories, including soybeans, are exempted altogether from import duties.[140] The cuts were directed at items of high priority to U.S. exporters covering over $890 million in U.S. exports. The average depth of the tariff cuts was about 21 percent.[141] Taiwan's tariff reductions, made in consideration of its WTO application, reduce Taiwan's average nominal tariff from 8.89 percent to 8.64 percent. The cuts lower the average of nominal rates of tariffs on agricultural products from 18.46 percent in 1992 to 11.32 percent in 1995. Average industrial tariffs were cut from 5.43 percent in 1992 to 3.74 percent in 1995.[142]

Passage of the bill marked the first time in 3 years that Taiwan has cut tariffs on fresh fruits and vegetables (some of which are grown on the island). Vegetable category tariffs (including onions, frozen potatoes, celery, and lettuce) were reduced 2-6 percentage points. Fruit categories (including raisins, melons, pears, cherries, strawberries, citrus fruits, and kiwi fruits) fell 2-10 percentage points. Import duties on certain fruit juices were cut to 40 percent from 45 percent. Tariffs on baby food and cookies were reduced by an average of 2.5 percentage points. The tariff cuts specifically excluded products in the automobile and textile industries.[143]

Despite the recent tariff cuts, U.S. exporters of specific agricultural products report that they still face high tariffs in Taiwan that are a significant barrier to U.S. exports. Selected agricultural products subject to high tariffs in Taiwan are listed in figure 4-1. Certain industrial products of export interest to U.S. firms that face high tariffs in Taiwan include automotive parts (20 percent average rate), passenger cars (30 percent), commercial vehicles (35-42 percent), home appliances (4.5-15 percent), and film (5 percent). The effective duty and tax rates for passenger cars and trucks ranges from 60-100 percent.[144] Taiwan has offered to reduce its tariff on wine to 20 to 25 percent, significantly higher than the U.S. request of 7.5 percent.[145] In response to requirements of a WTO aviation agreement

Figure 4-1
Selected agricultural products subject to high tariffs in Taiwan

20-30 percent	30-40 percent	Over 40 percent
Avocados	Figs	Processed fruit
Cranberries	Fruit cocktail	Fruit juices
Canned peaches	Processed vegetables	Grapes
Frozen peas	Vegetable juices	Pears
Frozen corn	Hash brown potatoes	Apples
Soups and broth	Non-chocolate confectionery	Citrus
Breakfast cereals		Peaches
Sunflower seeds & oil		Kiwi fruit

Source: USTR, *National Trade Estimate Report of Foreign Trade Barriers, 1996.*

and to bilateral requests, in early 1996 Taiwan exempted 30 categories of aircraft maintenance equipment from tariffs.[146]

Government Procurement

Public procurement in Taiwan approaches $2 billion annually. Taiwan current law requires local procurement of goods and services manufactured in Taiwan if acceptable local sources are available. Although Taiwan has begun the process of reforming its government procurement practices, difficulties involving implementation of new practices continue. In June 1994, Taiwan announced its intention to join the WTO Government Procurement Agreement (GPA), a key U.S. condition in the WTO accession process. The United States considers the Taiwan procurement regime to be relatively open and fair.[147] However, U.S. officials expect substantial gains in U.S. export opportunities with a procurement market in Taiwan consistent with WTO requirements.[148]

Negotiations for Taiwan's WTO accession include issues such as clarification of a list of procuring entities, threshold amounts for procurement projects of different entities, and threshold amounts for procurement projects of sub-central governments and state enterprises.[149] In an intermediate step to WTO accession, the United States and Taiwan agreed in July 1995 to transitional measures covering Taiwan's government procurement practices. These measures, which pertain to government tendering for purchases valued above NT$50 million ($2 million), establish provisions for (1) advance publication of tenders and minimum response deadlines, (2) open tendering procedures, (3) exceptional use of single tendering or limited tendering procedures, (4) prohibiting the use of technical specifications by procuring agencies in a way that may preclude competition, (5) bid challenges, and (6) liability for damages due to breach of contract.[150]

Wildlife Trade Sanctions

In June 1995, the United States lifted a ban on the importation of certain wildlife products from Taiwan. The ban was imposed in April 1994 after President Clinton announced that Taiwan had not taken sufficient measures to stop illegal trade in products of endangered species. In particular, according to the Clinton Administration, Taiwan had not shown measurable, verifiable, and substantial progress in ending trade in rhinoceros horn and tiger bones. The action marked the first time that the United States had imposed sanctions under the Pelly Amendment, which authorizes trade sanctions against countries that violate the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) or other international agreements designed to protect endangered species. Trade in endangered species is banned by CITES.[151]

On June 30, 1995, the United States lifted the wildlife trade sanctions. In doing so, the Clinton Administration said that Taiwan has "taken substantial steps to halt commercial trade in rhinoceros and tiger parts and products." These steps included amending its wildlife conservation law, strengthening enforcement, taking steps to create a nature conservation police, and allowing for imposition of harsh penalties on violators to deter future trade in rhino and tiger parts.[152]

Intellectual Property Rights

Taiwan's protection of IPR continued to be a topic of bilateral discussion in 1995. In bilateral discussions and in WTO accession talks, the United States has urged Taiwan to improve effective protection of IPR in Taiwan for several years. The United States retained Taiwan on the Special 301 "watch list" in 1995 for several reasons, including inadequate retroactive copyright protection, lack of protection for integrated circuit layout designs, lack of adequate protection for trade secrets, and unfinished discussions for a bilateral agreement to establish reciprocal patent and trademark filing benefits. In 1995, Taiwan enacted legal protection for integrated circuit layout designs and increased enforcement of existing laws. In early 1996, the Executive Yuan approved a draft copyright law that included 50-year retroactive copyright protection. The draft must be passed by the Legislative Yuan to become effective.[153] In early 1996, Taiwan was dropped from the Special 301 Watch List, although it will be subject to an out-of-cycle review in October 1996.[154]

Korea

The United States and Korea negotiated a series of agreements in 1995. In April, leading up to the annual review of U.S. telecommunications trade agreements, the two sides reached agreement on Korea's compliance with a 1992 accord. In July, the United States and Korea agreed to set up a bilateral consultative mechanism covering certain steel products. Also in July, a long-standing dispute over beef and pork trade moved a step closer to resolution as Korea agreed to revise shelf-life standards for meat. In August, the two countries revised a bilateral agreement on cigarette trade in line with Korea's public health efforts to reduce smoking. Finally, agreement was reached in September to improve access for foreign automobiles in Korea.

Telecommunications

As part of the 1995 annual U.S. review of U.S. telecommunications trade agreements, the United States and Korea reached agreement on outstanding problems of Korean compliance with the 1992 telecommunications trade agreement. The 1992 agreement was designed to allow U.S. makers of telecommunications equipment the ability to compete in Korea. U.S. companies, however, report non-compliance by Korea with the agreement through imposition of excessive type approval requirements, lack of trade secret protection, and de facto buy local policies. Main elements of the 1995 agreement included taking steps to ensure nondiscriminatory procurement by the government-owned Korea Telecom and determining that Korean type approval was not necessary for telecommunications equipment which does not cause harm to the public network. USTR estimates that market access covered by the agreement for U.S. telecommunications companies to be valued over $100 million per year.[155]

Steel

In June 1995, the Committee on Pipe and Tube Imports filed a section 301 petition with USTR. In the petition, the Committee alleged that the Government of Korea restricts exports of steel sheet and pipe and tube products and controls prices of steel sheet. The Committee added that Korean Government price controls on steel sheet have given Korean pipe and tube makers "an unfair advantage over U.S. competitors. Korean pipe producers can then sell pipe in the United States at lower prices than American-made products."[156] The group also alleged that a bilateral agreement between Korea and the EU to limit Korea's steel exports violated WTO standards.

Although USTR did not initiate a section 301 investigation in response to the petition, the United States and Korea subsequently agreed to establish a bilateral consultative mechanism to discuss economic trends pertaining to the steel products listed in the petition. The group will meet periodically for 1 year and may be renewed by mutual decision. The agreement also specifies that the Korean Government will notify the United States prior to introducing measures to control steel production, pricing, or exports. Korea also agreed that it will make certain that the domestic steel industry fully understands that the government no longer interferes in pricing or production.[157]

Beef and Pork

On July 20, 1995, the United States and Korea reached an agreement to increase market access in Korea for U.S. meat and other food products. The dispute centered on Korea's government-mandated shelf-life standards. Prior to February 1994, imported sausages were classified by Korean customs officials as qualifying for a 90-day shelf-life. In February 1994, however, Korean customs seized a shipment of U.S. sausages and announced that the product had been incorrectly classified. Under the "correct" classification, Korea said, the sausages would qualify for only a 30-day expiration period, about the time required to ship the product to Korea and clear customs. After the U.S. meat industry filed a section 301 petition with USTR, Korea reversed itself on this issue. Under the July agreement, Korea will phase-out its system of setting shelf-life periods by regulation and instead allow manufacturers to set their own "use-by" dates, similar to the practice in most other countries.[158]

The agreement stems from a section 301 investigation initiated in November 1994 by USTR on Korea's treatment of imported beef and pork. The investigation was the latest in a series of bilateral disputes that date back to 1988 and center on foreign access to Korea's market for imported meat. Since that time, the United States has held numerous bilateral negotiations — and reached three separate market access agreements — designed to expand foreign access for beef and pork products in Korea.[159]

The petition, filed by the National Pork Producer's Council, the American Meat Institute, and the National Cattlemen's Association, alleged that actions by the Government of Korea regarding the importation of U.S. beef and pork products violated the three previous market opening agreements and were unreasonable and burdened or restricted U.S. commerce.[160] In particular, the petitioners alleged that the Government of Korea had established barriers that denied the U.S. products access to the Korean market in violation of the agreements or in a manner that is otherwise unreasonable. The barriers alleged by the petitioners included:[161]

- Outdated, scientifically unsupported, and discriminatory shelf-life standards;
- Excessively long inspection procedures;

- Contract tender procedures that prevent U.S. producers from meaningful participation in the bidding process;

- Local processing and repackaging require ments;

- Discriminatory fixed-weight requirements;

- Dual standards for residue testing; and

- Short pork temperature reduction requirements.

Meat industry officials pointed out that, compared with other countries, Korea used relatively short shelf-life requirements for processed, frozen, and fresh-chilled meat. For example, Korea established shelf-life requirements of 10 days for fresh-chilled pork and 14 days for fresh-chilled beef; shorter than the time necessary to ship the product to Korea. U.S. industry officials point out that shelf-life requirements for countries such as Mexico and Japan are 40 days for pork and 100 days for beef.

Other areas of concern to the meat industry that were addressed in the July agreement include tendering requirements, residue testing, and customs delays. Although the Korean Government had earlier agreed to provide 1-week notice when offering tenders for the purchase of pork products, in practice the notices were reportedly published 1 or 2 days in advance. Regarding residue testing, the meat industry maintains that Korea imposed onerous testing requirements on imported meat and not on domestic meat. Finally, the meat industry reported that imports of meat from the United States were routinely held up at customs for 2 to 3 weeks but imports from countries that supply smaller quantities of beef were cleared quickly.[162]

The United States continues to monitor Korea's implementation of the agreement. In the July 1995 agreement, Korea agreed to implement provisions on dried, packaged, canned, or bottled products by October 1, 1995 and on chilled pork and beef and frozen products by July 1, 1996. However, by yearend 1995, Korea had not yet notified the WTO of all products covered by the first part of the agreement. After a series of technical discussions with Korea, the United States announced that Korea had agreed that it would complete the notification process for the first group of products by March 31, 1996. USTR reported that Korea did not agree, however, to a seven-week shelf-life requirement for sterilized milk products, such as UHT milk.[163] The United States, therefore, reserved its rights to pursue this issue under the WTO's dispute settlement mechanism.[164]

Cigarettes

The United States and Korea agreed in 1995 to amend a 1988 pact on market access for imported cigarettes. The 1988 agreement provided market access for imported cigarettes, defined applicable taxes, and established guidelines for cigarette advertising.[165] In 1995, Korea sought consultations to amend the pact so it could increase cigarette taxes and curb cigarette advertising. The revised agreement allows Korea to make such changes, which are part of Korea's public health efforts to reduce smoking. Other parts of the agreement include:[166]

- Agreement by Korea to stop using a discriminatory mechanism to allocate cigarette revenues to local governments. The scheme reportedly compelled discrimination against imported brands by inducing states to promote consumption of domestic cigarettes to raise revenue.

- A plan by Korea to increase the tax on cigarettes by between 30 to 50 percent. After 3 years, Korea may apply the same value-added tax as is applied to other consumer products.

- Consultation with the United States prior to future changes in advertising and tax policy concerning cigarettes to ensure that such changes will not have a discriminatory effect on imported cigarettes.

Automobiles

The United States and Korea signed an MOU in 1995 designed to improve market access for foreign automobiles in Korea. Although Korea is the world's third largest automobile exporter after Japan and the EU, and ranks as the world's fifth largest maker, the Korean automobile market is effectively closed to imports. The foreign share of the Korean auto market was under 0.3 percent in 1994, compared with 5 percent in Japan, 33 percent in the United States, and over 38 percent in France and Germany. U.S. automakers contend that a host of causes, from certification issues to consumer fears of tax audits if they purchase an imported automobile, exclude their products from the Korean market. The 1995 MOU was designed to counteract these and other difficulties.[167]

Major provisions of the MOU cover treatment of foreign automobiles in Korea pertaining to Korea's auto tax system, standards and certification procedures, access to advertising, auto financing, consumer perceptions, and future consultations. These provisions include:[168]

- Reduction in Korea's vehicle registration tax, which U.S. automakers have identified as the most onerous barrier in Korea, particularly for cars with larger engine sizes. The tax will fall by 24 percent for autos with engine sizes of 2.5 to 3.0 liters, and by 41 percent for engine sizes over 3.0 liters. Korea also agreed to cut excise taxes on medium and large-sized cars by 20 percent. USTR estimates that these two tax reductions will cut the tax burden on automobiles with larger engines by 15 percent, or by an average of $2,800 per vehicle.

- Korea agreed to ease standards and certification requirements on foreign automakers to certify new models of automobiles for sale in Korea. According to USTR, these changes will allow U.S. automakers to introduce new models more easily in Korea.

- Korea eliminated a restriction on access to television advertising that severely limited access for new entrants. USTR noted that the change will for the first time allow equal access to television advertising for foreign firms.

- An ongoing concern by U.S. automakers is the consumer perception in Korea that purchase of a foreign automobile will result in a tax audit for the purchaser. To counteract this perception, Korea's Trade Ministry agreed to send a letter to the Korean Automobile Importers and Dealers Association (KAIDA) stating that ownership of a foreign car by itself does not constitute grounds for a tax audit or other forms of government harassment.

- The United States and Korea also agreed to establish a mechanism for ongoing consultations to monitor access for foreign autos in Korea. Monitoring of the MOU will include analysis of the change in the number and value of foreign autos sold in Korea, in total and by country of export; specific official actions to improve consumer perception of imports; and implementation of the other MOU measures listed above. The two governments also agreed to continue consultations on Korean taxation policies pertaining to foreign automobiles.

ENDNOTES

[1] When using these tables, please note that the U.S. Department of Census revealed in early 1995, that certain commodities used in auto assembly operations in Mexico and shipped through the Laredo, Texas Customs District were omitted from monthly data releases. U.S. exports passing through the Laredo Customs District were underreported by $850 million (on a FAS basis, domestic exports) in January-June 1995.

[2] USTR, "U.S. and Canada Reach Agreement on Softwood Lumber," press release 96-17, Feb. 16, 1996.

[3] Conversations with officials with the Office of the USTR and the U.S. Department of Commerce, September 1995.

[4] USTR, press release 96-17, Feb. 16, 1996.

[5] Conversations with officials with the Office of the USTR and the U.S. Department of Commerce, February 1996.

[6] Ibid.

[7] USTR, "Statement of Ambassador Kantor on Finalizing the Softwood Lumber Agreement," press release 96-35, Apr. 2, 1996.

[8] Ibid.

[9] *Globe and Mail*, "Softwood Tax Best Deal in a Bad Situation," Apr. 3, 1996.

[10] USTR, press release 96-35, Apr. 2, 1996.

[11] "Joint Press Release from Secretary Espy and U.S. Trade Representative Kantor on U.S./Canada Wheat Trade," Aug. 3, 1994.

[12] Under section 22 authority then prevailing, the President may take action to restrict imports that render, or tend to render, ineffective or materially interfere with the operation of any USDA program. The President acts on the basis of an investigation, and report by the USITC, although he may take emergency action pending receipt of that report. Following advice of the Secretary of Agriculture and the investigation of the USITC, the President may modify, suspend, or terminate import restrictions because of changed circumstances.

[13] Presidential Proclamation 6740 (To Establish Tariff Rate Quotas on Certain Wheat), effective Sept. 12, 1994.

[14] With the completion of the Uruguay Round Agreement Act in December 1994, section 22 authority was largely replaced with another system of import protection of tariff rate quotas, although section 22 authority remains in place for countries not signatories to the World Trade Organization. See ch. 5.

[15] USTR, "Joint Statement from Ambassador Michael Kantor and Secretary Daniel Glickman Regarding U.S.-Canada Grains Issues," press release 95-65, Sept. 12, 1995.

[16] Ibid.

[17] Canada-United States Joint Commission on Grains, *Preliminary Report*, June 1995; and Canada - United States Joint Commission on Grains, *Final Report*, October 1995. See ch. 5.

[18] USDA, Foreign Agricultural Service (FAS), "Canada to terminate rail freight subsidy for Prairie crops," *Grain: World Markets and Trade*, Mar. 1995, pp. 8-9.

[19] In 1994/95, the subsidy paid C$14.20 (US$10.34) per ton of wheat to ship from Saskatoon, Saskatchewan to Vancouver. The farmer (the shipper) paid C$13.37 (US$9.74) out of a total rail cost per ton of C$27.57 (US$20.08).

[20] USDA, FAS, *Grain and Feed Annual Report: Canada,* Apr. 5, 1996, pp. 30-33; and USDA, FAS, Mar. 1995.

[21] The Agricultural Minister announced in March 1996 that the fund was allocated as C$140 million (US$ 102 million) for infrastructure, such as roads; C$105 million (US$76 million) for producers affected by CWB change in the eastern pool point to the lower Saint Lawrence from Thunder Bay; and C$45 million (US$33 million) for alfalfa dehydrators. USDA, FAS, *Grain and Feed Annual Report: Canada,* Apr. 5, 1996, p. 30.

[22] USDA, FAS, *FAS Annual Grain and Feed Report: Canada*, Mar. 1995, p. 12.

[23] Ibid., pp. 11-12; and USDA, FAS, Apr. 5, 1996, pp. 30-31.

[24] The Canadian Government owns or leases 15,200 grain hopper cars, the CWB 2,000 cars, and the Alberta Provincial and Saskatchewan Governments 1,000 cars each. Canada-United States Joint Commission on Grains, *Final Report*, Oct.1995, p. 35. The Canadian Government's ownership of the leading Canadian National Railroad is also being examined as part of the privatization and deregulation of the grain-marketing system.

[25] USDA, FAS, Apr. 5, 1996, p. 44.

26 Canadian "culturally sensitive sectors" include: broadcasting, book publishing and distribution, film and video, audio music recordings, and music in print or machine readable form.

[27] USTR, "USTR Kantor Announces 301 Investigation of Certain Discriminatory Canadian Communications Practices," press release 95-11, Feb. 6, 1995.

[28] Ibid.

[29] USTR, "Ambassador Kantor Announces Commercial Settlement in the U.S.-Canada Country Music Television Dispute," press release 95-43, June 22, 1995.

[30] USTR, "USTR Announces Determinations in Country Music Television Section 301 Investigation of Canadian Broadcasting Policies," press release 96-13, Feb. 6, 1996. While the announcement confirmed the finding of discriminatory Canadian action, no retaliatory steps were set forth, pending the completion of ongoing negotiations between CMT and a Canadian network. On Mar. 7, 1996, USTR

Kantor announced the completion and signing of a successful merger agreement by which CMT access to the Canadian market would be restored. The USTR announcement said that Canada's future actions in the sphere of broadcasting services will be closely monitored. See USTR, *1996 National Trade Estimate Report on Foreign Trade Barriers*, p. 36.

[31] USTR, "Statement of the U.S. Trade Representative," press release 95-93, Dec. 15, 1995.

[32] USTR, "USTR Kantor Announces Challenge of Discriminatory Canadian Magazine Practices; Cites Clinton Administration Determination to Defend U.S. Industries," press release 96-22, Mar. 11, 1996.

[33] Foreign investors in Canadian "cultural" sectors such as, broadcasting, publishing, and book retailing, need federal approval before they can acquire or invest.

[34] NewsEDGE/LAN, "Canada Wins New Battle in Culture War with U.S.," Knight-Ridder, Feb. 13, 1996.

[35] U.S. Department of State telegram, No.781, "Canadian Policy, Economic and Financial Developments, February 9 - 15, 1996," prepared by U.S. Embassy, Ottawa, Feb. 15, 1996.

[36] For more background on the EU banana import regime, see USITC, *The Year in Trade: OTAP, 1994*, USITC publication 2894, pp. 75-76.

[37] For more details about the panel report, see GATT, "Panel Report on EC Banana Import Regime Presented," *Focus*, No. 108, June 1994, p. 5.

[38] For more details, see European Commission, *Framework Agreement on Bananas*.

[39] USTR, "Fact Sheet: Kantor Makes Preliminary Decision that EU Banana Regime Harms U.S. Interests; Initiates Section 301 Investigation of Colombian and Costa Rican Banana Export Practices," Jan. 9, 1995, pp. 4-6.

[40] USTR, "USTR Kantor Makes Preliminary Decision that EU Banana Regime Harms U.S. Interests; Initiates Section 301 Investigation of Colombian and Costa Rican Banana Export Policies," press release 95-04, Jan. 9, 1995.

[41] Ibid. Proceedings were not initiated against Venezuela and Nicaragua, although the USTR threatened to do so if the two countries implemented the agreement.

[42] U.S. Department of State telegram, No. 00333, "Section 301 Action Against EU Banana Import Regime: Public Reaction by EU Commission," prepared by U.S. mission to the EU, Brussels, Jan. 10, 1995.

[43] Commissioner Brittan, letter to USTR Kantor, Jan. 10, 1995, reprinted in *Inside U.S. Trade*, Jan. 13, 1995.

[44] The Lome Convention is a trade and aid pact between the EU and the 70 ACP countries. The banana protocol, part of the Lome Convention, provides special trade preferences to ACP banana producers.

[45] For complete details of the proposals, see COM (95) 114 and 115, *OJ* No. C 136, June 3, 1995, pp. 18- 22.

[46] U.S. Department of State telegram, No. 002124, "U.S. 301 Case on Banana Exports: Letter to the President From Dominica," prepared by U.S. Embassy, Bridgetown, May 18, 1995.

[47] "U.S. Proposal On Bananas Seen Harmful To Caribbean," *Journal of Commerce*, June 2, 1995, p. 3, and U.S. Department of State telegram, No. 002297, "Diplomatic Note/Letter From St. Vincent PM Re Section 301," prepared by U.S. Embassy, Bridgetown, June 1, 1995.

[48] "U.S. Action Against EU Banana Regime Would Ruin ACP States," *European Report*, No. 2047 (June 7, 1995), External Relations, p. 2.

[49] U.S. Department of State telegrams, No. 334123, "Banana Working Group With Caribbean Countries," prepared by Department of State, Washington D.C., Dec. 16, 1994; No. 003836, "Putting the Best Public Spin on Our WTO Challenge of the EU's Banana Regime," prepared by U.S. Embassy, Bridgetown, Sep. 22,1995; and No. 230964 "Press Guidance — USG Requests WTO Consultations On EU Banana Regime," prepared by Department of State, Washington D.C., Sep. 28, 1995.

[50] *European Report*, "Commission Dithers on Banana Tactics With U.S.," No. 2058 (July 15, 1995), External Relations, pp. 6-7.

[51] *European Report*, "New Challenge To EU Regime Rising From German Courts?," No. 2012 (Feb. 1, 1995), Internal Market, p. 4.

[52] *European Report*, "Pressure on EU Banana Regime Mounting on All Sides," No. 2057 (July 12, 1995), External Relations, pp. 2-3. On January 9, 1996, Germany's high finance court upheld this ruling questioning the consistency of the EU's banana regulation with Germany's international obligations under the GATT/WTO treaty and German constitutional law. The ECJ has not yet ruled on the case. U.S. Department of State telegram, No. 00883, "Bananas: High Finance Court Declares EU's Banana Regulation Likely Inconsistent With Germany's Constitution and GATT/WTO Obligations,"prepared by American Embassy, Bonn, Jan. 22, 1996.

[53] *European Report*, "Dispute on Bananas Splits Commission Services," No. 2056 (July 8, 1995), External Relations, pp. 1-3.

[54] USTR, "United States Will Challenge European Union Banana Import Regime in the World Trade Organization," press release 95-71, Sept. 27, 1995.

[55] Ecuador will join as well as soon as its application to the WTO is approved. On February 5, 1996, the United States requested formal consultations with the EU under article XXIII of the GATT and extended the timetable for requesting an official dispute settlement panel if the bilateral discussions with the EU fail to result in a satisfactory compromise. U.S. and EU officials have met numerous times but negotiations appear stalled, due in part to the continued standoff between EU countries.

[56] U.S. Department of State telegram, No. 002162, "EU Enlargement Interim Agreement Press Announcement," prepared by U.S. Department of State, Washington D.C., Jan. 5, 1995. For more

background, see USITC, *The Year in Trade: OTAP, 1994*, USITC publication 2894, pp. 76-77.

[57] For a description of the tariffs and quotas in effect from Jan. 1-June 30,1995, see *Council Regulation No. 3361/94 on Opening Tariff Quotas With Respect to Austria, Finland and Sweden*, OJ no. L 356 (Dec. 31, 1994), pp. 5-12.

[58] USTR, "USTR Kantor Announces Interim Agreement on EU Enlargement," press release 95-03, Jan. 4, 1995.

[59] "Mandate Approved for Enlargement Compensation Negotiations," *European Report*, No. 2014 (Feb. 8, 1995), External Relations, p. 6.

[60] U.S. Department of State telegram, No. 01471, "EU General Affairs Council Meets Feb. 6 to Discuss Lome Convention, Turkey, Chechnya and Bosnia; Mandate for XXIV.6 Negotiations To Be Adopted," prepared by U.S. Mission to the EU, Brussels, Feb. 6, 1995.

[61] "U.S. Request for Compensation From EU," Mar. 27, 1995, reprinted in *Inside U.S. Trade*, Apr. 7, 1995, pp. 2-11.

[62] Roderick E. Abbott, letter to Assistant USTR Chris Marcich, Apr. 12, 1995, reprinted in *Inside U.S. Trade*, Apr. 14, 1995, p. 5.

[63] Bureau of National Affairs, "U.S., EU to Extend Compensation Pact Until End of This Year, Officials Say," *International Trade Reporter*, May 31, 1995, p. 994.

[64] WTO, "Enlargement of the EC," *Focus*, No. 3, May/June, 1995, p. 5.

[65] USTR, "United States Takes Steps to Preserve WTO Rights in European Union Enlargement Case," press release 95-79, Oct. 24, 1995.

[66] 60 F.R. 55076.

[67] For a complete list of the proposed retaliation list, see USTR, press release 95-79, Oct. 24, 1995.

[68] U.S. Department of State telegram, No. 011742, "EU Foreign Ministers Meeting on Nov. 20: EU- U.S., Nigeria and Mediterranean in Focus,"prepared by U.S. Mission to the EU, Brussels, Nov. 20, 1995.

[69] "Kantor Supports EU Demands on Semiconductors in Enlargement Deal," *Inside U.S. Trade*, Nov. 24, 1995, p. 1.

[70] This demand was dropped by the EU during the negotiations and was not included in the final package.

[71] USTR, "Kantor and Glickman Announced U.S. Seeking Consultations with EU Concerning EU's Import Valuation System for Grains," press release 95-52, July 19, 1995.

[72] Bureau of National Affairs, "Agreement on Compensation Continues to Elude U.S.-EU Negotiators, Aide Says," *International Trade Reporter*, Nov. 15, 1995, pp. 1885-1886.

[73] USTR, "USTR Mickey Kantor Announces Agreements with the European Union on EU Enlargement Compensation and EU Grain Import Policies," press release 95-88, Nov. 30, 1995.

[74] USTR, "USTR Mickey Kantor Welcomes European Council Approval of Agreements with the European Union on EU Enlargement Compensation and EU Grain Import Policies," press release 95-89, Dec. 4, 1995.

[75] "EU Ministers Reach Political Deal On Enlargement Compensation," *European Report*, No. 2090 (Dec. 6, 1995), External Affairs, pp. 7-8.

[76] "Enlargement Compensation for Smaller Partners," *European Report*, No. 2097 (Jan. 10, 1996), External Relations, p. 5.

[77] USTR, press release 95-88, Nov. 30, 1995.

[78] *Council Regulation No. 3093/95 on Laying Down the Rates of Duty to be Applied by the Community Resulting From Negotiations Under GATT Article XXIV.6 Consequent Upon the Accession of Austria, Finland and Sweden to the European Union*, OJ No. L 334 (Dec. 30, 1995), pp. 1-24.

[79] USTR, press release 95-89, Dec. 4, 1995.

[80] Ibid.

[81] Marilyn Moore, Advisor to the Assistant U.S. Trade Representative for Agricultural Affairs, electronic mail message to USITC staff, Mar. 11, 1996.

[82] USTR, press release 95-89, Dec. 4, 1995.

[83] USTR, *1996 National Trade Estimate Report on Foreign Trade Barriers*, Mar. 1996, p. 199.

[84] For background information on the Framework Agreement, see USITC, *The Year in Trade: OTAP, 1993*, USITC publication No. 2766, p. 92.

[85] USTR, "Statement by Ambassador Michael Kantor," press release 95-34, May 5, 1995.

[86] In the pre-filing notification to the WTO, USTR Kantor noted that "Through its actions and inactions with respect to the automotive sector, Japan has failed to carry out its obligations under the WTO, has nullified and impaired the benefits accruing to the United States under the WTO, and has fostered a situation in the automotive sector that nullifies and impairs such benefits, and impedes the attainment of important objectives of the GATT and the WTO." Letter from Ambassador Michael Kantor to WTO Director-General Renato Ruggiero, May 9, 1995.

[87] Ibid.

[88] USTR, "Statement by Ambassador Michael Kantor," press release 95-35, May 10, 1995.

[89] Susan MacKnight, "Washington, Tokyo Playing Hardball on Automotive Trade Dispute," Japan Economic Institute Report, No. 19B, May 19, 1995, pp. 7-8.

[90] 96 F.R. 28746.

[91] Japan requested consultations pursuant to Article 4 of the WTO Dispute Settlement Understanding and GATT Article XXII:1. The consultations were held during June 12-13 and June 22-23. While these consultations were not successful, on June 28 following the conclusion of the bilateral negotiations, the United States and Japan agreed that they would not pursue dispute settlement procedures any further.

[92] The aftermarket for auto parts is controlled by Japanese auto producers and suppliers. A complex

system of regulations results in the majority of auto repair work (usually conducted in conjunction with periodic inspections) being directed to "designated garages," which use only original equipment parts sold by Japanese manufacturers. USTR, "Statement of Ambassador Michael Kantor," press release, 95-34, May 5, 1995.

[93] USIA, "Joint Announcement by Ryutaro Hashimoto, Minister of International Trade and Industry of Japan and Michael Kantor, United States Trade Representative Regarding Auto and Auto Parts," press release, June 28, 1995 and USTR, "U.S.-Japan Auto and Auto Parts Agreement," fact sheet, May 28, 1995, p. 2.

[94] The objective criteria for vehicles include: changes in the number and value of new foreign motor vehicles sold in Japan; changes in the number of direct franchise agreements concluded between foreign vehicle manufacturers and Japanese dealers; Japanese vehicle manufacturers' efforts to promote open and competitive distribution systems for vehicles; foreign vehicle manufacturers' efforts to offer competitive products in Japan; and private sector actions to ensure compliance with the Antimonopoly Act. The objective criteria used to measure progress in the parts replacement market are: changes in the value and share of foreign parts purchased in Japan for aftermarket use; change in the number of specialized certified garages and designated garages; status of deregulation of the auto parts aftermarket; and Japan's responsiveness to complaints regarding the clarification or deregulation of repair or modification inspections. For original equipment, the criteria used to measure progress include: changes in the value of foreign auto parts exported to Japan; efforts by Japanese manufacturers to broaden suppliers' sales opportunities; procurement of parts by vehicle manufacturers without discrimination based on their capital affiliation; and efforts of foreign auto parts suppliers to offer competitive products under competitive terms and conditions. USTR, "USTR and Department of Commerce Announce Unprecedented Monitoring Mechanism for U.S.-Japan Automotive Agreement," press release 95-63, Sept. 6, 1995.

[95] Critical parts are those that cannot be replaced without inspection by an MOT official unless repairs are conducted at a certified garage. USTR, "Statement by Ambassador Michael Kantor," press release 95-85, Nov. 22, 1995.

[96] USTR, "Six Month Anniversary of Japan Auto and Auto Parts Agreement," press release 95-94, Dec. 28, 1995.

[97] In 1994, the threshold for simplified applications for mergers and acquisitions was raised to 10 billion yen in assets for each company involved in the transaction. These procedures also apply when one partner's assets are less than 1 billion yen and in cases when a parent firm absorbs a fully-owned subsidiary. EIU, "Acquisition of an Existing Firm: Japan," *Investing Licensing and Trading Conditions Abroad*, Aug. 1, 1994.

[98] The Japan Investment Council (JIC) was established in July 1994 in the Prime Minister's Office to promote foreign investment in Japan.

[99] Bilateral agreement, "Policies and Measures by the Government of Japan and the Government of the United States Regarding Inward Direct Investment and Buyer-Supplier Relationships," July 20, 1995.

[100] Ibid.

[101] Administrative guidance, which has been criticized by the United States for contributing to nontransparency and giving government officials broad discretion in implementing Japanese laws and regulations, was the subject of bilateral negotiations during the Framework negotiations during 1993 to 1995. See for example, USTR, *1994 National Trade Estimate on Foreign Trade Barriers*, Mar. 1995, p. 145.

[102] USTR, *1996 National Trade Estimate Report on Foreign Trade Barriers,* Mar. 1996, pp. 190-192.

[103] Bilateral agreement, "Measures by the Government of Japan and the Government of the United States Regarding Financial Services," Feb. 13, 1995, p. 1.

[104] Ibid, pp. 1-44 and appendix. Euro-yen issues are yen deposits held in banks outside of Japan, especially in Europe.

[105] Jon Choy, "Washington Touts Financial Pact With Tokyo," Japan Economic Institute Report, Jan. 20, 1995, pp. 4-6; and U.S. Department of State telegram, No. 001206, "Follow-up Talks on the U.S.-Japan Financial Services Agreement," prepared by U.S. Embassy, Tokyo, Feb. 8, 1996.

[106] For views expressed by individual Commissioners and the information obtained in this investigation, see USITC, *Fresh Winter Tomatoes, Inv. No. TA-201-64,* USITC Publication 2881, Apr. 1995, pp. 1-3.

[107] NAFTA Implementation Act, P. L. 103-182.

[108] *Harmonized Tariff Schedules of the United States*.

[109] Embassy of Mexico, Washington, DC, press release, untitled, Jan. 18, 1 P996.

[110] Ibid.

[111] By 2004, limits on foreign investment in motor carrier companies by NAFTA countries are also to be eliminated.

[112] Remarks on NAFTA Border Opening, by Federico Pena, U.S. Secretary of Transportation, on Dec. 18, 1995, Washington, D.C.

[113] The Land Transportation Standards Subcommittee (LTSS) was established by annex 913.5a-1 of the NAFTA to address standards for drivers and vehicles and safety compliance. LTSS consists of officials of each NAFTA country.

[114] U.S. Department of Transportation, press release, untitled, Dec. 18, 1995.

[115] Embassy of Mexico, Washington D.C., press release, untitled, Jan. 19, 1996.

[116] The most affected U.S. company is the Cooper Tire and Rubber Co. of Ohio.

[117] On December 26, 1995, the Mexican Government published in the *Diario Oficial* interim requirements for labelling products imported into

Mexico for commercial resale. These regulations became effective Jan. 1, 1996, and remain in effect until publication of the final labelling regulations sometime during this year.

[118] USTR, "U.S. and Mexico Agree to Mechanism for Streamlining Approval of Tires," press release, Mar. 18, 1996.

[119] Julia Preston, "Nafta Falters as Delays in Mexico Cancel Some UPS Services," *New York Times News Service,* citing UPS spokesman Mr. Ken Sternad.

[120] In an April 26, 1995 press statement, UPS expressed support for the action of the U.S. Government, claiming that Mexico failed to meet its NAFTA obligation to grant U.S. express delivery companies the right to operate the same sized vehicles as their Mexican competitors.

[121] Mexico reportedly seeks to define a "parcel" based not only on its size but also on the number of units destined to the same address.

[122] For information on the commitments China made in the 1992 bilateral IPR agreement and the steps it took to meet them, see USITC, *The Year in Trade: OTAP, 1992*, USITC publication 2640, pp. 67-68, USITC, *The Year in Trade: OTAP, 1993*, USITC publication 2769, pp. 104-5, and USITC, *The Year in Trade: OTAP, 1994*, USITC publication 2894, pp. 96-97.

[123] USTR, "USTR Announces Special 301 Decision," press release 94-38, June 30, 1994. The Special 301 provisions were added to the section 301 authority of the 1974 Trade Act by the Omnibus Trade and Competitiveness Act of 1988.

[124] 60 F.R. 1829-30.

[125] USTR, "USTR Kantor Will Take Retaliatory Trade Action Against China if Intellectual Property Concerns Not Addressed," press release 94-73, Dec. 31, 1994.

[126] USTR, "USTR Mickey Kantor Orders 100 Percent Tariffs on More Than $1 billion of Chinese Imports Cites China's Failure to Protect U.S. Intellectual Property," press release 95-08, Feb. 4, 1995, and 60 F.R. 7230-31.

[127] USTR, "United States and China Reach Accord on Protection of Intellectual Property Rights, Market Access," press release 95-12, Feb. 26, 1995, and 60 F.R. 12582-83.

[128] "Trade in a New Era: Opportunities and Obstacles," Statement of Ambassador Charlene Barshefsky, Nov. 13, 1995, Hong Kong, found at web site http://www.ustr.gov/speeches/barshefsky_1.html, Mar. 21, 1996.

[129] Michael Kantor, testimony before the Senate Foreign Relations Committee, Subcommittee on East Asian and Pacific Affairs and the House International Relations Committee, Subcommittee on Asia and the Pacific and International Economic Policy and Trade, Mar. 7, 1996, found at web site http://www.ustr.gov/testimony/kantor_3.html, Mar. 21, 1996.

On April 30, 1996, China was again designated a "priority foreign country" under Special 301 provisions because of continued insufficient implementation of the 1995 IPR agreement. On May 15, 1996, Acting USTR Charlene Barshefsky announced a preliminary retaliation list of $3 billion worth of U.S. imports from China and that if China failed to take action to satisfy U.S. concerns, prohibitive tariffs would be imposed on June 17, 1996 on approximately $2 billion worth of products drawn from the list. China threatened to retaliate if the United States actually imposed sanctions. China engaged in a highly publicized campaign against IPR violators. The United States sent a high-level delegation to verify Chinese actions and carry on further consultations, culminating in a last-minute trip to Beijing by Ambassador Barshefsky. On June 17, 1996, Ambassador Barshefsky announced that China had reached a critical mass of enforcement actions, and, as a result, sanctions would not be imposed. Actions taken by the Chinese included closing a large number of CD factories, reinstatement of the "Special Enforcement Period" provided for in the 1995 IPR agreement, enhanced border enforcement aimed at reducing the export of pirate CDs and LDs, and the establishment of a monitoring and verification system for legitimately produced CDs.

[130] USTR, *1996 National Trade Estimate*, p. 60; U.S. Department of State telegram, No. 05047, "Draft 1996 National Trade Estimate Report: People's Republic of China," prepared by U.S. Embassy, Beijing, Feb. 9, 1996. See also, USTR, "U.S. and China Conclude New Commercial Space Launch Agreement," press release 95-07, Jan. 30, 1995.

[131] USTR, *1996 National Trade Estimate*, p. 60.

[132] For more detail on the imposition of sanctions, see USITC, *The Year in Trade: OTAP, 1993*, USITC publication 2769, pp. 103-104.

[133] For more detail on the lifting of sanctions, see USITC, *The Year in Trade: OTAP, 1994*, USITC publication 2894, p. 99.

[134] USTR, *1996 National Trade Estimate*, p. 60, and USTR, *1996 Trade Policy Agenda and 1995 Annual Report of the President of the United States on the Trade Agreements Program*, p. 90.

[135] For a description of the provisions of the market access agreement, see USITC, *The Year in Trade: OTAP, 1992*, USITC publication 2640, pp. 68-69.

[136] Kuo Wangdian, "China Calls Off 367 Tax Items in Import Control," *China Economic News*, vol. XVI, No. 28, July 24, 1995, p. 2.

[137] U.S. Department of State telegram, No. 058215, "China Goes Public on Break Off of IPR Talks," prepared by U.S. Embassy, Beijing, Dec. 1994; U.S. Department of State telegram, No. 056994, "China's GATT/WTO Accession: Press Coverage Picks Up," prepared by U.S. Embassy, Beijing, Dec. 1994; China, Ministry of Foreign Trade and Economic Cooperation, "The Economic and Trade Relations Between China and the U.S. in 1994," *Almanac of China's Foreign Economic Relations and Trade: 1995*, pp. 477-478; and USITC, *The Year in Trade: OTAP, 1994*, USITC publication 2894, p. 99.

[138] "Explanatory Note on Individual Actions Announced at the Osaka Meeting by the People's Republic of China," n.d.

[139] For background on Taiwan's WTO application, see, USITC, *The Year in Trade: OTAP, 46th Report, 1994*, USITC publication 2894, July 1995, p. 100.

[140] U.S. Department of State telegram, No. 3787, "Taiwan Reduces Tariffs on 758 Imports," prepared by the American Institute in Taiwan, Taipei, June 26, 1995.

[141] USTR, *1995 National Trade Estimate Report of Foreign Trade Barriers*.

[142] U.S. Department of State telegram, No. 9396, "Taiwan WTO Accession: Dec. 14 Informal," prepared by U.S. Mission to the United Nations, Geneva, Dec. 18, 1995.

[143] The bill did, however, reduce tariffs on two synthetic fabrics (HS 5407.7121 and 5407.7210).

[144] USTR, *1996 National Trade Estimate Report of Foreign Trade Barriers*.

[145] Written submission of International Business-Government Counsellors, Inc., on behalf of the Wine Institute, Apr. 10, 1996.

[146] U.S. Department of State telegram, No. 1318, "Taiwan Promulgates Tariff Exemption on 30 categories of Aircraft Maintenance Equipment,"prepared by the American Institute in Taiwan, Taipei, Mar. 20, 1996.

[147] U.S. Department of State telegram, No. 1271, "Title VII Input for Taiwan," prepared by the American Institute in Taiwan, Taipei, Mar. 18, 1996.

[148] U.S. Department of State telegram, No. 574, "Liberalization of Public Procurement in Taiwan — Government Procurement Bulletin,"prepared by American Institute in Taiwan, Taipei, Feb. 5, 1996.

[149] U.S. Department of State telegram, No. 9396, "Taiwan WTO Accession: Dec. 14 Informal," prepared by U.S. Mission to the United Nations, Geneva, Dec. 18, 1995.

[150] U.S. Department of Commerce telegram, No. 625, "Exchange of Letters on Transitional Measures,"prepared by the U.S. Department of Commerce, Washington, DC, Feb. 8, 1996 and U.S. Department of State telegram, No. 169484, "Government Procurement: WTO Committee on G.P.; Bilaterals with Taiwan, Norway, Switzerland," prepared by the U.S. Department of State, Washington, DC, July 14, 1995. The final provision, pertaining to liability for damages due to breach of contract, will remain in effect after Taiwan accedes to the GPA.

[151] For background on the sanctions, see USITC, *The Year in Trade: OTAP, 46th report, 1994,* USITC publication 2894, July 1995, pp. 101-102.

[152] U.S. Department of State telegram, No. 158753, "President Lifts Pelly Sanctions Against Taiwan," prepared by the Department of State, Washington, DC, July 1, 1995 and U.S. Department of State telegram, No. 4032, "Taiwan Welcomes Lifting of Pelly Sanctions," prepared by the American Institute in Taiwan, Taipei, July 7, 1995.

[153] U.S. Department of State telegram, No. 1244, "Taiwan: Executive Yuan Approves 50-year Copyright Retroactivity," prepared by the American Institute in Taiwan, Taipei, Mar. 15, 1996.

[154] USTR, "USTR Announces Two Decisions: Title VII and Special 301," Apr. 30, 1996.

[155] USTR, "Annual Review of Telecommunications Trade Agreements under Section 1377 of the 1988 Trade Act Completed," press release 95-27, Apr. 19, 1995. See also, USTR, *National Trade Estimate Report of Foreign Trade Barriers*, 1996.

[156] Quoted in "Section 301 Petition Alleges Unfair Korean Steel Practices," Bureau of National Affairs, *International Trade Reporter*, June 7, 1995, p. 978.

[157] USTR, "USTR Kantor Announces Agreement on Korean Steel," press release 95-51, July 14, 1995.

[158] USTR, "Statement by Ambassador Kantor," press release 95-53 and attachment, Joint Letter to WTO Dispute Settlement Body, USTR Michael Kantor and Ambassador Park Kun Woo, July 20, 1995.

[159] For background on the dispute, see USITC, *The Year in Trade: OTAP*, 1993, USITC publication 2769, p. 111, and 1994, USITC publication 2894, pp. 105-6. In June 1993, the United States and Korea reached an agreement designed to widen access for foreign beef in the Korean market. Under the terms of the pact, minimum beef import quotas would rise from the 1992 level of 66,000 metric tons to 113,000 metric tons in 1995. The 1993 agreement grew out of a 1988 dispute initiated with the American Meat Institute filed a section 301 petition with USTR alleging that Korea's licensing system for imported beef violated GATT article XI (prohibition on quantitative restrictions).

[160] USTR, "Fact Sheet: Initiation of Korea Beef and Pork 301," Nov. 28, 1994.

[161] 59 F.R. 61006.

[162] *International Trade Reporter*, "USTR initiated Trade investigation of South Korean Meat Import Barriers," Nov. 30, 1994, pp. 1837-38.

[163] UHT milk is milk that has been sterilized at ultra-high temperature (over 135° C) prior to packaging in pre-sterilized containers in a sterile atmosphere. The shelf-life of UHT millk is over 6 months without refrigeration. See "UHT Processing," Diary Science and Technology, University of Guelph, Canada, 1996.

[164] USTR, "USTR Monitors Korean Shelf-life Agreement," press release 96-08, Jan. 22, 1996.

[165] For a discussion of the 1988 agreement, see USITC, *OTAP, 40th Report, 1988*, USITC Publication no. 2208, July 1989, p. 129.

[166] USTR, "U.S.-Korea Reach Agreement on Cigarettes," press release 95-62, Aug. 25, 1995.

[167] For background on the automobile trade issue, see USITC, *The Year in Trade: OTAP, 1994, 46th Report*, USITC Publication 2894, pp. 106-107.

[168] USTR, "USTR Kantor Announces Agreement with Korea on Autos," press release 95-73, Sept. 28, 1995.

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

This chapter surveys activities related to the administration of U.S. trade laws during 1995. It covers (1) the import-relief laws, (2) the unfair trade laws, and (3) 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 (impairment of national security), the Agricultural Adjustment Act (interference with programs of the U.S. Department of Agriculture), and programs affecting textile and apparel imports.

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 in sections 221 et seq. of the Trade Act of 1974.

Safeguard Actions

There were no remedy actions under any of the U.S. safeguard laws in effect and no investigations in progress at yearend 1995. However, the Commission conducted one investigation under the U.S. global action safeguard law during 1995 with respect to imports of fresh or chilled tomatoes (except cherry tomatoes) entering during the period January 1-April 30. The Commission instituted the investigation after receiving a petition from the Florida Tomato Exchange in Orlando, Florida. The petitioner sought provisional relief through April 30, 1995, and relief in subsequent seasons.[4] The Commission made a negative provisional relief determination.[5] The petitioner subsequently withdrew its petition, and the Commission terminated the investigation without making a final determination or recommendation.

Adjustment Assistance

The Trade Adjustment Assistance (TAA) program, set forth in sections 221 et seq. of the Trade Act of 1974, authorizes the Secretaries of Commerce and Labor to provide trade adjustment assistance to firms and workers, respectively, that 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, 1998.[6] In 1993, a new subchapter was added to the TAA provisions in the Trade Act to provide transitional assistance to workers separated or threatened to be separated from their employment as a result of increased imports from Canada or Mexico under the NAFTA.[7]

The TAA system of readjustment allowances to individual workers is administered by the U.S. Department of Labor through its Employment and Training Administration (ETA) 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 Commerce-sponsored programs is designed to restore the economic viability of U.S. industries adversely affected by international import competition.[8]

Assistance to Workers

The Department of Labor instituted 1,488 investigations during fiscal year (FY) 1995 (October 1, 1994, through September 30, 1995) on the basis of petitions filed for trade adjustment assistance. This figure represents an increase from the 1,395 petitions instituted in FY 1994. The results of investigations completed or terminated in FY 1995, including those in process from the previous fiscal year, are shown in the following tabulation:[9]

Item	Number of investigations or petitions	Estimated number of workers
Completed certifications . . .	1,182	86,436
Partial certifications . . .	2	275
Petitions denied . .	388	44,724
Petitions terminated or withdrawn	63	4,475
Total	1,635	135,910

The number of completed and partial certifications in FY 1995 increased to 1,184, up from 610 in FY 1994. Figures for FY 1995 indicate that Labor expenditures for direct Trade Readjustment Allowances (TRA) to certified workers increased to $153.3 million, a 28-percent increase from the $120.1 million expenditures in FY 1994.

In addition, Labor provided training, job search, and relocation services valued at a $97.8 million in FY 1995, representing a 1-percent decrease from the $98.9 million allocated during FY 1994. Data for FY 1995 indicated that 29,914 workers used available service benefits, representing an increase of 2 percent from the number of workers receiving such services in the previous fiscal year, as shown in the following tabulation:[10]

Item	Estimated number of participants
Training	27,600
Job search	848
Relocation allowances	1,466
Total	29,914

NAFTA-Related Assistance to Workers

The NAFTA Implementation Act[11] provides for establishment of a Transitional Adjustment Assistance program. The program, which began operation January 1, 1994, provides job search, training, and relocation assistance to workers in companies affected by imports from Canada or Mexico or by shifts of U.S. production to those countries. Preliminary data for FY 1995 (January 1-September 30, 1995) from the Department of Labor indicate that 374 petitions were filed for assistance under the program. Petition activity under the program in FY 1995 is summarized in the following tabulation:

Item	Number of investigations or petitions
Petitions filed	374
Worker groups certified	213
Petitions denied	151
Petitions terminated	9

The number of completed certifications in FY 1995 was 213, covering approximately 31,526 workers. FY 1995 figures indicate that Labor expenditures for direct TRA to certified workers were $6.5 million.[12] The Department of Labor also provided training, job search, and relocation services that increased from $7.9 million in FY 1994 to $21.4 million in FY 1995. Data for FY 1995 indicated that 2,378 workers used available service benefits, as shown in the following tabulation:

Item	Estimated number of participants	Cost (dollars)
Training	2,300	$3,070,926
Job search	64	14,564
Relocations	14	19,681
Total	2,378	$3,105,171

Assistance to Firms and Industries

Through its Trade Adjustment Assistance Division (TAAD), the U.S. Department of Commerce's Economic Development Administration (EDA) certified 137 firms as eligible to apply for trade adjustment assistance during FY 1995. This figure represents a 10-percent decrease from the 153 firms certified in the previous fiscal year. The TAAD administers its firm assistance programs through a nationwide network of 12 Trade Adjustment Assistance Centers (TAACs). Technical services are provided to certified firms through TAAC staffs and independent consultants under direct contract with TAACs. TAAC's funding for technical services to firms adversely affected by international import competition decreased from $13.4 million during FY 1994 to $9.95 million during FY 1995.

In addition to technical assistance for firms, under another component of the TAAD program, Commerce funded industry research development projects on gears by the Gear Research Institute and defense-related projects by the University of Texas at

San Antonio during FY 1994 valued at $350,000. During FY 1995, Commerce allocated an additional $50,000 for gear research by the Gear Research Institute.

Laws Against Unfair Trade Practices

The U.S. Department of Commerce issued 24 new antidumping orders during 1995, following completion of investigations by Commerce and the Commission. In addition, Commerce issued three new countervailing duty orders, following completion of investigations by Commerce and the Commission. There were no countervailing duty orders issued in 1995, based on an investigation by Commerce alone.[13] During 1995, the Commission completed 12 investigations under section 337 of the Tariff Act of 1930, as amended, involving allegations of patent, trademark, or copyright infringement or other unfair methods of competition. In two of the section 337 investigations, the Commission issued general exclusion orders prohibiting the importation of merchandise, and in another investigation the Commission issued a temporary limited exclusion order barring the importation of accused products during the course of the investigation.

In 1995, USTR initiated five new section 301 investigations. Further developments occurred in five investigations initiated prior to 1995. Table 5-1 summarizes USTR activities on section 301 investigations during 1995.[14]

Antidumping Investigations

The present antidumping law is contained in title VII of the Tariff Act of 1930 as amended.[15] 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) 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 United States 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.[16] 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 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.

Commerce and the Commission each conduct preliminary and final antidumping investigations in making their separate determinations.[17] In 1995, the Commission completed 14 preliminary and 43 final antidumping injury investigations.[18] Antidumping orders were imposed as a result of affirmative Commission and Commerce determinations in 24 of the 43 final investigations on products imported from 16 different countries. Details of antidumping actions and orders, including suspension agreements,[19] in effect in 1995, are presented in tables A-24 and A-25. The tabulation on the next summarizes the number of antidumping investigations during 1993-95.[20]

Countervailing Duty Investigations

The United States countervailing duty law is set forth in section 303 and title VII of the Tariff Act of 1930. It provides for the levying of special additional duties to offset foreign subsidies on products imported into the United States.[21] 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. In most cases, the Commission must make an affirmative determination of material injury, threat of material injury, or material retardation by reason of the subsidized imports.

During 1995, investigations were conducted under section 701 of the Tariff Act if the subject article was imported from a country that had signed the General Agreement on Tariffs and Trade (GATT) Code on Subsidies and Countervailing Duties[22] or had otherwise been designated a "country under the agreement."[23] Investigations with respect to imports from other countries were conducted under section 303

Table 5-1
Summary of activity on sec. 301 investigations during 1995

Product/service and country	Docket No.	Petitioner/initiator and date[1]	Status at year-end 1995
Petitions filed or investigations self-initiated in 1995:			
EU Enlargement	301-101	USTR Oct. 1995	On Oct. 24, 1995, USTR self-initiated an investigation with respect to the denial of benefits under a trade agreement by the EU, arising from the accession of Austria, Finland, and Sweden. A public hearing was held on Nov. 21, 1995. On Dec. 22, 1995, the European Union Council approved the U.S. - EU Agreement on EU Enlargement and Grains which provides full compensation to the U.S. for tariff increases that occurred when the three countries acceded to the EU.
Banana Import Regime, EU	301-100	USTR Sept. 1995	USTR self-initiated a new investigation concerning the EU's acts, policies, and practices relating to the importation, sale, and distribution of bananas. (For more details, see 301-94).
Photographic film and paper, Japan	301-99	Eastman Kodak Company May 1995	On May 18, 1995, the Eastman Kodak Company filed a petition alleging that certain acts, policies, and practices of Japan deny access to the market for consumer photographic film and paper. On July 4, 1995, USTR initiated a sec. 301 investigation with respect to barriers to access to the Japanese market for consumer photographic film and paper.
Bananas, Costa Rica	301-97	USTR Jan. 1995	On Jan. 9, 1995, USTR self-initiated an investigation to determine whether, as a result of Costa Rica's implementation Framework Agreement, the policies and practices of Costa Rica regarding the exportation of bananas to the EU are unreasonable and discriminatory and burden or restrict U.S. commerce. On Jan. 10, 1996, USTR determined that the practices under investigation were unreasonable or discriminatory and burdened or restricted U.S. commerce.
Bananas, Colombia	301-96	USTR Jan. 1995	On Jan. 9, 1995, USTR self-initiated an investigation to determine whether, as a result of Colombia's implementation of the Framework Agreement, the policies and practices of Colombia regarding the exportation of bananas to the EU are unreasonable and discriminatory and burden or restrict U.S. commerce. On Jan. 10, 1996, USTR determined that the practices under investigation were unreasonable or discriminatory and burdened or restricted U.S. commerce.
Other investigations acted upon in 1995:			
Country Music Television, Canada	301-98	Country Music Television Dec. 1994	On Dec. 23, 1994, Country Music Television, a U.S.-owned cable programming service, filed a petition seeking a sec. 301 investigation of Canada's revocation of its authorization to be distributed in Canada. USTR decided on Feb. 6, 1995, to accept the petition and requested comment on a proposed determination that Canada's practices in regards to the granting or termination of cable authorizations for U.S. firms are actionable under sec. 301.

See footnote at end of table.

Table 5-1—*Continued*
Summary of activity on sec. 301 investigations during 1995

Product/service and country	Docket No.	Petitioner/initiator and date[1]	Status at year-end 1995
Other investigations acted upon in 1995—Contiued:			
Meat, Korea	301-95	National Pork Producers Nov. 1994	On Nov. 18, 1994, the National Pork Producers Council, the Council American Meat Institute, and the National Cattlemen's Assoc. filed a petition alleging that various policies and practices of the Korean Government deny U.S. meat producers access to the Korean market. On Nov. 22, 1994, USTR initiated a sec. 301 investigation of Korean practices with respect to the importation of U.S. beef and pork. On July 20, 1995, USTR terminated its investigation following an agreement between the U.S. and Korea.
Auto Parts, Japan	301-93	USTR Oct. 1994	On Oct. 1, 1994, USTR self-initiated an investigation with respect to barriers to access to the auto parts replacement market in Japan. A public hearing was held on June 8, 1995. Effective June 28, 1995, USTR terminated this investigation.
Banana Import Regime, EU	301-94	Chiquita Brands Sept. 1994	On Sept. 2, 1994, Chiquita Brands International, Inc. and the International, Inc. Hawaii Banana Industry Association filed a petition alleging that various practices of the European Union, Colombia, Costa Rica, Nicaragua, and Venezuela concerning trade in bananas are discriminatory, unreasonable, and burden or restrict U.S. commerce. On Oct. 17, 1994, USTR initiated an investigation of the practices of the EU, but decided not to initiate an investigation of the practices of the four Latin American countries at that time. The petition alleged that the EU's banana policies discriminate against U.S. banana marketing and distribution companies in the allocation of import licenses for the importation of bananas from Latin America. The petition also alleged that a Framework Agreement on bananas between the EU and the Latin American countries named in the petition further discriminates against U.S. firms causing them additional economic harm. On Sept. 27, 1995, USTR terminated this investigation and initiated a second investigation (For more details, see 301-100).
Intellectual Property, China	301-92	USTR June 1994	On June 30, 1994, USTR designated the China as a "priority foreign country" under sec. 182 of the Trade Act of 1974 (Special 301) for failing to provide adequate and effective intellectual property protection and market access to persons that rely on intellectual property protection. Also on June 30, 1994, USTR initiated a sec. 301 investigation of these practices. On Dec. 29, 1994, the USTR announced that it was extending the deadline for the investigation to Feb. 4, 1995, and published a proposed retaliation list. Public hearings on the proposed list were scheduled for Jan. 24 and 25, 1995. A Feb. 25, 1995 agreement between the U.S. and China on the protection of intellectual property and related market access issues resulted in the termination of this investigation.

[1] Above date(s) are either the month and year an interested party filed a petition, alleging practices inconsistent with sec. 301, or the month and year USTR self-initiated an investigation without a petition.

Source: Compiled by the staff of the U.S. International Trade Commission.

Antidumping duty investigations	1993	1994	1995
Petitions filed	42	43	14
Preliminary Commission determinations:			
Negative	5	3	1
Affirmative (includes partial affirmatives)	30	46	13
Terminated[1]	8	1	0
Final Commerce determinations:			
Negative	1	2	2
Affirmative	76	33	40
Terminated	0	0	0
Suspended	0	2	1
Final Commission determinations:			
Negative	32	10	16
Affirmative (includes partial affirmatives)	41	17	24
Terminated	0	2	3

[1] These figures include petitions withdrawn voluntarily by petitioners.

of the Tariff Act. Such imports were subject to an injury investigation by the Commission only if (1) they normally enter free of duty and (2) international obligations of the United States require an injury investigation.[24] For imports not falling under this category or under section 701, a countervailing duty order could be issued under section 303 on the basis of an affirmative subsidy determination by Commerce alone.[25]

Three new countervailing duty orders were imposed in 1995 as a result of investigations involving both Commerce and the Commission. No new countervailing duty orders were imposed on products following investigation by Commerce alone under section 303 of the Tariff Act. In 1995, the Commission completed 2 preliminary and 5 final injury investigations.[26] Details of countervailing duty actions and outstanding orders, including suspension agreements[27] in effect in 1995, are presented in tables A-26 and A-27. The tabulation on the next page summarizes the number of countervailing duty investigations during 1993-95.[28]

Reviews of Outstanding Antidumping and Countervailing Duty Orders

Section 751 of the Tariff Act of 1930, as amended (19 U.S.C. 1675), requires Commerce (the administering authority), 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 the reviews above, Commerce may revoke a countervailing duty or antidumping order in whole or in part or terminate or resume a suspended investigation. Neither Commerce nor the Commission instituted a changed circumstances investigation under section 751 in 1995.

Section 337 Investigations

Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), authorizes the Commission, on the basis of a complaint or on its own initiative, to conduct investigations with respect to certain practices in import trade. Section 337 declares unlawful the importation into the United States, the 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.[29]

If the Commission determines that a violation exists, it can issue an order excluding the subject imports from entry into the United States, or can order the violating parties to cease and desist from engaging in the unlawful practices.[30] The President may disapprove a Commission order within 60 days of its issuance for "policy reasons."

Countervailing duty investigations	1993	1994	1995
Petitions filed	5	7	2
Preliminary Commission determinations:			
Negative	2	1	0
Affirmative (includes partial affirmatives)	2	6	2
Final Commerce determinations:			
Negative	0	0	0
Affirmative	36	1	5
Suspended	0	0	0
Final Commission determinations:			
Negative	18	0	2
Affirmative (includes partial affirmatives)	18	1	3
Terminated	0	0	0

In 1995, as in previous years, most complaints filed with the Commission under section 337 alleged infringement of a U.S. patent by imported merchandise. The Commission completed a total of 12 investigations under section 337 (including one advisory opinion proceeding) in 1995, compared with 14 in 1994. As in recent years, the section 337 caseload in 1995 was highlighted by investigations involving complex technology. Significant among these were computer-related investigations involving semiconductor devices, computer hard disk drives, and electrical connectors for memory modules. In addition, several section 337 investigations involved other sophisticated technologies, including pharmaceuticals (a widely used cardiovascular medication and an antibiotic for poultry), chemical adhesives for repositionable notes, rare earth magnet alloys, and wind turbines for generating electricity. Trademark-based investigations active during 1995 involved hair care products and Asian-style fish cakes. During 1995, the Commission also conducted a self-initiated formal enforcement proceeding based on allegations of violations of a cease and desist order issued by the Commission in an underlying section 337 investigation involving plastic encapsulated integrated circuits.

Exclusion orders were issued in three investigations. 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, although one investigation was terminated based on dismissal of the complaint with prejudice as a sanction against the complainant for misconduct during discovery. At the close of 1995, there were nine section 337 investigations, including a formal enforcement proceeding, pending at the Commission. Commission activities involving section 337 actions in 1995 are presented in table A-28.

As of December 31, 1995, a total of 49 outstanding exclusion orders based on violations of section 337 were in effect. Thirty of these orders involved unexpired patents. Table A-29 lists the investigations in which these exclusion orders were issued.

Other Import Administration Laws and Programs

Tariff Preference Programs

Generalized System of Preferences

The Generalized System of Preferences (GSP) grants duty-free access to the U.S. market for certain products that are imported from designated developing countries and territories. The GSP 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 July 31, 1995, and the prospects for the Congressional reauthorization of the program are uncertain. A bill to renew the program was introduced in 1995[31] and approved as part of the Budget Reconciliation Act that was vetoed by the President.[32]

By offering unilateral tariff preferences, the GSP program reflects the U.S. commitment to an open world trading system. The program has three broad goals: (1) to promote economic development in developing and transitioning economies through increased trade, rather than foreign aid; (2) to reinforce U.S. trade policy objectives by encouraging beneficiaries to open their markets, to comply more fully with international trading rules, and to assume greater responsibility for the international trading system; and, (3) to help maintain U.S. international competitiveness by lowering costs for U.S. business, as well as lowering prices for American consumers.

To qualify for GSP privileges, each beneficiary country must comply with various eligibility requirements. These include market access, worker rights and intellectual property rights. The products that are eligible for GSP are products that are not considered "import sensitive." The GSP statute excludes certain products from GSP altogether (e.g., footwear, textiles and apparel). Each year, the Trade Policy Staff Committee (TPSC) 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.

In 1995, the TPSC began the annual GSP review, but it was suspended when the program expired. In 1995, Armenia, Moldova, and the West Bank and Gaza Strip were designated as GSP beneficiaries. Maldives was suspended as a GSP beneficiary following a determination that it had not taken and was not taking steps to afford international recognized worker rights. The Bahamas and Israel became ineligible for the GSP program following determinations that they each had exceeded the per capita GNP limits in the GSP statute. Also, some GSP benefits were partially restored for Thailand following a determination that Thailand had made some progress in protecting intellectual property rights. Finally, the administration determined that Malaysia would be removed from the GSP program, effective January 1, 1997. The administration determined that Malaysia no longer needed GSP tariff preferences to compete in the U.S. market because it was sufficiently developed and internationally competitive.

In 1995, there were $18.3 billion in duty-free imports under the GSP program,[33] accounting for 16 percent of total U.S. imports from GSP beneficiary countries and 2 percent of total U.S. imports (see table 5-2). Leading GSP beneficiaries include Malaysia, Thailand, Brazil, Indonesia, the Philippines, India, Russia, Venezuela, Argentina, and Turkey (see table 5-3). Table A-30 shows the top 20 GSP products or product categories in 1995, and table A-31 shows the overall sectoral distribution of GSP benefits.

Caribbean Basin Economic Recovery Act

Eligible imports from 24 Caribbean Basin countries entered the United States duty-free or at reduced duties under the Caribbean Basin Economic Recovery Act (CBERA) during 1995.[34] CBERA has been operative since January 1, 1984, and, as amended, the act currently has no statutory expiration date.[35] CBERA is the trade-related component of the Caribbean Basin Initiative (CBI).[36] President Reagan launched CBI in 1982 to promote export-led economic growth and economic diversification in the countries in the Caribbean Basin.[37]

A wide range of Caribbean products are eligible for duty-free entry under CBERA.[38] Excluded from duty-free entry, however, are canned tuna, petroleum and petroleum derivatives, certain footwear, some watches and watch parts, sugar from any "Communist" country, 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, duties on these articles are being reduced by a total of 20 percent beginning January 1, 1992, in five equal annual installments.

Total U.S. imports from CBERA countries in 1995 were $12.6 billion, or 1.7 percent of all U.S. imports. Imports under CBERA provisions accounted for 18.0 percent of all imports from CBERA countries, approximately the same as in 1994 (table 5-4). The leading items afforded duty-free entry under CBERA in 1995 were leather footwear uppers, precious-metal jewelry; raw sugar; medical instruments and appliances; and frozen, chilled and fresh boneless beef (table A-32). In 1995, 5 CBERA countries—the Dominican Republic, Costa Rica, Guatemala, Honduras, and Trinidad and Tobago—accounted for over four-fifths of all U.S. imports under CBERA provisions (table A-33).

Certain Caribbean textile and apparel products are eligible for preferential tariff treatment under the special Guaranteed Access Levels (GAL) program. While separate from the statutes governing CBERA, the GAL program is open only to countries that receive CBERA benefits. The GAL program was established in 1986 to improve access for Caribbean products within the context of overall U.S. textile policy implementing the Multifiber Arrangement. Under the program, the United States sets flexible quotas on a case-by-case basis for textile and apparel items assembled in eligible Caribbean Basin countries that have signed GAL agreements. Costa Rica, the Dominican Republic, El Salvador, Guatemala, Haiti, and Jamaica benefited from such agreements during 1995.[39] GAL imports, which must be made from

Table 5-2
U.S. imports for consumption[1] from GSP beneficiaries and the world, 1995

(Million dollars)

Item	All GSP beneficiaries	World
Total	111,825	737,510[2]
GSP eligible products[3]	28,741	255,667
Duty-free under GSP[4]	18,304	18,304
GSP program exclusion	5,621	5,621
All other	4,816	231,742
Noneligible product imports	83,084	481,843

[1] Customs-value basis.
[2] Excludes imports into the U.S. Virgin Islands.
[3] The import data show total imports from all beneficiary countries and from the world that are eligible for duty-free entry under GSP. For a variety of reasons, all imports from beneficiary countries under HTS provisions that appear to be eligible for GSP treatment do not always and necessarily receive duty-free entry under the GSP. Such eligible goods may not actually receive duty-free entry under GSP for at least four types of reasons: (1) the importer fails to claim GSP benefits affirmatively, (2) the goods are from a beneficiary country that has lost GSP benefits on that product for exceeding the so-called "competitive need" limits, (3) the goods are from a beneficiary country that has lost GSP on that product because of a petition to remove that country from GSP benefits for that product, and (4) the goods fail to meet the rule-of-origin or direct-shipment requirements in the GSP statute.
[4] These data show total imports from all GSP beneficiary countries that actually received duty-free entry under the GSP.

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

Table 5-3
U.S. imports for consumption under the GSP from leading beneficiaries,[1] and total, 1995

(Million dollars)

Rank	Beneficiary	Total imports	Imports of GSP articles: GSP-eligible	Imports of GSP articles: GSP duty-free[2]
1	Malaysia	17,401	7,272	4,931
2	Thailand	11,332	4,119	2,394
3	Brazil	8,983	3,347	2,221
4	Indonesia	7,339	2,099	1,463
5	Philippines	6,990	1,684	1,271
6	India	5,700	1,295	952
7	Russia	4,020	677	584
8	Venezuela	9,208	560	538
9	Argentina	1,741	723	516
10	Turkey	1,718	443	366
	Top 10	74,431	22,220	15,236
	Total	111,825	28,741	18,304

[1] These import data show total imports from the top 10 beneficiary countries that fall in HTS provisions that are eligible for duty-free entry under GSP. For a variety of reasons, all imports from beneficiary countries under HTS provisions that appear to be eligible for GSP do not always and necessarily receive duty-free entry under the GSP. See note 2 in appendix table A-31.
[2] These import data show the total imports from the top 10 GSP beneficiary countries that actually received duty-free entry under the GSP program.

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 5-4
U.S. imports for consumption from CBERA countries, 1993-95

Item	1993	1994	1995
Total imports *(1,000 dollars)*	10,094,033	11,200,280	12,550,118
Imports under CBERA[1]			
1,000 dollars	1,903,613	2,050,158	2,261,407
Percent of total	18.5	18.3	18.0

[1] Value of imports under CBERA 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.

fabric formed and cut to pattern in the United States, receive the tariff treatment accorded to other imports under HTS subheadings 9802.00.60 and 9802.00.80.[40]

Andean Trade Preference Act

Designated imports from Bolivia, Colombia, Ecuador, and Peru entered the United States duty-free under the Andean Trade Preference Act (ATPA) during 1995.[41] ATPA has been operative since December 4, 1991, and is scheduled to expire on December 4, 2001.[42] ATPA is the trade-related component of the Andean Trade Initiative. President Bush launched the initiative in 1990 to combat the production of illegal narcotics by helping beneficiaries promote export-oriented industries.[43]

ATPA benefits were modeled after CBERA. A wide range of Andean products is eligible for duty-free entry.[44] ATPA excludes from duty-free entry the same list of articles excluded under CBERA. Rum also is excluded.[45] As 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, duties on these articles are being reduced by a total of 20 percent beginning January 1, 1992, in five equal annual installments. Imports from Colombia and Bolivia have been eligible for duty-free entry under ATPA since 1992. Imports from Ecuador and Peru became eligible for ATPA benefits during 1993.[46]

U.S. imports from the four Andean countries totaled $7.0 billion in 1995, or 0.9 percent of all U.S. imports. Table 5-5 shows that imports under ATPA provisions totaled $983.8 million in 1995 or 13.4 percent of all U.S. imports from the four Andean countries (shown by country in table A-34). The leading items afforded duty-free entry under ATPA in 1995 were fresh cut flowers, including chrysanthemums, standard carnations, anthuriums, and orchids, roses, and other cut flowers and flower buds; and precious metal jewelry, including ropes and chains (table A-35).

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. Among the most important criteria considered by 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. The U.S. Commerce Department did not initiate a section 232 investigation during 1995.

Table 5-5
U.S. imports for consumption from Andean countries, 1993-95

Item	1993	1994	1995
Total imports *(1,000 dollars)*	5,282,292	5,879,505	6,968,729
Imports under ATPA[1]			
(1,000 dollars)	401,421	683,817	938,789
Percent of total	7.3	11.6	13.4

[1] 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.

Agricultural Adjustment Act

Under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), the President may take action in the form of an import fee or quantitative limitation to restrict imports that render, or tend to render, ineffective or materially interfere with the operation of any U.S. Department of Agriculture (USDA) program. The President acts on the basis of an investigation and report by the USITC, although he may take emergency action pending receipt of that report. Following advice of the Secretary of Agriculture and the investigation of the USITC, the President may modify, suspend, or terminate import restrictions because of changed circumstances.

However, section 401(a)(2) of the Uruguay Round Agreements Act amended subsection (f) of section 22 to prohibit the imposition of quantitative limitations or fees under section 22 on articles that are the product of a WTO member. The amendment became effective with respect to all articles except wheat on the date of the entry into force of the WTO Agreement (January 1, 1995).[47] Section 22 fees on wheat were permitted to be imposed through September 11, 1995, in recognition of the Memorandum of Understanding between the United States and Canada negotiated in August 1994. The section 22 action on wheat, which terminated on September 11, 1995, was the only section 22 action in effect during any part of 1995.[48]

U.S. Textile and Apparel Trade Program

The framework for world trade in textiles and apparel will become less restrictive as a result of an agreement reached in the Uruguay Round of multilateral trade negotiations to phase out the international Multifiber Arrangement (MFA) system of quotas by 2005. The MFA was established under the GATT to deal with market disruption in importing developed countries, while allowing exporting developing countries to expand their share of world trade in these products. Under the MFA, developed countries negotiated bilateral agreements with exporting developing countries for the purpose of setting quotas to control imports into their domestic market. These quotas are a departure from the GATT in that they were applied on a country-specific basis in contradiction to the nondiscrimination principle that all GATT countries be treated equally when trade restrictions are applied. This section of the report examines the main provisions of the new Uruguay Round textile agreement and reviews U.S. actions under the pact and major shifts in trade during 1995.

The Uruguay Round Agreement on Textiles and Clothing

On January 1, 1995, the Agreement on Textiles and Clothing (ATC) entered into force as part of the WTO agreements and replaced the MFA. The ATC provides for the "integration" of textiles and apparel into the GATT regime in 3 stages over a 10-year transition period ending on January 1, 2005. As products are integrated into the GATT regime, quotas are eliminated and trade in the goods becomes subject to normal GATT rules. All WTO countries are subject to the disciplines of the ATC, whether or not they were MFA signatories, and only WTO countries are eligible for the ATC's benefits. The newly created Textiles Monitoring Body (TMB) will supervise the implementation of the ATC's provisions.

The integration process involves two mechanisms: product integration, including quota removal, and acceleration of growth rates for quotas still in effect in the transition period.[49] WTO countries may select the products for integration at each stage, but must draw from each of four groups: tops and yarns, fabric, apparel, and made-up (or other finished) goods. With the WTO's entry into force in 1995 (stage 1), countries were obligated to integrate products that accounted for at least 16 percent of their textile and apparel imports. They are to integrate at least another 17 percent of their trade in 1998 (stage 2) and 18 percent in 2002 (stage 3), or a total of at least 51 percent during the 3 stages. The rest of the trade is to be integrated on January 1, 2005.

Quotas still in place during the 10-year period are subject to the automatic "growth-on-growth" liberalization. Bilateral agreements established under the MFA with individual supplying countries had specified the percentage rates at which the quotas could grow annually. These quota growth rates were increased by 16 percent for major suppliers in 1995, and are to be increased by an additional 25 percent in stage 2 and by another 27 percent in stage 3. The acceleration of quota growth rates will be advanced by one stage for "small suppliers," or countries that accounted for 1.2 percent or less of an importing country's total quotas, as of December 31, 1991.

The ATC also recognizes that some importing countries may need a special mechanism for avoiding serious damage to their domestic textile and apparel industries during the transition period. During the 10 years that the ATC is in force, WTO countries may limit imports of textiles or apparel by applying a "transitional safeguard," or quota. The safeguard may be applied only to products that are not subject to quotas in the importing country and not yet integrated into the GATT regime. The quota may remain in place for up to 3 years or until the product is integrated into the GATT.

The ATC also contains strengthened provisions that permit countries to deal with the circumvention of quotas by transshipment, rerouting, falsification of documents, and false declaration of country of origin. It also requires all countries, both developed and developing, to achieve improved market access through such measures as reducing and binding tariffs, reducing or eliminating nontariff barriers, and facilitating customs, administrative, and licensing procedures.

U.S. Actions Under the ATC in 1995

As mandated by the ATC, the United States on March 1, 1995, notified the TMB of its quotas on imports from other WTO countries. These quotas are now governed by the provisions of the ATC and are subject to the automatic growth-on-growth quota liberalization during the 10-year transition period. The United States currently has textile and apparel quotas with 45 countries; quotas with 36 of these countries are subject to the terms of the ATC (table 5-6). These 36 WTO countries supplied almost 60 percent of the total value of sector imports in 1995, and the 8 non-WTO countries subject to U.S. quotas supplied 18 percent. Another 7 percent of the imports came from Mexico, a WTO member whose textile and apparel shipments to the United States are subject to the NAFTA.

The integration of textiles and apparel into the GATT regime during the transition period will have long-term implications for the U.S. textile and apparel sector but limited near-term ones. The Committee for the Implementation of Textile Agreements (CITA), an interagency group charged with implementing and enforcing U.S. textile agreements, deferred integration of the most sensitive products until the end of the 10-year transition period, as directed by the Statement of Administrative Action that accompanied the Uruguay Round Agreements Act (URAA).[50] None of the products integrated by the United States in the first stage were under quota, and most of the goods scheduled for integration in the second and third stages were neither under quota nor had underutilized quotas. For the most part, yarns and made-up textiles are scheduled for integration in the second and third stages, while fabric and apparel are scheduled for integration at the end of the 10-year period.[51]

The effect of the quota growth acceleration will likely be small in the early years of the transition period, but become increasingly significant in the latter years as growth is compounded. Given that real growth in consumer spending on apparel, which accounts for roughly 80 percent of U.S. imports of MFA goods in value terms, averaged only 2.8 percent a year during 1989-95,[52] it is likely that many quotas remaining in place during the transition period will grow to a level where they no longer restrict trade. In several cases, it is likely that quota availability will exceed actual U.S. consumption of products in which there are a large number of quotas in place.

The effect of accelerated quota growth on U.S. textile and apparel imports will vary by product and by country. Quota growth acceleration will have the most trade liberalizing effect on goods subject to a relatively large number of quotas with high utilization and annual growth rates, such as most types of apparel of cotton and manmade fibers. In general, quotas on apparel of cotton and manmade fibers have annual growth rates of 6 percent, compared with 1 percent for quotas on wool products.

Major-supplying countries likely to experience the largest increases in quota during the transition period are Bangladesh, India, and Pakistan, given their moderate-sized quota base and annual quota growth

Table 5-6
Countries with which the United States has textile and apparel quotas, as of June 15, 1996, and U.S. imports of textiles and apparel from these countries in 1995

(*1,000 dollars*)

Country	Imports
WTO members subject to the ATC	
Bahrain	69,493
Bangladesh	1,114,500
Brazil	233,634
Colombia	390,366
Costa Rica	766,347
Czech Republic	38,064
Dominican Republic	1,788,545
Egypt	319,076
El Salvador	606,977
Fiji[1]	62,201
Guatemala	698,264
Honduras	921,100
Hong Kong	4,390,776
Hungary	60,668
India	1,614,875
Indonesia	1,336,256
Jamaica	531,934
Kenya	35,711
Kuwait	4,628
Macau	764,266
Malaysia	745,214
Mauritius	191,005
Myanmar (Burma)[2]	64,475
Pakistan	964,820
Philippines	1,703,975
Poland	70,445
Qatar[1]	63,599
Republic of Korea	2,271,099
Romania	67,493
Singapore	425,502
Slovakia	17,053
Sri Lanka	1,024,961
Thailand	1,419,772
Turkey	805,723
United Arab Emirates	214,533
Uruguay	13,419
Non-WTO members subject to section 204 of the Agricultural Act of 1956	
Bulgaria	45,727
China	4,802,520
Laos	9,410
Former Yugoslav Republic of Macedonia[2]	46,041
Nepal	90,426
Oman	130,832
Taiwan	2,757,760
Ukraine	67,318
WTO member subject to the North American Free-Trade Agreement	
Mexico	3,037,295

[1] Country acceded to the WTO during 1996.
[2] Subject to unilateral restraints.

Source: U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel.

rates under the MFA of up to 7 percent. In addition, significant quota expansion will occur for 16 WTO countries considered "small suppliers," which will benefit from quota growth acceleration advanced by one stage.[53] WTO countries that will experience the smallest percentage increase in quotas include the Republic of Korea and Hong Kong, which have annual quota growth rates of 2.5 percent or less. Non-WTO members China and Taiwan are not entitled to trade liberalization benefits under the ATC and, therefore, are subject to their normal annual quota growth rates of 3 percent or less.

The United States was the only WTO member to initiate safeguard actions under the ATC in 1995 (table 5-7). Of the 21 actions (or "calls") taken under the ATC that year, 10 were rescinded by CITA, 8 led to the negotiation of new 3-year quotas, and 3 led to the imposition of unilateral quotas.[54] CITA subsequently rescinded the unilateral quota imposed on women's and girls' wool coats in quota category 435 from India. For the unilateral quotas set on cotton and manmade-fiber underwear from Costa Rica and woven wool shirts and blouses from India, the WTO Dispute Settlement Body agreed to requests from these countries to establish a dispute settlement panel to examine United States' application of transitional safeguards on their respective products.[55]

Other Trade Agreements

The United States currently maintains quotas on textile and apparel imports from eight non-WTO countries under section 204 of the Agricultural Act of 1956. The United States negotiated 2-year extensions of bilateral textile agreements scheduled to expire on December 31, 1995, with Laos, Oman, and Taiwan. In early 1996, the bilateral agreements with Nepal and Bulgaria were extended to December 31, 1998. The bilateral agreement with China is scheduled to expire on December 31, 1996, and that with Ukraine in 1997. In 1995, the United States placed a 1-year restraint on imports of men's and boys' wool coats from the Former Yugoslav Republic of Macedonia. Also in 1995, the United States and Russia agreed to adopt a trigger mechanism for women's and girls' wool coats, under which consultations to establish a quota would be initiated when imports reached a specified level.

Under NAFTA, which entered into force on January 1, 1994, the United States agreed to immediately eliminate quotas on textile and apparel imports from Mexico that meet NAFTA rules of origin.[56] For imports that do not meet the origin rules, U.S. quotas will be phased out by 2004. NAFTA provides for tariff preference levels (TPLs) that allow limited amounts of textile and apparel imports from Mexico and Canada that do not meet NAFTA origin rules to enter at preferential duty rates under NAFTA.[57] With the exception of the TPL on wool apparel from Canada, the TPLs are underutilized. In recent years, Canada has essentially filled its wool apparel TPL with men's and boys' suits. From 1989 to 1995, U.S. imports of such suits from Canada rose from 196,000 to 1.1 million units, raising concern among U.S. suit producers.[58]

Transshipment of textiles and apparel through third countries to evade quotas continued to be a concern for the United States in 1995. The United States charged China's quotas in cotton knit shirts, trousers, and underwear for transshipments totaling $45 million.[59] The United States also charged Pakistan's quota in cotton sheets for transshipments of $2.5 million.[60] In an effort to curtail transshipments and other types of fraud, the United States negotiated stronger fraud and anticircumvention language in bilateral agreements that were extended or renegotiated in 1995.

U.S. Trade in 1995

U.S. imports of MFA products in 1995 rose by 6 percent over the 1994 level to a record 18.3 billion square meter equivalents (SMEs) valued at $44 billion (figure 5-1).[61] The increase marked a continuation of a slowdown in the growth of imports, which rose by 9 percent in 1994 and by 11 percent in 1993. Most of the gain in 1995 continued to come in imports of apparel, which grew by 10 percent to almost 9.3 billion SMEs valued at $34.6 billion. Imports of textile products grew by only 2 percent to 9.1 billion SMEs valued at $9.3 billion.

The CBI countries and Mexico accounted for virtually all of the increase in sector imports in 1995. Imports from the region that year grew by 35 percent to 3.7 billion SMEs, whereas those from all other countries rose by less than 1 percent. As a result, the share of sector imports supplied by CBI countries and Mexico increased to 20.3 percent in 1995, from 15.9 percent a year earlier and from 10.9 percent in 1990 (figure 5-1). The vast majority of the imports from the region consisted of garments assembled from U.S. components and entered under the "9802" tariff provision.[62] All but a small part of sector imports under the 9802 provision come from CBI countries and Mexico, which mainly compete with one another for work assembling apparel for U.S. firms.

The pattern of sector competition in the region has changed since the implementation of NAFTA on January 1, 1994. In the 4 years before NAFTA, U.S. imports of MFA-covered textiles and apparel in volume terms rose at an average annual rate of 17.5 percent for CBI countries and 14.7 percent for Mexico. The growth in CBI shipments since then, though still quite rapid, has lagged behind that of Mexico. In 1994, the growth rate slowed to 14.9 percent for CBI countries but accelerated to 31 percent for Mexico. In 1995, the volume of CBI imports resumed the strong upward trend, rising at a 22-percent annual rate, but

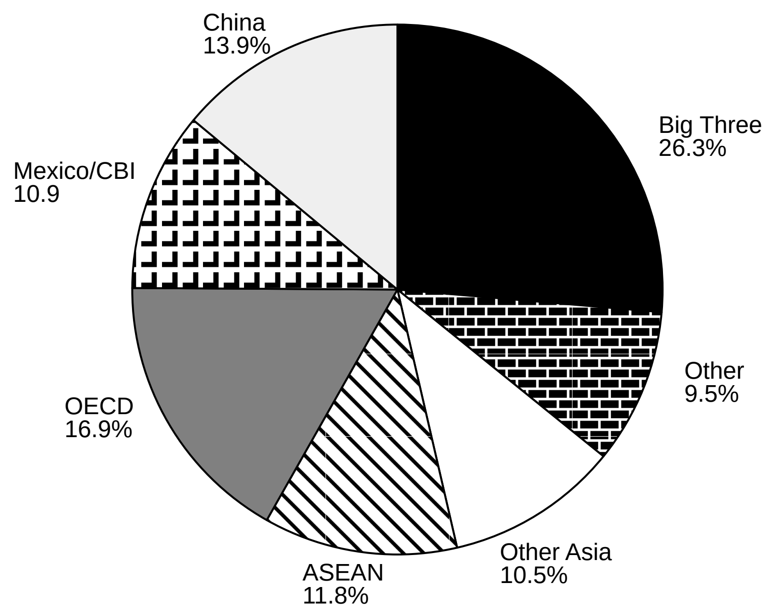
Table 5-7
Safeguard Actions Initiated by the United States under the ATC in 1995

Country	Product description (Quota category)	Negotiated quota settlement or U.S. action[1]
Brazil	Men's and Boys' Wool Coats Other Than Suit Type (Category 434)	Rescinded
Colombia	Women's and Girls' Wool Suits (Category 444)	205,020 nos. SA 82,008 nos. NSA
Costa Rica	Cotton and Manmade Fiber Nightwear and Pajamas (Category 351/651)	Rescinded
Costa Rica	Cotton and Manmade Fiber Underwear (Category 352/652)	Unilateral 14,423,178 doz. SL
Dominican Republic	Cotton and Manmade Fiber Underwear (Category 352/652)	9,500,000 doz. SL 30,000,000 doz. GAL
Guatemala	Cotton and Manmade Fiber Skirts (Category 342/642)	408,100 doz. SL 100,000 doz. GAL
Honduras	Cotton and Manmade Fiber Nightwear and Pajamas (Category 351/651)	Rescinded
Honduras	Cotton and Manmade Fiber Underwear (Category 352/652)	10,000,000 doz. SL 50,000,000 doz. GAL
Honduras	Women's and Girls' Wool Coats (Category 435)	14,688 doz. SL 35,000 doz. GAL
Hong Kong	Woven Wool Shirts and Blouses (Category 440)	Rescinded
India	Men's and Boys' Wool Coats Other than Suit Type (Category 434)	Rescinded
India	Women's and Girls' Wool Coats (Category 435)	Unilateral[2] 37,487 doz. SL
India	Woven Wool Shirts and Blouses (Category 440)	Unilateral 76,698 doz. SL
Jamaica	Cotton and Manmade Fiber Nightwear and Pajamas (Category 351/651)	375,000 doz. SL 1,000,000 doz. GAL
Philippines	Women's and Girls' Wool Suits (Category 444)	Rescinded
Philippines	Manmade Fiber Luggage (Category 670-L)	Rescinded
Sri Lanka	Manmade Fiber Luggage (Category 670-L)	7,950,000 kg. SL
Thailand	Cotton and Manmade Fiber Underwear (Category 352/652)	Rescinded
Thailand	Spun Yarn Containing 85% or More by Weight Artificial Staple Fiber (Category 603)	Rescinded
Thailand	Manmade Fiber Luggage (Category 670-L)	Rescinded
Turkey	Cotton and Manmade Fiber Underwear (Category 352/652)	2,332,000 doz. SL

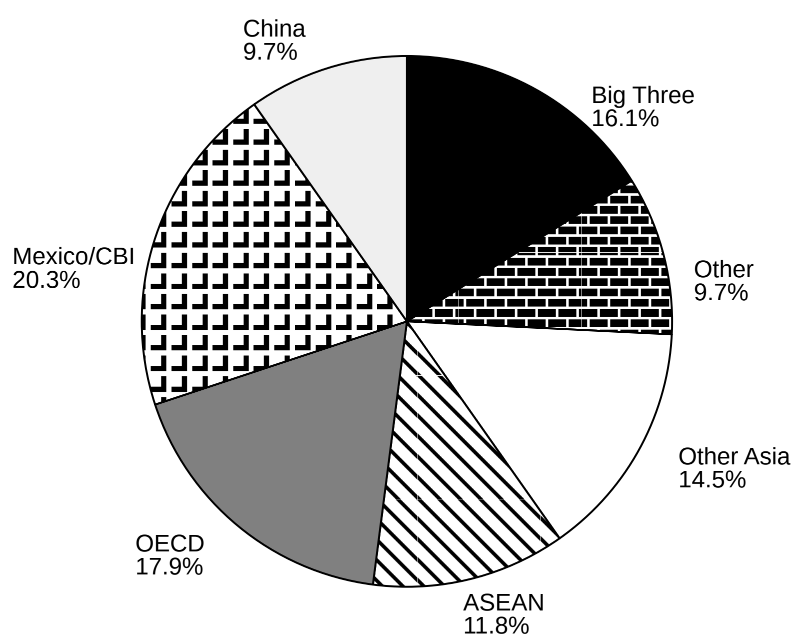
[1] Quota levels established on 1996 imports under specific limits (SL), guaranteed access levels (GAL), special access (SA), and non-special access (NSA). With regard to Colombia, the NSA is a sub-limit of the SA.
[2] The United States decided to rescind the unilateral quota on these products from India effective April 14, 1996. See 61 F.R. 18722, Apr. 29, 1996.

Source: U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel.

Figure 5-1
U.S. imports of textiles and apparel covered by the MFA, by major suppliers, 1990 and 1995



1990: Total 12.2 billion square meter equivalents



1995: Total 18.3 billion square meter equivalents

Note.—The Big Three refers to Hong Kong, Korea, and Taiwan. Other Asia consists of Bangladesh, India, Pakistan, Sri Lanka, and Macau. In addition, OECD does not include Mexico, a member country.

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

Mexico's shipments rose by 59 percent. Although CBI countries have nearly doubled their share of sector imports in volume terms since 1989, to 11.9 percent in 1995, Mexico has more than doubled its share to 8.5 percent. Mexico is now the third-largest, single-country supplier of apparel to the United States, with shipments in 1995 valued at $3.0 billion, trailing only China ($4.8 billion) and Hong Kong ($4.4 billion). However, the CBI countries as a group are the largest supplier, with 1995 shipments valued at $5.5 billion.

Part of the growth in U.S. textile and apparel imports from Mexico since NAFTA entered into force may have come at the expense of CBI shipments as well as imports from the Far East. U.S. industry officials claim that NAFTA has led to a measurable diversion of apparel trade and investment from CBI countries to Mexico.[63] Imports of garments from Mexico that entered duty-free under the NAFTA-created 9802.00.90 provision totaled $2.3 billion, or about 75 percent of sector imports from Mexico in 1995.[64] These duty-free garments compete directly with most of the 9802 apparel imports from CBI countries, which are still subject to duty on the value added offshore.[65] Continued uncertainty over passage of legislation introduced in 1995 to grant NAFTA parity to CBI countries may reduce incentives for apparel investment in the CBI region.[66] Moreover, the devaluation of the Mexican peso during December 1994-January 1995 further affected the competitive balance between Mexico and CBI countries by effectively reducing dollar prices of Mexican goods in the U.S. market.

U.S. imports of textiles and apparel from China and the traditional Big Three Asian suppliers to the United States—Hong Kong, Taiwan, and Korea—continued to decline in 1995, when they accounted for 25.8 percent of sector trade, compared with 40.2 percent in 1990 (figure 5-1). Sector imports from China fell again in 1995, declining by 13.2 percent to 1.8 billion SMEs. The value of these Chinese shipments fell for the first time since 1988, by 2.6 percent. The decline in imports from China partly reflected tight U.S. import quotas. The 3-year bilateral textile agreement with China provided for no quota growth in 1994 and for 1-percent growth in 1995 and 1996. Moreover, adjustments related to overshipments in previous years and transshipment charges cut the actual quota available for 1995. Sector imports from the Big Three declined by 5 percent in 1995 to just under 3.0 billion SMEs. Although restricted to some extent by quota, the Big Three were largely affected by continued rising operating costs, labor shortages, and growing competition from lower cost countries.

Growth in imports from the Associations of Southeast Asian Nations (ASEAN) picked up slightly in 1995, increasing by 12 percent in value and by 4 percent in quantity. Imports from the Philippines, Indonesia, and Thailand experienced strong growth in value terms, whereas imports from Malaysia showed little growth and those from Singapore fell. The growth in imports from "other Asian" countries—Bangladesh, India, Pakistan, Sri Lanka, and Macau—was relatively strong in 1995. Since 1990, this group of countries has increased their combined share of the U.S. market from 10.5 percent to 14.5 percent. In contrast, market share held by the ASEAN group fell slightly during the same period of time.

New Rules of Origin for Textiles and Apparel

On July 1, 1996, the United States will implement new rules of origin for imports of textiles and apparel as provided for by section 334 of the URAA. The change in origin rules will affect country-of-origin determinations for U.S. imports of products that are subject to outward processing, that is, goods subject to manufacturing and processing operations in, or contain components from, more than one country. Changes in origin determinations due to the adoption of the new rules will have quota implications because imports that are now being charged to the quotas of one country will likely be charged to those of another. Most imports subject to outward processing are believed to come from Hong Kong, Singapore, Taiwan, and Korea. Under the new rules, the trade will likely be charged to quotas of China and several other countries.

Under the current rules, garments assembled in one country from parts cut from fabric in another are generally considered the product of the country in which the cutting occurs. The new rules will assign origin to the country of assembly. For home textiles like sheets and pillowcases, the current rules generally confer origin in the country in which the goods were cut to size from fabric rolls, hemmed, and otherwise sewn. The new rules will confer origin in the country in which the fabric was woven. For fabrics woven in one country and dyed, printed, and otherwise finished in another, the current rules generally confer origin in the country in which the finishing occurs, whereas the new rules will confer origin in the country in which the weaving takes place.

Under article 4 of the ATC, the United States is obligated to consult with members affected by the rules of origin change before they are implemented "with a view to reaching a mutually acceptable solution regarding appropriate and equitable adjustment."

ENDNOTES

[1] 19 U.S.C. 2251 et seq.

[2] 19 U.S.C. 2436.

[3] 19 U.S.C. 3351.

[4] In the case of a perishable agricultural product that has been the subject of a monitoring investigation by the Commission under section 332(g) of the Tariff Act of 1930 for at least 90 days, an entity representative of a domestic industry producing a like or directly competitive domestic perishable agricultural product seeking relief may seek provisional relief with respect to such article pending completion of a full 180-day Commission investigation and the 60-day Presidential review period. When provisional relief is requested, the Commission has 21 days in which to make a determination and recommendation, and if that determination is in the affirmative, the President has 7 days in which to determine what if any provisional relief action to take. Section 316 of the NAFTA Implementation Act requires the Commission to monitor imports of fresh or chilled tomatoes through the year 2009.

Under section 202(d) of the Trade Act of 1974, the Commission would be expected to make an affirmative provisional relief determination when it finds, on the basis of available information, that imports of a perishable agricultural product are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a like or directly competitive perishable product and (1) serious injury is likely to be difficult to repair by reason of perishability of the like or directly competitive agricultural product, or (2) the serious injury cannot be prevented through timely investigation under section 202(b) and action under section 203 of the Trade Act of 1974.

[5] Inv. No. TA-201-64, *Fresh Winter Tomatoes* (Provisional Relief Phase), USITC publication 2881, Apr. 1995.

[6] The program and certain eligibility standards were modified by the Deficit Reduction Act of 1984 and by the Omnibus Budget Reconciliation Acts of 1981 and 1985. Additional modifications, primarily in job-training assistance and in coverage of certain workers in the oil and gas industries, were made through provisions of the Omnibus Trade and Competitiveness Act of 1988. Public Law 100-418, sec. 1421-1430.

[7] 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).

[8] Sections 251 through 264 of the TAA.

[9] Derived from official statistics of the U.S. Department of Labor, Employment and Training Administration, Office of Trade Adjustment Assistance, Management Information System.

[10] Ibid.

[11] 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).

[12] During FY 1995, 121,187 workers filed for TRA and 27,900 workers received at least their first payment.

[13] Only signatories of the subsidies code of the General Agreement on Trade and Tariffs are eligible for an injury determination by the Commission in countervailing duty cases. For nonsignatories, a Commerce determination of margins is enough for a countervailing duty order to be put into place.

[14] Information contained in this table was compiled from USTR, *Report to Congress on Section 301 Developments Required by Section 309(a)(3) of the Trade Act of 1974.*

[15] See 19 U.S.C. 1673 et seq.

[16] 19 U.S.C. 1677b; 19 CFR part 353, subpart D.

[17] Upon the filing of a petition, the Commission has 45 days to make a preliminary 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. 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 thereafter to make its final injury determination. If the Commission's preliminary determination is negative, by contrast, both the Commission and Commerce terminate further investigation.

[18] The figures set forth in this section do not include court-remanded investigations on which new votes were taken or investigations terminated before a determination was reached.

[19] 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 6 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. 1673c.

[20] When a petition alleges dumping (or subsidies) with respect to 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 1 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. Additionally, the numbers set forth in this tabulation do not include determinations made following court-ordered remands.

[21] These figures include petitions withdrawn voluntarily by petitioners.

[22] 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. 1303(a)(1), 1677(5), and 1677-1(a).

[23] Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade.

[24] See 19 U.S.C. 1671.

[25] Section 303(a)(2) provides that "[i]n the case of any imported article or merchandise which is free of duty, duties may be imposed under this section only if there are affirmative [injury] determinations by the Commission . . . except that such a determination shall not be required unless a determination of injury is required by the international obligations of the United States." 19 U.S.C. 1303(a)(2).

[26] Section 303 was repealed by the URAA, effective Jan. 1, 1995.

[27] The figures set forth in this section do not include court-remanded cases on which new votes were taken or investigations terminated before a determination was reached.

[28] A countervailing duty investigation may be suspended through an agreement before a final determination by Commerce if—(1) 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 6 months; or (2) extraordinary circumstances are present and the government or exporters described above 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. 1671c.

[29] The numbers of investigations instituted and determinations made generally exceed the number of petitions filed.

[30] Also unlawful under section 337 are other unfair methods of competition and unfair acts in the importation of articles into the United States, 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, 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 and not under section 337.

[31] Section 337 proceedings at the Commission are conducted before an administrative law judge in accordance with the Administrative Procedure Act, 5 U.S.C. § 551 et seq. The administrative law judge conducts an evidentiary hearing and makes an initial determination, which is transmitted to the Commission. 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.

[32] See GSP Renewal Act of 1995 (H.R. 1654), introduced by Mr. Crane and Mr. Rangel on May 17, 1995.

[33] See section 11801 et seq. of the Seven-Year Balanced Budget Reconciliation Act of 1995 (H.R. 2491), which was vetoed on December 6, 1995.

[34] As noted above, the GSP program expired on July 31, 1995. Thus, no imports actually received duty- free treatment under the GSP program after that date. For the sake of comparability with prior years, the figure presented reflects the total value of imports in 1995 that would receive duty-free treatment under the GSP program if the program is renewed retroactively to July 31, 1995.

[35] CBERA countries are listed in table A-33.

[36] 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.

[37] For a more detailed description of the CBERA, including country and product eligibility, see USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers, Tenth Report, 1995*, USITC publication 2927, Sept. 1995.

[38] President, "Address Before the Permanent Council of the Organization of American States," *Weekly Compilation of Presidential Documents*, Mar. 1, 1982, pp. 217-223.

[39] 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.

[40] An agreement with El Salvador became effective on January 11, 1995. An Agreement with Honduras became effective on January 1, 1996. Committee for the Implementation of Textile Agreements, "Issuing A Directive to the Commissioner of Customs Establishing Limits and Announcing Guaranteed Access Levels," 60 F.R. 48692.

[41] U.S. customs duties, otherwise payable at the normal duty rate, are assessed only on the value added to the U.S. components as a result of processing or assembly in the foreign location; the

U.S. content is duty-free. Both the dutiable and the duty-free components of GAL imports are reported under HTS statistical reporting number 9802.00.8015.

42 For a more detailed description of the APTA, including country and product eligibility, see USITC, *Andean Trade Preference Act: Impact on U.S. Industries and Consumers and on Drug Crop Eradication and Crop Substitution, Second Report, 1995*, USITC publication 2926, Sept. 1995.

43 Public Law 102-182, title II, 105 Stat. 1236, 19 U.S.C. 3202.

44 President, "Remarks Following Discussions With President Rodrigo Borja Cevallos of Ecuador," *Weekly Compilation of Presidential Documents*, July 23, 1990, pp. 1140-1143.

45 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.

46 ATPA sec. 204(b), 19 U.S.C. 3203(b).

47 President, "Proclamation 6544—To Modify the Duty-Free Treatment Under the Andean Trade Preference Act, To Modify the Generalized System of Preferences, and for Other Purposes," *Weekly Compilation of Presidential Documents*, Apr. 14, 1993, pp. 583-586; and "Proclamation 6585—To Designate Peru as a Beneficiary Country for Purposes of the Andean Trade Preference Act," *Weekly Compilation of Presidential Documents*, Aug. 12, 1993, pp. 1608-1609.

48 With the exception of the tariff-rate quotas in effect on wheat, all section 22 fees and quantitative limitations on agricultural products were converted to bound tariffs under a process known as "tariffication."

49 The section 22 action on wheat reflected the terms of an agreement reached between the United States and Canada on August 2, 1994. See USDA, "Joint Release from Secretary Espy and U.S. Trade Representative Kantor on U.S./Canada Wheat Trade," news release No. 0586.94, Aug. 2, 1994. As a result of that agreement, the President established separate tariff-rate quotas on durum and nondurum wheat that totaled 1.5 million metric tons. The tariff-rate quotas applied to wheat imports from all countries and were imposed for a 1-year period through September 11, 1995. The section 22 action did not cover U.S. imports of semolina, wheat flour, or white wheat. See Presidential Proclamation 6740 (To Establish Tariff Rate Quotas on Certain Wheat), effective Sept. 12, 1994. Virtually all U.S. wheat imports during the 5 years preceding the tariff rate quota were from Canada.

50 A number of products listed in the annex to the ATC and subject to GATT integration were not covered by the MFA and, hence, not subject to quota (e.g., pure silk goods, jute bags, monofilament yarns, seat belts, plastic-coated apparel, and parachutes). The U.S. Department of Commerce estimated that U.S. imports of ATC products in 1990, the base year for determining the volume of trade for GATT integration, were 17.1 billion square meter equivalents, compared with 12.2 billion for imports of MFA goods.

51 Section 331 of the URAA required that the lists of products to be integrated in the second, third, and final stages of the ATC be published within 120 days after the WTO's entry into force so as to provide certainty for planning purposes of all affected parties, including U.S. producers, importers, and trading partners. See *Federal Register* (*F.R.*) of October 13, 1994 (59 *F.R.* 51942) for the list of items integrated on January 1, 1995, and 60 *F.R.* 21075 for the lists of products scheduled for integration during the remaining stages.

52 Only 22 percent of U.S. imports of apparel and 42 percent of fabric imports were scheduled for integration during the three stages. In contrast, about 88 percent of U.S. imports of yarn and made-up textiles were scheduled for integration during these stages.

53 U.S. Department of Commerce, Bureau of Economic Analysis, fax dated Apr. 15, 1996, of a table showing personal consumption expenditures by major products in "chained" 1992 dollars.

54 Under ATC article 2.18, the United States extended small-supplier benefits in 1995 to Bahrain, Costa Rica, Colombia, Czech Republic, Dominican Republic, Egypt, El Salvador, Guatemala, Hungary, Jamaica, Kenya, Kuwait, Macau, Mauritius, Poland, and Uruguay.

55 The United States also took seven actions (or "calls") under section 204 of the Agricultural Act of 1956. These calls involved countries that either are not members of the WTO or were not members at the time the call was issued.

56 USTR, "WTO Dispute Settlement Proceedings Concerning U.S. Restrictions on Cotton and Manmade Fiber Underwear from Costa Rica," 61 *F.R.* 12129, Mar. 25, 1996, and "WTO Dispute Settlement Proceedings Concerning U.S. Restrictions on Woven Wool Shirts and Blouses from India," 61 *F.R.* 24516, May 15, 1996.

57 The NAFTA rule of origin is basically a "yarn forward" rule, which requires that textile and apparel goods be produced in a NAFTA country from the yarn stage forward in order to receive the benefits of the agreement.

58 TPLs (formerly tariff rate quotas, or TRQs, under the United States-Canada Free Trade Agreement) were developed primarily to alleviate short supply problems, especially as they relate to manufacturers inputs.

59 In early 1996, Senator Hollings began drafting legislation to reduce the amount of men's and boys' suits allowed under the wool apparel TPL for Canada. "Sen. Hollings Moves to Restrain Canadian Suit Imports," *Daily News Record*, Mar. 28, 1996, p. 4.

60 See 60 *F.R.* 21792.

61 In 1996, the United States and Pakistan agreed to reduced transshipment charges of $1.25 million. See 60 *F.R.* 40824.

62 Does not include U.S. imports of pure silk goods, which totaled 212.5 million SMEs (valued at $1.5 billion) in 1995, down from 319.3 million SMEs ($1.9 million) in 1994.

63 In general, duties on goods entered under provision 9802.00.80 of the HTS are assessed only on the value added offshore and not on the value of the U.S. components sent abroad for assembly.

[64] Letter To William V. Roth, Jr., Chairman, Senate Finance Committee, in support of NAFTA parity for CBI countries, jointly signed by the American Apparel Manufacturers Association, American Textile Manufacturers Institute, United States Apparel Industry Council, American Yarn Spinners Association, and American Fiber Manufacturers Association, Oct. 3, 1995.

[65] The 9802.00.90 provision provides duty-free treatment to imports of textiles and apparel assembled in Mexico from "U.S. formed and cut fabric." Such goods also enter free of quota.

[66] For every $10 in f.o.b. value, a typical CBI garment entered under the 9802 provision contains $6.40 in duty-free U.S. components and $3.60 in dutiable, foreign value-added. Applying the 1995 trade-weighted tariff for apparel of 16.1 percent to the foreign value-added yields a duty of $0.58, or an ad valorem equivalent of 5.8 percent.

[67] Legislation introduced in both houses of the 104th Congress in 1995, the Caribbean Basin Trade Security Act (H.R. 553 and S. 529), would make available NAFTA-like treatment to qualifying apparel, textiles, and other goods now exempted from duty-free entry under the 1984 CBI program.

APPENDIX
STATISTICAL TABLES

Table A-1
U.S. merchandise trade with Canada, by SITC Nos. (revision 3), 1993-95

(1,000 dollars)

SITC section No.	Description	1993	1994	1995
		U.S. exports		
0	Food and live animals	4,869,061	5,106,293	5,301,201
1	Beverages and tobacco	138,042	176,064	203,469
2	Crude materials, inedible, except fuels	3,040,523	3,467,934	4,259,158
3	Mineral fuels, lubricants and related materials	1,231,804	1,251,419	1,414,956
4	Animal and vegetable oils, fats and waxes	87,577	104,695	124,589
5	Chemicals and related products, nesi	8,224,173	9,415,595	10,360,727
6	Manufactured goods classified chiefly by material	11,947,189	13,486,923	15,417,848
7	Machinery and transport equipment	49,289,540	56,753,360	61,652,333
8	Miscellaneous manufactured articles	9,715,988	11,028,506	11,623,693
9	Commodities & transactions, nesi	3,322,005	2,852,041	2,903,166
	Total all commodities	91,865,900	103,642,830	113,261,142
		U.S. imports		
0	Food and live animals	4,895,024	5,328,174	5,646,490
1	Beverages and tobacco	986,709	703,823	677,665
2	Crude materials, inedible, except fuels	8,382,529	10,138,360	10,898,443
3	Mineral fuels, lubricants and related materials	11,530,935	12,501,798	13,665,083
4	Animal and vegetable oils, fats and waxes	213,976	309,632	339,184
5	Chemicals and related products, nesi	5,493,832	6,679,247	8,126,301
6	Manufactured goods classified chiefly by material	17,747,484	20,395,478	25,381,147
7	Machinery and transport equipment	48,989,407	57,940,204	63,645,520
8	Miscellaneous manufactured articles	5,253,103	6,535,452	7,760,633
9	Commodities & transactions, nesi	6,989,456	8,221,068	8,741,416
	Total all commodities	110,482,456	128,753,235	144,881,881

NOTE.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, stands for “not elsewhere specified on included.”
Source: Compiled from official statistics of the U.S. Department of Commerce.

Table A-2
Leading exports to Canada, by *Schedule B* number, 1993-95

(1,000 dollars)

Schedule B No.	Description	1993	1994	1995
8708.29	Parts and accessories, nesi, of bodies (including cabs) of the motor vehicles headings 8701 to 8705	3,063,545	3,706,829	4,250,195
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	3,985,369	4,697,421	4,067,839
8708.99	Parts and accessories, nesi, of motor-vehicles of headings 8701 to 8705	3,167,536	3,312,026	3,120,899
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, over 1,500 but not over 3,000 cc	2,405,453	2,803,956	3,092,099
8708.40	Gear boxes of the motor-vehicles of headings 8701 to 8705	1,572,168	2,010,474	2,127,987
8407.34	Reciprocating piston engines of a kind used for the propulsion of vehicles of chapter 87, of a cylinder capacity exceeding 1,000 cc	1,858,123	1,846,383	2,095,128
9880.00	Estimated “low value” shipments	1,950,642	1,854,117	1,962,846
8542.11	Digital monolithic electronic integrated circuits	1,206,249	1,430,017	1,937,263
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, G.V.W. not exceeding 5 metric tons	1,227,298	1,703,729	1,711,633
8471.91	Digital processing units which may contain in the same housing one or two storage units, input unit or output unit	1,189,214	1,376,669	1,683,551
8473.30	Parts and accessories of the machines of heading 8471	1,004,857	1,230,634	1,438,221
8701.20	Road tractors for semi-trailers	673,018	1,027,276	1,020,135
8708.39	Brakes and servo-brakes and parts thereof of the motor vehicles of headings 8701 to 8705	768,848	871,153	931,266
7606.12	Rectangular plates, sheets and strip, of a thickness exceeding 0.2 mm, of aluminum alloys	557,092	693,876	889,408
8524.90	Recorded media for sound or other similarly recorded phenomena	643,500	792,827	867,382
8409.91	Parts suitable for use solely or principally with spark-ignition internal combustion piston engines (including rotary engines)	726,579	935,755	846,317
8408.20	Compression-ignition internal combustion piston engines of a kind used for the propulsion of vehicles of chapter 87	664,113	687,290	836,374
9032.89	Automatic regulating or controlling instruments and apparatus, nesi	518,729	693,671	794,389
4901.99	Printed books, brochures, leaflets and similar printed matter, other than in single sheets	689,603	720,487	753,069
8803.30	Parts of airplanes or helicopters, nesi	566,195	662,710	679,482
	Total of items shown	28,438,130	33,057,299	35,105,485
	Total other U.S. exports to Canada	63,427,770	70,585,531	78,155,656
	Total all commodities	91,865,900	103,642,830	113,261,142

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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* items, 1993-95

(1,000 dollars)

HTS No.	Description	1993	1994	1995
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	12,430,403	17,651,764	20,578,804
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	4,999,274	4,916,983	6,139,318
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, G.V.W. not exceeding 5 metric tons	6,201,040	6,198,105	6,119,187
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned	3,951,022	5,002,381	5,485,905
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm	4,649,723	5,544,330	4,952,193
4801.00	Newsprint, in rolls or sheets	3,546,762	3,296,140	4,371,269
2711.21	Natural gas, in gaseous state	3,245,344	3,902,744	3,246,194
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705	3,208,656	3,513,213	3,120,298
8473.30	Parts and accessories of the machines of heading 8471	1,351,834	2,080,433	2,870,644
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, over 1,500 but not over 3,000 cc	4,476,804	3,819,082	2,826,323
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, of semibleached or bleached coniferous wood	1,210,595	1,408,898	2,402,625
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; and preparations, nesi	1,663,354	1,574,702	1,680,425
8701.20	Road tractors for semi-trailers	472,465	1,125,879	1,582,605
8542.11	Digital monolithic electronic integrated circuits	1,223,328	1,211,770	1,546,423
9999.95	Estimated “low value” shipments	1,009,399	1,252,538	1,425,914
7601.10	Unwrought aluminum, not alloyed	803,148	995,909	1,306,148
7108.12	Nonmonetary gold (including gold plated with platinum) in unwrought forms (excluding powder)	1,336,580	1,427,457	1,256,180
7601.20	Unwrought aluminum alloys	688,873	1,089,532	1,219,414
8708.29	Parts and accessories of bodies of motor vehicles, nesi	725,814	1,036,101	1,144,186
8703.22	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine over 1,000 but not over 1,500 cc	780,574	694,492	1,082,502
	Total of items shown	57,974,993	67,742,449	74,356,556
	Total other	52,507,463	61,010,786	70,525,325
	Total all commodities	110,482,456	128,753,235	144,881,881

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, stands for “not elsewhere specified or included.”
Source: Compiled from official statistics of the U.S. Department of Commerce.
Top 20 commodities sorted by Imports for consumption, Customs value in 1995.

Table A-4
U.S. merchandise trade with the European Union, by SITC Nos. (revision 3), 1993-95

(1,000 dollars)

SITC section No.	Description	1993	1994	1995
		U.S. exports		
0	Food and live animals	3,969,241	4,047,790	4,647,714
1	Beverages and tobacco	1,868,950	2,701,340	2,777,735
2	Crude materials, inedible, except fuels	5,314,655	5,699,411	7,805,881
3	Mineral fuels, lubricants and related materials	2,222,549	1,939,684	2,520,936
4	Animal and vegetable oils, fats and waxes	197,237	248,073	290,816
5	Chemicals and related products, nesi	11,598,564	12,867,710	14,897,383
6	Manufactured goods classified chiefly by material	5,463,435	5,915,381	7,950,361
7	Machinery and transport equipment	44,463,836	49,034,079	55,281,021
8	Miscellaneous manufactured articles	12,951,514	12,974,630	14,573,830
9	Commodities & transactions, nesi	7,552,413	5,884,876	5,570,285
	Total all commodities	95,602,394	101,312,973	116,315,962
		U.S. imports		
0	Food and live animals	2,248,685	2,568,761	2,692,243
1	Beverages and tobacco	2,703,114	2,823,439	3,093,861
2	Crude materials, inedible, except fuels	1,195,037	1,245,292	1,366,382
3	Mineral fuels, lubricants and related materials	3,733,520	4,962,892	3,703,626
4	Animal and vegetable oils, fats and waxes	274,553	271,884	353,750
5	Chemicals and related products, nesi	12,248,740	13,573,819	16,259,157
6	Manufactured goods classified chiefly by material	15,512,906	18,239,303	19,008,897
7	Machinery and transport equipment	45,970,887	51,619,832	59,361,285
8	Miscellaneous manufactured articles	14,929,815	16,669,193	18,850,594
9	Commodities & transactions, nesi	5,145,341	5,669,962	6,145,518
	Total all commodities	103,962,597	117,644,377	130,835,313

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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* number, 1993-95
(1,000 dollars)

Schedule B No.	Description	1993	1994	1995
8473.30	Parts and accessories of machines of heading 8471	4,214,105	4,861,526	6,217,129
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	4,651,320	4,911,241	3,675,047
8803.30	Parts of airplanes or helicopters, nesi	2,695,854	2,753,071	3,157,807
9880.00	Estimated “low value” shipments	2,189,763	2,538,529	2,937,221
8708.99	Parts and accessories nesi, of the motor-vehicles of headings 8701 to 8705	1,368,372	1,603,684	2,342,959
1201.00	Soybeans, whether or not broken	1,800,956	1,582,530	2,006,425
8542.11	Digital monolithic electronic integrated circuits	1,289,056	1,580,099	1,989,921
8411.91	Parts of turbojet or turbopropellers	1,796,789	1,768,375	1,860,525
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	1,468,729	1,315,137	1,739,033
2402.20	Cigarettes containing tobacco	983,007	1,738,660	1,711,912
8471.91	Digital processing units which may contain in the same housing one or two storage units, input units or output units	1,692,428	1,823,069	1,707,724
8471.93	Storage units for automatic data processing machines, whether or not entered with the rest of a system	1,371,511	1,479,729	1,645,865
8471.99	Units of automatic data processing machines, nesi	754,813	1,119,423	1,499,153
8471.92	Automatic data processing machines with or without input or output units or containing storage units in the same housing	1,473,792	1,371,253	1,414,828
7108.12	Nonmonetary gold (including gold plated with platinum) in unwrought forms (excluding powder)	4,197,818	1,937,506	1,211,941
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, over 1,500 but not over 3,000 cc	882,767	1,255,661	1,092,091
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades of semibleached or bleached coniferous wood	459,426	514,474	964,914
8479.89	Machines and mechanical appliances having individual function, nesi	423,004	552,309	916,341
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts and accessories thereof, nesi	790,304	871,674	905,086
3822.00	Composite diagnostic or laboratory reagents, other than those of 3002 or 3006	687,112	729,550	888,130
	Total of items shown	35,190,925	36,307,499	39,884,052
	Total other	60,411,468	65,005,475	76,431,910
	Total all commodities	95,602,394	101,312,973	116,315,962

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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* items, 1993-95

(1,000 dollars)

HTS No.	Description	1993	1994	1995
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, over 1,500 but not over 3,000 cc	4,912,029	5,019,476	5,771,437
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	3,519,908	4,411,539	5,766,953
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned	3,525,053	4,048,646	4,139,393
8542.11	Digital monolithic electronic integrated circuits	879,655	1,344,798	2,702,674
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	2,039,815	2,763,264	2,261,093
8411.91	Parts of turbojets or turboprollers	1,879,514	1,642,464	1,804,395
8473.30	Parts and accessories of the machines of heading 8471	1,112,631	1,287,867	1,795,847
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	2,013,308	1,479,997	1,370,524
7102.39	Nonindustrial diamonds, nesi	1,283,319	1,329,293	1,352,182
9999.95	Estimated “low value” shipments	1,053,386	1,154,195	1,285,327
7113.19	Articles of jewelry and parts thereof, of precious metal (excluding silver)	1,261,050	1,289,199	1,282,348
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; and preparations, nesi	1,611,912	2,008,864	1,253,320
9701.10	Paintings, drawing and pastels, executed entirely by hand, framed or not framed	932,920	1,024,540	1,213,840
8411.12	Turbojets of a thrust exceeding 25 kN	2,116,390	2,207,676	1,111,990
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705	914,865	1,070,245	1,106,516
8803.30	Parts of airplanes or helicopters, nesi	1,070,643	1,067,423	1,061,887
8802.30	Airplanes and other aircraft, of an unladen weight exceeding 2000 kg but not exceeding 15000 kg	745,751	1,126,029	967,825
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, nesi	739,492	958,358	944,141
8471.93	Storage units of automated data processing machines, whether or not entered with the rest of a system	571,160	577,137	894,544
8701.90	Tractors (other than tractors of heading 8709), nesi	584,486	692,235	732,160
	Total of items shown	32,767,287	36,503,245	38,818,397
	Total other	71,195,310	81,141,132	92,016,916
	Total all commodities	103,962,597	117,644,377	130,835,313

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, stands for “not elsewhere specified or included.”

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

Table A-7
U.S. merchandise trade with Japan, by SITC Nos. (revision 3), 1993-95

(1,000 dollars)

SITC section No.	Description	1993	1994	1995
			U.S. exports	
0	Food and live animals	8,448,403	8,908,032	10,397,196
1	Beverages and tobacco	1,816,861	2,181,149	2,182,517
2	Crude materials, inedible, except fuels	6,118,753	6,019,942	6,912,015
3	Mineral fuels, lubricants and related materials	1,135,336	861,992	971,920
4	Animal and vegetable oils, fats and waxes	83,839	104,719	119,791
5	Chemicals and related products, nesi	4,966,111	5,201,033	6,023,907
6	Manufactured goods classified chiefly by material	2,741,094	2,920,846	3,776,236
7	Machinery and transport equipment	13,950,842	17,443,971	21,600,126
8	Miscellaneous manufactured articles	5,874,010	6,395,686	7,722,469
9	Commodities & transactions, nesi	909,800	1,024,059	1,255,366
	Total all commodities	46,045,048	51,061,430	60,961,543
			U.S. imports	
	U.S. imports			
0	Food and live animals	299,722	318,456	298,413
1	Beverages and tobacco	34,914	32,014	32,722
2	Crude materials, inedible, except fuels	197,502	205,034	22,763
3	Mineral fuels, lubricants and related materials	164,324	203,350	226,802
4	Animal and vegetable oils, fats and waxes	16,267	19,252	19,649
5	Chemicals and related products, nesi	3,572,487	4,181,354	5,091,865
6	Manufactured goods classified chiefly by material	5,991,537	6,875,872	6,901,462
7	Machinery and transport equipment	83,295,316	93,764,696	97,353,374
8	Miscellaneous manufactured articles	10,741,469	10,123,786	10,337,852
9	Commodities & transactions, nesi	1,848,955	1,807,781	1,917,376
	Total all commodities	106,162,495	117,531,595	122,402,280

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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 Japan, by *Schedule B* number, 1993-95

(1,000 dollars)

Schedule B No.	Description	1993	1994	1995
8703.23	Passenger vehicles with spark-ignition internal-combustion reciprocation piston engine, over 1,500 but not over 3,000 cc	634,309	1,247,148	2,059,662
1005.90	Corn (maize) excluding seed	1,529,472	1,352,186	1,905,821
4403.20	Coniferous wood in the rough, not treated	1,835,123	1,728,365	1,668,956
8473.30	Parts and accessories of machines of heading 8471	1,215,078	1,331,012	1,634,852
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 5,000 kg	1,765,101	2,156,829	1,496,438
2402.20	Cigarettes containing tobacco	1,264,909	1,428,168	1,467,013
8542.11	Digital monolithic electronic integrated circuits	696,998	911,098	1,382,108
8471.91	Digital processing units which may contain in the same housing one or two storage units, input units or output units	792,052	967,867	1,137,885
1201.00	Soybeans, whether or not broken	981,202	837,694	983,029
8803.30	Parts of airplanes or helicopters, nesi	783,229	826,860	958,177
0201.30	Boneless meat of bovine animals, fresh or chilled	476,004	620,441	911,976
8479.89	Machines and mechanical appliances having individual function, nesi	260,593	445,457	767,624
8529.90	Parts suitable for use solely or principally with the apparatus of headings 8525 to 8528, excluding antennas and antenna reflectors of all kinds	269,096	414,351	722,640
9880.00	Estimated “low value” shipments	515,705	577,367	698,087
0202.30	Boneless meat of bovine animals, frozen	684,677	640,307	663,563
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm	613,091	626,745	620,084
2844.20	Uranium enriched in U235 plutonium and their compounds; alloys, dispersions, ceramic products and mixtures containing these products	699,449	683,183	606,579
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	366,305	543,773	587,147
8471.93	Storage units of automatic data processing machines, whether or not entered with the rest of a system	407,382	515,163	540,623
1001.90	Wheat and meslin, excluding durum wheat	518,974	573,514	511,099
	Total of items shown	16,308,748	18,427,529	21,323,364
	Total other	29,736,300	32,633,901	39,638,179
	Total all commodities	46,045,048	51,061,430	60,961,543

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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 Japan, by *HTS* items, 1993-95

(1,000 dollars)

HTS No.	Description	1993	1994	1995
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, over 1,500 but not over 3,000 cc	21,300,783	24,542,425	22,551,851
8542.11	Digital monolithic electronic integrated circuits	4,240,769	5,800,934	8,272,086
8471.92	Automated data processing machines with or without input or output or containing storage units in the same housing	4,366,032	5,770,887	5,072,150
8473.30	Parts and accessories of the machines of heading 8471	3,179,044	4,269,503	4,558,014
8471.93	Storage units of automated data processing machines, whether or not entered with the rest of a system	3,455,847	3,544,119	3,746,922
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	3,156,501	3,201,129	3,618,119
8525.30	Television cameras	1,844,586	1,786,299	2,039,439
8703.22	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine over 1,000 but not over 1,500 cc	1,842,040	1,742,785	1,634,530
9009.12	Electrostatic photocopying apparatus, operating by reproducing the original image via an intermediate onto the copy (indirect process)	1,333,817	1,413,737	1,570,281
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705	1,351,067	1,528,375	1,552,817
8479.89	Machines and mechanical appliances having individual functions, nesi	693,264	828,826	1,053,057
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned	984,565	970,660	1,033,807
9009.90	Parts and accessories for photocopying apparatus incorporating an optical system or of the contact type, and thermocopying apparatus	1,043,774	1,114,339	1,010,942
8521.10	Magnetic tape-type video recording or reproducing apparatus	1,093,294	995,236	907,558
9999.95	Estimated “low value” shipments	807,461	786,281	828,004
9504.10	Video games of a kind used with television receiver and parts and accessories thereof	2,063,334	1,064,236	780,642
8517.90	Parts of telephonic or telegraphic apparatus	503,708	525,969	745,595
8708.40	Gear boxes for motor vehicles	574,934	670,576	742,415
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, G.V.W. not exceeding 5 metric tons	986,997	1,193,579	732,008
8409.91	Spark-ignition internal-combustion piston engine parts, nesi	622,026	707,505	728,457
	Total of items shown	55,443,845	62,457,400	63,178,692
	Total other	50,718,650	55,074,195	59,223,588
	Total all commodities	106,162,495	117,531,595	122,402,280

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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 Mexico, by SITC Nos. (revision 3), 1993-95

(1,000 dollars)

SITC section No.	Description	1993	1994	1995
			U.S. exports	
0	Food and live animals	2,424,434	3,173,114	2,138,786
1	Beverages and tobacco	119,564	170,436	73,805
2	Crude materials, inedible, except fuels	1,798,793	2,088,369	2,100,857
3	Mineral fuels, lubricants and related materials	1,040,334	1,009,634	1,275,450
4	Animal and vegetable oils, fats and waxes	207,773	244,283	362,045
5	Chemicals and related products, nesi	3,422,338	4,359,814	4,211,068
6	Manufactured goods classified chiefly by material	5,448,947	6,679,912	6,426,529
7	Machinery and transport equipment	18,802,646	22,840,998	20,068,705
8	Miscellaneous manufactured articles	5,182,639	6,344,476	5,437,018
9	Commodities & transactions, nesi	1,818,009	2,225,009	1,936,892
	Total all commodities	40,265,478	49,136,046	44,031,155
			U.S. imports	
	U.S. imports			
0	Food and live animals	2,665,882	2,862,953	3,828,492
1	Beverages and tobacco	312,869	332,884	400,955
2	Crude materials, inedible, except fuels	640,310	774,197	1,093,025
3	Mineral fuels, lubricants and related materials	4,735,367	4,975,874	6,012,906
4	Animal and vegetable oils, fats and waxes	13,492	10,434	18,845
5	Chemicals and related products, nesi	765,008	1,022,243	1,299,219
6	Manufactured goods classified chiefly by material	2,813,817	3,582,623	4,919,612
7	Machinery and transport equipment	19,911,077	26,480,892	33,208,578
8	Miscellaneous manufactured articles	5,094,578	6,543,989	8,329,981
9	Commodities & transactions, nesi	1,715,264	2,019,170	2,609,387
	Total all commodities	38,667,664	48,605,259	61,721,000

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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 Mexico, by *Schedule B* number, 1993-95

(1,000 dollars)

***Schedule B* No.**	**Description**	**1993**	**1994**	**1995**
9880.00	Estimated “low value” shipments	1,411,996	1,756,361	1,624,591
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705	1,252,895	1,775,818	1,334,487
8708.29	Parts and accessories nesi, of bodies (including cabs) of motor vehicles of headings 8701 to 8705	1,292,703	1,498,549	1,255,186
2710.00	Petroleum oil and oils from bituminous minerals, other than crude; and preparation nesi	717,719	689,668	764,542
3926.90	Articles of plastics and articles of other materials of headings 3901 to 3914	389,311	664,476	656,256
8473.30	Parts and accessories of machines of heading 8471	611,548	631,536	599,517
8529.90	Parts suitable for use solely or principally with the apparatus of headings 8525 to 8528, excluding antennas and antenna reflectors of all kinds	673,013	487,175	571,486
8540.11	Cathode-ray TV picture tubes, including video monitor cathode-ray tubes	359,588	471,568	567,622
8544.30	Insulated ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	810,170	719,065	556,648
8504.90	Parts of electrical transformers, static converters and inductors	432,863	514,832	543,527
8536.90	Electrical apparatus for switching or protecting electrical circuits, nesi	172,816	368,833	487,347
1201.00	Soybeans, whether or not broken	420,948	536,717	485,346
8542.80	Electronic integrated circuits and microassemblies nesi	74,562	344,504	475,526
8538.90	Parts, nesi, suitable for use solely or principally with he apparatus of heading 8535, 8536, 8537	370,297	368,575	447,529
4819.10	Cartons, boxes and cases of corrugated paper and paperboard	270,682	364,681	442,815
8534.00	Printed circuits	88,223	192,632	426,788
9401.90	Parts of seats (other than those of heading 9402)	456,049	402,683	426,096
8407.34	Reciprocating piston engines of a kind used for the propulsion of vehicles of chapter 87, of a cylinder exceeding 1,000 cc	327,459	393,823	418,363
8542.19	Monolithic integrated circuits, except digital	13,587	24,315	393,035
7326.90	Articles of iron or steel nesi	130,362	303,940	371,773
	Total of items shown	10,276,790	12,509,751	12,848,479
	Total other	29,988,688	36,626,295	31,182,676
	Total all commodities	40,265,478	49,136,046	44,031,155

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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 Mexico, by *HTS* items, 1993-95

(1,000 dollars)

HTS No.	Description	1993	1994	1995
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	4,185,219	4,594,008	5,681,586
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, over 1,500 but not over 3,000 cc	3,416,900	4,054,241	5,478,466
8544.30	Insulated ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	1,620,781	2,504,442	2,717,792
8528.10	Color television receivers	1,534,477	2,217,876	2,484,852
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned	1,256,962	1,471,917	1,923,081
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, G.V.W. not exceeding 5 metric tons	191,624	523,216	1,297,014
8407.34	Reciprocating piston engines of a kind used for the propulsion of vehicles of chapter 87, of a cylinder exceeding 1,000 cc	259,190	561,675	1,275,846
8527.21	Radiobroadcast receivers for motor vehicles	240,244	474,496	918,188
8529.90	Parts suitable for use solely or principally with the apparatus of headings 8525 to 8528, excluding antennas and antenna reflectors of all kinds	753,829	807,396	874,170
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	560,062	934,475	871,675
8473.30	Parts and accessories of the machines of heading 8471	484,947	587,567	810,082
8525.10	Transmission apparatus for radio or television	170,429	528,632	806,657
9401.90	Parts of seats (other than those of heading 9402)	531,952	721,486	765,097
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705	457,900	488,672	680,803
8708.21	Safety seat belts for bodies (including cabs) of the motor vehicles of headings 8701 to 8705	954,002	881,559	646,788
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts, not knitted or crocheted, of cotton	293,999	371,952	593,094
8471.92	Automated data processing machines with or without input or output or containing storage units in the same housing	209,464	304,144	556,709
0102.90	Bovine animals, live, nesoi	429,811	351,879	545,511
9029.20	Speedometers and tachometers; stroboscopes	168,035	448,169	515,773
0901.11	Coffee, not roasted, not decaffeinated	215,423	267,474	508,372
	Total of items shown	17,935,251	23,095,276	29,951,559
	Total other	20,732,413	25,509,983	31,769,441
	Total all commodities	38,667,664	48,605,259	61,721,000

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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 Nos. (revision 3), 1993-95

(1,000 dollars)

SITC section No.	Description	1993	1994	1995
		U.S. exports		
0	Food and live animals	349,828	273,038	1,305,359
1	Beverages and tobacco	12,435	6,388	8,582
2	Crude materials, inedible, except fuels	423,632	1,151,459	1,674,633
3	Mineral fuels, lubricants and related materials	239,783	61,123	25,287
4	Animal and vegetable oils, fats and waxes	1,452	134,790	395,186
5	Chemicals and related products, nesi	838,819	1,505,270	2,008,017
6	Manufactured goods classified chiefly by material	413,380	402,371	662,385
7	Machinery and transport equipment	5,715,640	5,050,630	4,747,820
8	Miscellaneous manufactured articles	526,886	480,407	633,556
9	Commodities & transactions, nesi	97,455	112,408	151,721
	Total all commodities	8,619,310	9,177,884	11,612,547
		U.S. imports		
0	Food and live animals	568,743	529,927	594,807
1	Beverages and tobacco	46,931	13,409	11,753
2	Crude materials, inedible, except fuels	207,243	248,685	332,770
3	Mineral fuels, lubricants and related materials	275,307	373,499	430,685
4	Animal and vegetable oils, fats and waxes	2,748	3,111	2,537
5	Chemicals and related products, nesi	576,022	740,668	893,699
6	Manufactured goods classified chiefly by material	2,704,273	3,318,280	4,234,204
7	Machinery and transport equipment	6,007,001	8,905,939	11,879,776
8	Miscellaneous manufactured articles	20,756,807	24,131,343	26,585,800
9	Commodities & transactions, nesi	280,290	307,636	403,953
	Total all commodities	31,425,366	38,572,496	45,369,985

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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* number, 1993-95

(1,000 dollars)

Schedule B No.	Description	1993	1994	1995
3100.00	Fertilizers	292,685	944,121	1,204,154
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	1,999,993	1,657,606	870,672
5201.00	Cotton, not carded or combed	179	644,986	828,811
1005.90	Corn (maize) excluding seed	7	3,600	629,418
1001.90	Wheat and meslin, excluding durum wheat	274,186	166,228	506,093
1507.10	Soybean oil and fractions, crude, whether or not degummed	270	104,192	298,680
8529.90	Parts suitable for use solely or principally with the apparatus of headings 8525 to 8528, excluding antennas and antenna reflectors of all kinds	66,195	110,060	215,663
8517.90	Parts of telephonic or telegraphic apparatus	100,137	116,934	162,208
8525.20	Transmission apparatus incorporating reception apparatus	249,810	196,598	146,664
8471.91	Digital processing units which may contain in the same housing one or two storage units, input units or output units	75,451	79,549	138,360
8802.50	Spacecraft including satellites and spacecraft vehicles	3,764	64,864	133,790
7404.00	Copper waste and scrap	39,031	65,000	118,475
8479.89	Machines and mechanical appliances having individual functions, nesi	88,958	93,755	117,668
5502.00	Artificial filament tow	52,511	50,667	114,768
8803.30	Parts of airplanes or helicopters, nesi	153,165	121,040	104,712
3901.10	Polyethylene having a specific gravity under 0.94	37,241	16,175	94,278
8404.10	Auxiliary plant for steam, water and central boiler	6,306	1,369	90,712
4101.21	Whole raw hides and skins of bovine animals, nesi, fresh or wet-salted	10,370	40,082	87,590
2917.36	Terephthalic acid and its salts	66,740	86,261	80,911
9880.00	Estimated “low value” shipments	42,663	52,332	73,743
	Total of items shown	3,559,660	4,615,419	6,017,370
	Total other	5,059,650	4,562,466	5,595,177
	Total all commodities	8,619,310	9,177,884	11,612,547

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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* items, 1993-95

(1,000 dollars)

HTS No.	Description	1993	1994	1995
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather	1,302,674	1,571,605	1,856,584
6402.99	Footwear with outer soles and upper of rubber or plastics, nesi	1,211,578	1,149,805	1,292,246
9503.90	Other toys and models, nesi	955,521	1,019,753	1,227,590
8473.30	Parts and accessories of the machines of heading 8471	300,187	561,900	974,800
6403.91	Footwear, covering the ankles, with outer soles of rubber, plastics or composition leather and uppers of leather	690,142	901,211	915,444
9502.10	Dolls representing only human beings and parts and accessories thereof, whether or not dressed	503,049	600,005	794,796
9503.41	Stuffed toys representing animals or non-human creatures and parts and accessories thereof	568,200	616,054	735,428
8527.11	Reception apparatus for radiotelephony, radiotelegraphy or radio broadcasting combined with sound recording or reproducing apparatus	439,233	693,793	718,452
9505.10	Articles for Christmas festivities and parts and accessories thereof	447,390	538,512	715,175
8525.20	Transmission apparatus incorporating reception apparatus	412,690	726,154	658,061
4203.10	Articles of apparel of leather or composition leather	413,317	656,368	603,023
4202.92	Trunks, cases, bags and similar containers, with outer surface of plastic sheeting or of textile materials	410,421	497,494	548,358
6110.90	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of textile materials, nesi	750,548	758,095	547,383
6402.91	Footwear covering the ankle, with outer soles and uppers of rubber or plastics, excluding waterproof footwear	442,369	547,584	544,490
3926.90	Articles of plastics and articles of other materials of headings 3901 to 3914, nesi	380,495	429,205	512,838
8471.92	Automated data processing machines with or without input or output or containing storage units in the same housing	217,120	259,593	503,218
8471.93	Storage units of automated data processing machines, whether or not entered with the rest of a system	50,452	222,574	478,123
6702.90	Artificial flowers, foliage & fruit & parts thereof, & articles made up of artificial flowers, foliage or fruit, of materials other than plastics	353,710	434,517	471,990
6404.19	Footwear, nesi, with outer soles of rubber or plastics and uppers of textile materials	309,336	397,300	400,730
9504.90	Game machines	244,704	423,319	396,478
	Total of items shown	10,403,137	13,004,840	14,895,206
	Total other	21,022,229	25,567,656	30,474,779
	Total all commodities	31,425,366	38,572,496	45,369,985

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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 Nos., (revision 3), 1993-95

(1,000 dollars)

SITC section No.	Description	1993	1994	1995
		U.S. exports		
0	Food and live animals	1,256,865	1,363,145	1,559,987
1	Beverages and tobacco	128,842	146,291	127,356
2	Crude materials, inedible, except fuels	1,273,488	1,306,015	1,665,421
3	Mineral fuels, lubricants and related materials	448,527	374,434	293,480
4	Animal and vegetable oils, fats and waxes	9,199	19,942	27,432
5	Chemicals and related products, nesi	2,000,383	2,430,521	2,873,580
6	Manufactured goods classified chiefly by material	915,229	937,915	1,278,447
7	Machinery and transport equipment	7,539,600	7,452,355	8,228,400
8	Miscellaneous manufactured articles	1,288,688	1,343,865	1,314,096
9	Commodities & transactions, nesi	724,538	865,795	667,457
	Total all commodities	15,585,360	16,240,279	18,035,656
		U.S. imports		
0	Food and live animals	282,776	286,335	282,413
1	Beverages and tobacco	5,102	5,942	6,163
2	Crude materials, inedible, except fuels	103,713	98,779	114,708
3	Mineral fuels, lubricants and related materials	1,013	733	2,833
4	Animal and vegetable oils, fats and waxes	2,438	2,972	3,470
5	Chemicals and related products, nesi	396,111	398,247	396,896
6	Manufactured goods classified chiefly by material	3,472,753	3,719,700	3,781,827
7	Machinery and transport equipment	12,150,233	13,941,947	16,667,647
8	Miscellaneous manufactured articles	8,219,319	7,779,121	7,237,730
9	Commodities & transactions, nesi	347,366	351,731	380,885
	Total all commodities	24,980,824	26,585,506	28,874,572

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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* number, 1993-95

(1,000 dollars)

Schedule B No.	Description	1993	1994	1995
8802.40	Airplane and other aircraft, of an unladen weight exceeding 15,000 kg	1,339,814	902,429	1,201,660
8542.11	Digital monolithic electronic integrated circuits	840,301	1,128,377	1,109,793
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, over 1,500 but not over 3,000 cc	984,703	946,394	781,545
1005.90	Corn (maize) excluding seed	599,820	566,132	770,817
1201.00	Soybeans, whether or not broken	554,995	441,804	600,467
8803.30	Parts of airplanes or helicopters, nesi	425,448	472,469	459,192
2902.50	Styrene	237,586	323,741	439,550
8479.89	Machines and mechanical appliances having individual functions, nesi	108,620	174,515	368,523
8542.19	Monolithic electronic integrated circuits, other than digital	188,466	258,178	342,430
8473.30	Parts and accessories of machines of heading 8471	159,358	160,387	230,286
9880.00	Estimated “low value” shipments	177,538	198,347	219,934
7108.12	nonmonetary gold (including gold plated with platinum) in unwrought forms (excluding powder)	375,440	403,845	210,428
7403.11	Cathodes and sections of cathodes of refined copper	151,233	132,510	203,059
4101.21	Whole raw hides and skins of bovine animals, nesi, fresh or wet-salted	111,344	166,040	200,376
8548.00	Electrical parts of machinery nesi	65,465	107,544	171,187
8456.90	Machine tools operated by electro-, beam, or plasma arc processes	35,279	73,800	168,146
1001.90	Wheat and meslin, excluding durum wheat	147,205	155,390	155,240
2710.00	Petroleum oil and oils from bituminous minerals, other than crude; and preparation nesi	271,272	207,402	153,633
9306.90	Bomb, grenades, torpedoes, mines, missiles and similar munitions of war and parts thereof	218,650	194,173	145,692
2926.10	Acrylonitrile	45,608	65,744	142,851
	Total of items shown	7,038,146	7,079,220	8,074,808
	Total other	8,547,214	9,161,058	9,960,848
	Total all commodities	15,585,360	16,240,279	18,035,656

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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* items, 1993-1995

(1,000 dollars)

HTS No.	Description	1993	1994	1995
8473.30	Parts and accessories of the machines of heading 8471	1,755,430	2,436,566	3,536,231
8471.92	Automated data processing machines with or without input or output or containing storage units in the same housing	2,004,175	2,029,815	2,293,396
8542.11	Digital monolithic electronic integrated circuits	886,659	1,288,019	2,098,078
8542.19	Monolithic integrated circuits, except digital	359,429	466,880	647,372
8471.20	Digital automatic data processing machines, containing in the same housing at least a central processing unit and an input and output unit	479,017	506,112	590,667
8471.99	Units of automatic data processing machines, nesi	438,059	399,839	477,871
8534.00	Printed circuits	262,625	301,267	442,414
8712.00	Bicycles and other cycles (including delivery tricycle) not motorized	345,758	322,367	373,356
6110.30	Sweaters, pullovers, sweatshirts, waistcoats (vest) and similar articles, knitted or crocheted, of man-made fibers	324,740	339,537	327,084
7318.15	Threaded screws and bolts, of iron or steel, nesi, whether or not with their nuts or washers	208,420	246,342	292,388
9403.60	Wooden furniture, other than of a kind used in the bedroom	354,044	318,134	273,797
8414.51	Table, floor, wall, window, ceiling or roof fans, with a self-contained electric motor of and output not exceeding 125 W	284,991	321,189	250,595
9506.91	Gymnasium, playground or other exercise articles and equipment; parts and accessories thereof	199,987	249,264	240,435
9403.20	Metal furniture, other than of a kind used in offices	254,486	261,602	234,410
8525.10	Transmission apparatus for radio or television	148,834	205,180	231,679
8481.80	Taps, cocks, valves and similar appliances, nesi	157,237	197,670	215,006
9999.95	Estimated “low value” shipments	197,115	183,933	200,727
4202.92	Trunks, cases, bags and similar containers, with outer surface of plastic sheeting or of textile materials	155,621	166,539	194,850
7318.14	Self-tapping screws of iron or steel	129,952	158,159	194,343
7318.16	Nuts of iron or steel	131,762	156,976	178,743
	Total of items shown	9,078,342	10,555,389	13,293,443
	Total other	15,902,482	16,030,118	15,581,129
	Total all commodities	24,980,824	26,585,506	28,874,572

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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 Nos. (revision 3) , 1993-95

SITC section No.	Description	1993	1994	1995
			U.S. exports	
0	Food and live animals	836,108	1,137,203	2,249,909
1	Beverages and tobacco	122,867	139,373	188,052
2	Crude materials, inedible, except fuels	2,383,371	2,466,423	3,201,465
3	Mineral fuels, lubricants and related materials	626,305	561,255	649,323
4	Animal and vegetable oils, fats and waxes	48,099	57,824	107,502
5	Chemicals and related products, nesi	1,676,000	1,867,528	2,602,781
6	Manufactured goods classified chiefly by material	853,816	1,021,271	1,667,959
7	Machinery and transport equipment	6,332,571	8,407,669	11,458,695
8	Miscellaneous manufactured articles	1,237,510	1,532,907	1,906,648
9	Commodities & transactions, nesi	241,889	307,677	450,615
	Total all commodities	14,358,535	17,499,129	24,482,948
			U.S. imports	
0	Food and live animals	153,751	146,102	148,026
1	Beverages and tobacco	7,014	8,426	10,576
2	Crude materials, inedible, except fuels	98,733	127,593	155,977
3	Mineral fuels, lubricants and related materials	161,106	149,058	134,829
4	Animal and vegetable oils, fats and waxes	1,044	1,472	1,181
5	Chemicals and related products, nesi	300,744	364,773	438,134
6	Manufactured goods classified chiefly by material	1,861,143	2,129,282	2,219,552
7	Machinery and transport equipment	8,838,882	11,746,617	16,485,315
8	Miscellaneous manufactured articles	5,385,777	4,689,339	4,178,715
9	Commodities & transactions, nesi	178,169	184,472	253,399
	Total all commodities	16,986,362	19,547,134	24,025,703

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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* number, 1993-95

(1,000 dollars)

Schedule B No.	Description	1993	1994	1995
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15000 kg	929,212	922,481	1,255,114
8542.11	Digital monolithic electronic integrated circuits	680,987	993,777	1,225,198
1005.90	Corn (maize) excluding seed	51,007	251,815	1,110,315
8479.89	Machines and mechanical appliances having individual functions, nesi	126,329	260,822	865,102
8803.30	Parts of airplanes or helicopters, nesi	424,359	654,175	737,852
4101.21	Whole raw hides and skins of bovine animals, nesi, fresh or wet-salted	494,572	539,079	614,210
8525.20	Transmission apparatus incorporating reception apparatus	195,987	424,455	438,291
5201.00	Cotton, not carded or combed	294,718	316,561	361,490
2710.00	Petroleum oils and oils obtained from bituminous minerals, other than crude; and preparations, nesi	413,981	319,523	345,269
1201.00	Soybeans, whether or not broken	246,669	228,443	335,769
7204.49	Ferrous waste and scrap, nesi	275,466	231,656	331,702
8471.91	Digital processing units which may contain in the same housing one or two storage units, input units or output units	154,047	217,670	282,086
8473.30	Parts and accessories of machines of heading 8471	168,441	215,883	275,404
8456.90	Machine tools operated by electro-, beam, or plasma arc processes	36,145	101,486	265,463
1001.90	Wheat and meslin, excluding durum wheat	227,603	227,732	260,308
2926.10	Acrylonitrile	107,525	128,637	257,317
8708.99	Parts and accessories, nesi, of the motor-vehicles of headings 8701 to 8705	135,073	166,936	247,798
8479.90	Parts of machines and mechanical appliances having individual functions, nesi	205,745	300,121	241,862
4703.29	Chemical woodpulp, soda or sulfate, other than dissolving grades, of semibleached or bleached nonconiferous wood	119,900	169,913	240,852
0202.30	Boneless meat of bovine animals, frozen	122,902	187,047	233,199
	Total of items shown	5,410,666	6,858,211	9,924,600
	Total other	8,947,869	10,640,918	14,558,349
	Total all commodities	14,358,535	17,499,129	24,482,948

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, 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* items, 1993-95

(1,000 dollars)

HTS No.	Description	1993	1994	1995
8542.11	Digital monolithic electronic integrated circuits	2,235,668	3,582,922	6,508,009
8473.30	Parts and accessories of the machines of heading 8471	725,560	1,183,375	2,383,535
8471.92	Automated data processing machines with or without input or output or containing storage units in the same housing	1,063,832	1,012,097	1,209,857
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, over 1,500 but not over 3,000 cc	351,390	772,907	1,100,581
8521.10	Magnetic tape-type video recording or reproducing apparatus	620,647	604,555	561,632
8703.22	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine over 1,000 but not over 1,500 cc	385,366	696,204	549,750
8516.50	Microwave ovens of a kind used for domestic purposes	285,742	390,883	399,302
8525.20	Transmission apparatus incorporating reception apparatus	146,538	233,935	389,041
8542.19	Monolithic electronic integrated circuits, other than digital	156,375	204,935	347,000
6110.30	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of man-made fibers	226,613	275,038	209,507
6201.93	Men's/boys' anoraks (inc. ski-jackets), windbreakers & like articles (incl. padded, sleeveless jackets), or man-made fibers, not knit/crochet	202,972	218,313	190,379
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned	133,520	125,289	179,807
8471.93	Storage units of automated data processing machines, whether or not entered with the rest of a system	50,537	92,703	178,020
8523.13	Prepared unrecorded magnetic tapes or sound recording or similar of other phenomena, of a width exceeding 6.5 mm	184,590	132,989	157,340
6404.11	Sports footwear; tennis, basketball, gym, training shoes and the like, with outer soles of rubber or plastics and uppers of textile materials	179,288	158,196	145,839
4202.92	Container bags, cases etc nesoi, plast/text mater	107,684	124,330	144,139
6205.30	Men's or boys' shirts, not knitted or crocheted, of man-made fibers	157,782	143,742	141,738
7208.24	Flat-rolled products of iron or nonalloy steel of a thickness < 3mm	69,276	125,208	135,198
5407.60	Woven fabrics of synthetic filament yarn, nesi, containing 85% or more nontextured polyester	138,248	114,866	130,038
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather	238,513	190,928	129,041
	Total of items shown	7,660,142	10,383,416	15,189,751
	Total other	9,326,221	9,163,718	8,835,951
	Total all commodities	16,986,362	19,547,134	24,025,703

Note.—Because of rounding, figures may not add to totals shown. The abbreviation, nesi, stands for "not elsewhere specified or included."
Source: Compiled from official statistics of the U.S. Department of Commerce.

Table A-22
Antidumping actions reported by signatories to the WTO Committee on Antidumping Practices during 1995

Reporting country	Country of origin	Product	Initiation date[1]	Provisional measures[2]	Date and final outcome[3]
Argentina	Belgium	Cold-rolled sheet	08-18-92	09-10-92	TRM
	Brazil	Lined bristol board	08-18-92	09-23-92	TRM
	Colombia	Disposable syringes	05-06-91		01-06-95-R
	Germany	Cold-rolled sheet	08-18-92	09-10-92	TRM
	Japan	Oil well steel casing	08-18-92	01-21-93	TRM
	Korea	Color TVS	08-19-92	11-18-94	
	Korea	Car radios	08-28-92		
	Serbia	Cold-rolled sheet	08-18-92	09-10-92	TRM
	Slovakia	Cold-rolled sheet	08-18-92	09-10-92	TRM
Australia	Belgium	Clear float glass	01-11-95-R		08-23-95-DD
	Brazil	Polyvinyl chloride resin	05-03-95-R		08-28-95-DD
	Brazil	Polyvinyl chloride resin	10-05-95-R		
	Canada	Polyvinyl chloride resin	05-03-95-R		08-28-95-DD
	Canada	Polyvinyl chloride resin	10-05-95-R		
	China	Disposable plastic cutlery	06-03-94	06-03-94	02-02-95-ND
	China	Clear float glass	01-11-95-R		08-28-95-DD
	China	Access door panels	12-16-94	03-27-95	08-16-95-DD
	China	Hollow access door panels	12-16-94		03-27-95-ND
	China	Polyvinyl chloride resin	05-03-95-R		08-28-95-DD
	France	Glace cherries	07-26-94-R		02-15-95-DD
	France	Polyvinyl chloride resin	05-03-95-R		08-28-95-DD
	France	Polyvinyl chloride resin	10-05-95-R		
	Germany	Clear float glass	01-11-95-R		08-23-95-DD
	Hong Kong	Disposable plastic cutlery	06-03-94	08-26-94	02-02-95-NI
	Indonesia	Clear float glass	01-11-95-R		08-23-95-DD
	Indonesia	Dry pasta	06-15-95		12-19-95-NI
	Ireland	Canned ham	10-05-94-R		02-15-95-DD
	Italy	General lighting service lamps	01-18-95		04-27-95-TRM
	Italy	Dry pasta	06-15-95		
	Italy	Glace cherries	07-26-94-R		02-15-95-DD
	Japan	Polyvinyl chloride resin	05-03-95-R		08-23-95-DD
	Japan	Polyvinyl chloride resin	04-05-95-R		
	Korea	Expandable polystyrene	05-18-95-R		09-07-95-DD
	Korea	Expandable polystyrene	10-19-95-R		
	Malaysia	Edible vegetable oil	02-01-95-R		05-12-95-DD
	Mexico	Polyvinyl chloride resin	05-03-95-R		08-28-95-DD
	Norway	Polyvinyl chloride resin	05-03-95-R		08-28-95-DD
	Norway	Polyvinyl chloride resin	10-05-95-R		
	Philippines	Clear float glass	01-11-95-R		08-23-95-DD
	Saudi Arabia	Polyvinyl chloride resin	05-03-95-R		08-28-95-DD
	Saudi Arabia	Polyvinyl chloride resin	10-05-95-R		
	Singapore	Edible vegetable oils	02-01-95-R		05-12-95-DD
	Singapore	Expandable polystyrene	05-18-95-R		09-07-95-DD
	Singapore	Expandable polystyrene	10-19-95-R		
	Thailand	Clear float glass	01-11-95-R		08-23-95-DD
	Thailand	Disposable plastic cutlery	06-03-94	08-26-94	02-02-95-NI

See footnotes at end of table.

Table A-22—*Continued*
Antidumping actions reported by signatories to the WTO Committee on Antidumping Practices during 1995

Reporting country	Country of origin	Product	Initiation date[1]	Provisional measures[2]	Date and final outcome[3]
Australia	Thailand	Polyvinyl chloride resin	05-03-95-R		08-28-95-DD
	Thailand	Polyvinyl chloride resin	10-05-95-R		
	United Kingdom	Diesel generating sets	12-12-95-R		
	United States	Polyvinyl chloride resin	05-03-95-R		08-28-95-DD
	United States	Polyvinyl chloride resin	10-05-95-R		
	United States	Blood collection packs	03-06-95-R		12-29-95-DD, PU
	United States	Wound closure strips	09-20-95	12-22-95	
Brazil	China	Table electric fans	01-13-94	12-02-94	08-21-95-DD
	China	Padlocks	09-06-94	08-21-95	12-29-95-DD
	China	Garlic	12-08-94	08-30-95	
	Cote d'Ivoire	Powdered coconut	11-08-93	11-26-93	09-13-95-NI
	India	Bicycle wheels	01-19-94	11-14-94	08-21-95-DD
	Indonesia	Powdered coconut	11-08-93	11-26-93	09-13-95-NI
	Malaysia	Powdered coconut	11-08-93	11-26-93	09-13-95-NI
	Philippines	Powdered coconut	11-08-93	11-26-93	09-13-95-NI
	Russia	Unwrought magnesium	12-06-94		
	Sri Lanka	Powdered coconut and c. milk	11-08-93	11-26-93	09-13-95-NI
	Ukraine	Unwrought magnesium	12-06-94		
	United States	Unwrought magnesium	12-06-94		
	Yugoslavia	Ferrochromium	01-20-95		
Canada	Brazil	Tillage tools	09-15-95-R		12-14-95-DD
	China	Portable file cases	09-21-95		
	Denmark	Refined sugar	03-17-95	07-07-95	11-06-95-DD
	Germany	Refined sugar	03-17-95	07-07-95	11-06-95-DD
	India	Memorials	09-01-95-R		12-21-95-DD
	Italy	Dry pasta	08-30-95		
	Japan	Oil and gas well casings	03-29-95-R		11-15-95-PU
	Korea	Refined sugar	03-17-95	07-07-95	11-06-95-NI
	Netherlands	Refined sugar	03-17-95	07-07-95	11-06-95-DD
	Sweden	Venetian blind material	04-28-95-R		08-28-95-DD
	United Kingdom	Refined sugar	03-17-95	07-07-95	11-06-95-DD
	United Kingdom	Bacteriological culture media	09-29-95		
	United States	Certain machine tufted carpet	02-21-95-R		09-29-95-DD
	United States	Refined sugar	03-17-95	07-07-95	11-06-95-DD
	United States	Aluminum wedge clamps	04-13-95-R		07-31-95-PU
	United States	Hanging file folders	08-15-95-R		12-06-95-DD
	United States	Synthetic baler twine	09-08-95-R		12-06-95-DD
	United States	Residential storage buildings	09-11-95-R		12-11-95-PU
	United States	Copper and brass pipe fittings	09-12-95-R		12-11-95-DD
	United States	Bacteriological culture media	09-29-95		
	United States	Fibreglass pipe insulation	10-02-95-R		
	United States	Frozen pot pies and dinners	10-19-95-R		
	United States	Potatoes	11-27-95-R		
	United States	Yellow onions	11-27-95-R		

See footnotes at end of table.

Table A-22—*Continued*
Antidumping actions reported by signatories to the WTO Committee on Antidumping Practices during 1995

Reporting country	Country of origin	Product	Initiation date[1]	Provisional measures[2]	Date and final outcome[3]
Chile	Argentina	Wheat flour	12-19-94	12-19-94	05-05-95-DD
	Brazil	Steel discs for ploughs/harrows	07-15-95		12-13-95-ND, NI
	Brazil	Semitrailers	12-27-95		
	China	Footwear	02-09-95	03-01-95	06-22-95-DD
	New Zealand	Gouda type cheese	12-13-95		
Colombia	Belgium	Orthophosphoric acid	05-09-91	07-31-91	02-14-92-DD
	Belgium	Coffee grade fertilizer	02-04-93	07-06-93	11-30-93-DD
	Korea	Radial car tires	12-29-95		
	Korea	Radial van tires	12-29-95		
	Korea	Radial microbus tires	12-29-95		
	Korea	Truck tires	12-29-95		
	United States	Chrome plate	05-03-94	10-03-94	05-03-95-DD
	United States	Orthophosphoric acid	08-14-91	04-22-92	08-14-92-DD
	United States	Homopolymer polypropylene	06-18-93	11-03-93	03-18-94-DD
	United States	Ethyl acetate	10-04-93	03-04-94	07-01-94-DD
	United States	Chromed sheets	05-03-94	10-03-94	05-03-95-DD
	Vietnam	Rice	09-14-94		06-13-95-NI
EU	Belarus	Potassium chloride	08-05-95-R		
	Brazil	Ferrosilicon	06-17-94		05-25-95-DD
	Brazil	Ferrosilicomanganese	08-04-93	12-21-94	10-14-95-DD
	Bulgaria	Urea ammonium nitrate solution	05-05-93	07-01-94	01-01-95-DD, PU
	Canada	3.5” Microdisks	04-06-95		
	Canada	3.5” Microdisks	10-20-95-R		
	China	Furfuraldehyde	07-31-93	07-21-94	01-21-95-DD
	China	Footwear, leather uppers	02-22-95		
	China	Footwear, textile uppers	02-22-95		
	China	Tungsten ores and products	PU withdrawn	09-23-94	03-23-95-DD
	China	Tungsten ores and products	09-21-95-R		
	China	Color TV receivers	11-25-92	10-01-94	04-01-95-DD
	China	Color TV receivers	08-08-95-R		
	China	Activated powdered carbon	03-02-94		
	China	Furfuryl alcohol	04-06-95		
	China	Pocket flint lighters	12-21-93		05-04-95-DD
	China	Silicon metal	07-27-95-R		
	China	Glyphosate	10-13-95		
	China	Synthetic fiber sacks and bags	10-17-95-R		
	China	Ring binder mechanisms	10-28-95		
	China	Microwave ovens	12-18-93	07-07-95	
	China	Peroxodisulphate	03-02-94	07-19-95	12-21-95-DD
	China	Refractory chamottes	04-15-93	07-29-93	
	China	Powdered activated carbon	03-02-94	08-15-95	
	China	Iron/steel tube/pipe fittings	02-03-94	10-03-95	
	China	Coumarin	05-20-94	10-07-95	
	Croatia	Iron/steel tube/pipe fittings	02-03-94	10-03-95	

See footnotes at end of table.

Table A-22—*Continued*
Antidumping actions reported by signatories to the WTO Committee on Antidumping Practices during 1995

Reporting country	Country of origin	Product	Initiation date[1]	Provisional measures[2]	Date and final outcome[3]
EU	Czech Republic	Urea	03-27-93		03-04-95-ND, NI
	Czech Republic	Certain sections of iron/steel	07-14-95		
	Georgia	Ferrosilicomanganese	08-04-93		10-14-95-NI
	Hong Kong	3.5” Microdisks	10-20-95-R		
	Hungary	Certain sections of iron/steel	07-14-95		
	India	Synthetic fiber sacks and bags	04-13-95		
	India	3.5” Microdisks	10-20-95-R		
	India	Synthetic polyester fibers	11-01-95-R		
	Indonesia	Footwear, leather uppers	02-22-95		
	Indonesia	Footwear, textile uppers	02-22-95		
	Indonesia	Synthetic fiber sacks and bags	04-13-95		
	Indonesia	3.5” Microdisks	04-06-95		
	Indonesia	Synthetic fiber sacks and bags	04-13-95		
	Indonesia	Certain polyester yarns	03-12-94-R		05-25-95-NI
	Indonesia	3.5” Microdisks	10-20-95-R		
	Indonesia	Monosodium glutamate	07-09-94	07-20-95-R	
	Indonesia	Bicycles	02-03-94	10-14-95	
	Japan	Ball bearings <30 mm diameter	03-23-95		
	Japan	Ball bearings >30 mm diameter	03-23-95		
	Japan	DRAMs			06-09-95-TRM
	Japan	DRAMs	07-15-95-R		
	Japan	EPROMs	10-07-94-R		
	Japan	Aspartame	04-26-94-R		08-05-95-NI
	Japan	Parts of gas pocket lighters	08-01-91		10-07-95-TRM
	Japan	Photocopiers	08-14-92		10-12-95-DD
	Japan	Electronic weighing scales	03-12-94-R		11-17-95-TRM
	Kazakhstan	Unwrought zinc	06-09-95		
	Korea	Color TV receivers	11-25-92	10-01-94	04-01-95-DD
	Korea	Video cassette recorders	04-25-95		
	Korea	Color TV receivers	04-26-95-R		
	Korea	Hydraulic excavators > 6 tons	05-12-95		
	Korea	DRAMs			06-09-95-TRM
	Korea	DRAMs	07-15-95-R		
	Korea	PET video film	06-14-95		
	Korea	Microwave ovens	12-18-93	07-07-95	
	Korea	Monosodium glutamate	07-09-94	07-20-95	
	Lithuania	Ammonium nitrate	06-09-94		08-23-95-NI
	Lithuania	Ammonium nitrate	12-06-94-R		08-23-95-TRM
	Macao	3.5” Microdisks	04-06-95		
	Macao	3.5” Microdisks	10-20-95-R		
	Malaysia	Color TV receivers	11-25-92	10-01-94	04-01-95-DD
	Malaysia	Polyester yarns	04-19-95		
	Malaysia	Watch movements	07-06-93	05-11-94	06-01-95-TRM
	Malaysia	3.5” Microdisks	10-20-95-R		
	Malaysia	Ring binder mechanisms	10-28-95		
	Malaysia	Microwave ovens	12-18-93	07-07-95	
	Malaysia	Bicycles	02-03-94	10-14-95	

See footnotes at end of table.

Table A-22—*Continued*
Antidumping actions reported by signatories to the WTO Committee on Antidumping Practices during 1995

Reporting country	Country of origin	Product	Initiation date[1]	Provisional measures[2]	Date and final outcome[3]
EU	Malaysia	3.5” Microdisks	09-02-94-R		
	Mexico	Pocket flint lighters	03-18-95		
	Mexico	3.5” Microdisks	10-20-95-R		
	Philippines	Pocket flint lighters	03-18-95		
	Philippines	3.5” Microdisks	10-20-95-R		
	Poland	Urea ammonium nitrate solution	05-05-93	07-01-94	01-01-95-DD
	Poland	Unwrought zinc	06-09-95		
	Poland	Flat pallets of wood	07-13-95		
	Romania	Welded iron/steel tubes	12-22-93-R		12-21-95-TRM
	Russia	Urea	03-27-93-R		
	Russia	Artificial corundum	PU withdrawn		04-01-95-DD
	Russia	Unwrought zinc	06-09-95		
	Russia	Potassium chloride	08-05-95-R		
	Russia	Ammonium nitrate	06-09-94		08-23-95-NI
	Russia	Ammonium nitrate	12-06-94-R		08-23-95-TRM
	Russia	Ferrosilicomanganese	08-04-93	12-21-94	10-14-95-DD
	Russia	Grain orient. electrical sheets	05-20-94	10-20-95	
	Russia	Unwrought magnesium	01-15-94	12-23-95	
	Singapore	Color TV receivers	11-25-92	10-01-94	
	Singapore	Video cassette recorders	04-25-95		
	Singapore	3.5” Microdisks	10-20-95-R		
	Singapore	Electronic weighing scales	05-11-94-R		
	Slovak Republic	Iron/steel tube/pipe fittings	02-03-94		10-03-95-TRM
	South Africa	Ferrosilicomanganese	08-04-93	12-21-94	10-14-95-DD, PU
	Taiwan	Monosodium glutamate	07-09-93-R	07-20-95	
	Taiwan	Iron/steel tube/pipe fittings	02-03-94		10-03-95-NI
	Thailand	Footwear, leather uppers	02-22-95		
	Thailand	Pocket flint lighters	03-18-95		
	Thailand	3.5” Microdisks	04-06-95		
	Thailand	Furfuryl alcohol	04-19-95		
	Thailand	Synthetic fiber sacks and bags	04-13-95		
	Thailand	Color TV receivers	11-25-92	10-01-94	04-01-95-DD
	Thailand	Watch movements	07-06-93	05-11-94	06-01-95-TRM
	Thailand	3.5” Microdisks	10-20-95-R		
	Thailand	Microwave ovens	02-18-93	07-07-95	
	Thailand	Monosodium glutamate	07-09-93-R	07-20-95	
	Thailand	Iron/steel tube/pipe fittings	02-03-94		10-03-95-NI
	Thailand	Bicycles	02-03-94	10-14-95	
	Turkey	Color TV receivers	11-25-92		04-01-95-ND
	Turkey	Welded iron/steel tubes	12-22-93-R		12-21-95-TRM
	Ukraine	Unwrought zinc	08-06-93		
	Ukraine	Potassium chloride	08-05-95-R		
	Ukraine	Ferrosilicomanganese	08-04-93	12-21-94	10-14-95-DD, PU
	Ukraine	Unwrought magnesium	01-15-94	12-23-95	
	United States	Disodium carbonate	08-06-93	04-13-95	10-12-95-DD
	United States	Aspartame	04-26-94-R		08-05-95-NI
	United States	3.5” Microdisks	09-02-94	10-17-95	

See footnotes at end of table.

Table A-22—*Continued*
Antidumping actions reported by signatories to the WTO Committee on Antidumping Practices during 1995

Reporting country	Country of origin	Product	Initiation date[1]	Provisional measures[2]	Date and final outcome[3]
EU	Uzbekistan	Unwrought zinc	06-09-95		
	Venezuela	Welded iron/steel tubes	12-22-93-R		12-21-95-TRM
	Yugoslavia	Welded iron/steel tubes	12-22-93-R		12-21-95-TRM
India	Brazil	Bisphenol-A	12-30-94		
	China	Isobutyl benzene	01-07-94	08-30-94	
	China	3, 4, 5, TMBA	08-11-94	01-31-95	
	China	Theophylline & caffeine	08-30-94	01-31-95	
	China	Potassium permagnate	12-30-94		
	Japan	Acrylonitrile butadine	10-28-94		
	Russia	Bisphenol-A	12-30-94		
	Russia	Low carbon ferrochrome	06-06-95		
	Kazakstan	Low carbon ferrochrome	06-06-95		
	Ukraine	Low carbon ferrochrome	06-06-95		
Israel	Germany	Carbonless copypaper in reels	06-22-93	06-22-93	04-02-95-DD
	Germany	Gate valves	06-05-95		
	Turkey	Glass fiber	10-04-94	01-23-95	
	United States	Atrophine	06-22-95		
Japan	Pakistan	Cotton yarn	02-18-94		08-04-95-DD
Korea	China	Zinc ingot	01-07-95	05-01-95	06-23-95-NI
	Kazakstan	Zinc ingot	01-07-95	05-01-95	06-23-95-NI
	Uzbekistan	Zinc ingot	01-07-95	05-01-95	06-23-95-NI
Mexico	Australia	Cold rolled sheet	10-28-93	04-14-95	
	Brazil	Iron connections	04-11-95		
	Brazil	Cold rolled sheet	10-28-93	04-14-95	
	Brazil	Hot rolled sheet	10-27-93	04-17-95	
	Brazil	Plate in sheets	10-27-93	04-14-95	
	Brazil	Plate in coils	10-28-93	04-18-95	
	Canada	Cold rolled sheet	10-28-93	04-14-95	
	Canada	Hot rolled sheet	10-27-93	04-17-95	
	Canada	Plate in sheets	10-28-93	04-14-95	
	Canada	Plate in coils	10-28-93	04-18-95	
	Canada	Cold rolled sheet	10-28-93	04-14-95	
	Germany	Hot rolled sheet	10-27-93	04-17-95	
	Germany	Cold rolled sheet	10-28-93	04-14-95	
	India	Bicycle tires	11-16-94	04-12-95	
	Japan	Sulphuric acid	04-15-94	06-07-95	
	Korea	Cold rolled sheet	10-28-93	04-14-95	
	Korea	Hot rolled sheet	10-27-93	04-17-95	
	Korea	Plate in sheets	10-27-93	04-14-95	
	Korea	Plate in coils	10-28-93	04-18-95	
	Netherlands	Hot rolled sheet	10-27-93	04-17-95	
	South Africa	Plate in coils	10-28-93	04-18-95	

See footnotes at end of table.

Table A-22—*Continued*
Antidumping actions reported by signatories to the WTO Committee on Antidumping Practices during 1995

Reporting country	Country of origin	Product	Initiation date[1]	Provisional measures[2]	Date and final outcome[3]
Mexico	United States	Diammonium phosphate	06-23-94	05-08-95	
	United States	Bovine meat	06-03-94	06-03-95	
	Ex-USSR* *Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakstan, Latvia, Lithuania, Moldovad, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan	Plate in coils	11-22-94	06-12-95	
	Venezuela	Cold rolled sheet	10-28-93	04-14-95	
	Venezuela	Hot rolled sheet	10-27-93	04-17-95	
	Venezuela	Plate in coils	10-28-93	04-18-95	
New Zealand	Canada	Oil filters	07-11-95		
	China	Women's nonleather footwear	11-23-94-R		
	China	Certain men's footwear	11-24-94-R		
	China	Disposable lighters	02-16-95		07-31-95-NI
	Indonesia	Certain men's footwear	11-24-94-R		
	Indonesia	Disposable lighters	05-08-95		08-17-95-NI
	Indonesia	Oil filters	07-11-95		
	Korea	Certain men's footwear	11-24-94-R		
	Korea	Abrasive discs and wheels	04-21-95	07-18-95	10-18-95-DD
	Korea	Oil filters	07-11-95		
	Pakistan	Leather jackets and coats	12-21-94		06-08-95-ND, NI
	Philippines	Disposable lighters	02-16-95		07-31-95-NI
	Taiwan	Certain men's footwear	11-21-94-R		
	Taiwan	Abrasive discs and wheels	04-21-95	07-18-95	10-18-95-DD
	Thailand	Certain men's footwear	11-24-94-R		
	Thailand	Sweetened condensed milk	11-21-94		04-29-95-DD
	Thailand	Plasterboard	12-18-94-R		
	Thailand	Oil filters	07-11-95		
	Thailand	Certain other plasterboard	10-10-95		
	United Kingdom	G-clamps	07-11-95		12-20-95-DD
	United States	Automotive oil filters	11-23-94-R		
Peru	Bolivia	Soybean oil	09-06-94		07-16-95-ND
	China	Various fabrics	10-16-94	05-14-95	08-02-95-DD, NI
	China	Water meters	08-23-95		11-24-95-DD
	Korea	Radial car tires	07-15-94		03-09-95-NI
	Korea	Truck tires	06-17-95		
Philippines	Canada	Hubless iron pipes and fittings	10-27-94	01-09-95	
	China	Terry toweling products	09-26-94	04-04-95	
	CIS	Prime steel billets	09-27-94	02-20-95	
	Hong Kong	Terry toweling products	09-26-94	04-04-95	

See footnotes at end of table.

Table A-22—*Continued*
Antidumping actions reported by signatories to the WTO Committee on Antidumping Practices during 1995

Reporting country	Country of origin	Product	Initiation date[1]	Provisional measures[2]	Date and final outcome[3]
Philippines	Indonesia	Monosodium glutamate	08-24-94	10-26-95	
	Taiwan	Carbon black	12-07-94	09-12-95	
Singapore	Malaysia	Steel reinforcement bars	12-16-94	01-07-95	
	Turkey	Steel reinforcement bars	12-30-94	02-10-95	
South Africa	Australia	Titanium dioxide pigment	06-23-95-R		
	Belgium	Titanium dioxide pigment	05-13-94	01-27-95	01-27-95-ND
	China	Acetaminophenol	10-28-94-R	06-23-95	
	China	Footwear	12-09-94		03-31-95-TRM
	France	Circuit breakers	01-07-94		
	France	PVC film and sheet	09-09-94		
	Germany	Supertension electrical cable	03-31-94		
	Germany	Trichloroethylene	10-07-94		
	Germany	Mechanical lifts	12-15-94		
	Germany	Sutures	12-15-95		
	Hong Kong	Acetaminophenol	10-28-94-R	06-23-95-TRM	
	Italy	Hydrogen peroxide	03-24-95		
	Saudi Arabia	Titanium dioxide pigment	05-13-94		01-27-95-ND
	Sweden	Passenger bus chassis	02-24-95		
	Taiwan	PVC film and sheet	09-09-94		
	Taiwan	Hydrogen peroxide	03-24-95		
	United Kingdom	Titanium dioxide pigment	05-13-94	01-27-95	
	United Kingdom	Sutures	12-15-94		
	United States	Titanium dioxide pigment	05-13-94		01-27-95-NI
	United States	Sutures	12-15-94		
	Country	Product	00-00-00		00-00-00-ND
Turkey	Bulgaria	Low density polyethylene	10-09-93		01-26-95-DD
	Bulgaria	Universal lathes	01-26-95-R		
	China	Citric acid	06-04-94		05-06-95-DD
	China	Pocket flint lighters	09-28-94		05-06-95-DD
	Croatia	Low density polyethylene	10-09-93		01-26-95-ND
	France	Printing/writing papers	01-20-94		01-26-95-TRM
	Georgia	Low density polyethylene	10-09-93		01-26-95-ND
	Germany	Printing/writing papers	01-20-94		01-26-95-TRM
	Hong Kong	Pocket flint lighters	09-28-94		05-06-95-DD
	Moldova	Rolled/cast steel billets	02-09-94		05-06-95-DD
	Poland	Printing/writing papers	01-20-94		01-26-95-TRM
	Romania	Low density polyethylene	10-09-93		01-26-95-DD
	Romania	Polyvinyl chloride	01-28-94		01-26-95-DD
	Russia	Low density polyethylene	10-09-93		01-26-95-DD
	Russia	Printing/writing papers	01-20-94		01-26-95-TRM
	Russia	Polyvinyl chloride	01-28-94		01-26-95-DD

See footnotes at end of table.

Table A-22—*Continued*
Antidumping actions reported by signatories to the WTO Committee on Antidumping Practices during 1995

Reporting country	Country of origin	Product	Initiation date[1]	Provisional measures[2]	Date and final outcome[3]
Turkey	Ukraine	Polyvinyl chloride	01-28-94		01-26-95-DD
	Ukraine	Rolled/cast steel billets	02-09-94		05-06-95-DD
Venezuela	China	Women's blue jeans	12-10-93		03-09-95-DD
	China	Men's blue jeans	12-10-93		03-09-95-DD
	Peru	Iron/steel balls for mills	02-23-95		

[1] Initiation date codes: R = Review of existing antidumping measures.
[2] Provisional measures codes: NPF = Negative preliminary finding; R = Revision.
[3] Final outcome codes: DD = Definitive duty; ND = No dumping; NI = No injury; PU = Price undertaking; R = Revision, TRM = Termination.
Source: WTO.

Table A-23
Countervailing duty actions reported by signatories to the WTO Committee on Subsidies and Countervailing Measures during 1995

Reporting country	Country of origin	Product	Initiation date[1]	Provisional measures[2]	Date and final outcome[3]
Argentina	EU	Olive oil	09-22-94		
	EU	Peaches in syrup	01-31-95		
Australia	France	Brandy	02-27-95		06-05-95-DD
	France	Glace cherries	07-26-95		02-05-95-DD
	Italy	Canned tomatoes	10-19-95-R		
	Netherlands	Dried egg white	11-03-94-R		02-08-95-DD
	Spain	Canned tomatoes	10-19-95-R		
Brazil	Canada	Wheat	11-12-93		06-01-95-NI
	Cote d'Ivoire	Shredded coconut	06-22-94	03-28-95	
	Cote d'Ivoire	Coconut milk powder	06-22-94	03-28-95	08-21-95-DD
	Indonesia	Shredded coconut	06-22-94	03-28-95	
	Indonesia	Coconut milk powder	06-22-94	03-28-95	08-21-95-DD
	Malaysia	Shredded coconut	06-22-94		
	Malaysia	Coconut milk powder	06-22-94	03-28-95	08-21-95-DD
	Philippines	Shredded coconut	06-22-94	03-28-95	
	Philippines	Coconut milk powder	06-22-94	03-28-95	08-21-95-DD
	Sri Lanka	Shredded coconut	06-22-94	03-28-95	06-01-95-NI
	Sri Lanka	Coconut milk powder	06-22-94	03-28-95	08-21-95-DD
	United States	Cotton, carded or combed	06-22-94		
Canada	European Union	Refined sugar	03-17-95	07-07-95	11-06-95-DD
	India	Memorials	09-01-95-R		12-21-95-DD
	Italy	Dry pasta	08-30-95		
	United States	Refined sugar	03-17-95		07-07-95-NS
Chile	Brazil	Footwear	10-14-94		01-10-95-TRM
EEC	Thailand	Ball bearings, < 30 mm diameter	12-09-94-R		05-25-95-DD
Mexico	Brazil	Plate in sheets	10-27-93	04-14-95	
	Brazil	Hot rolled sheet	10-27-93	04-17-95	
	Brazil	Plate in sheets	10-28-93	04-18-95	
	Brazil	Cold rolled sheet	10-28-93	04-14-95	
	Denmark	Various pork products	11-22-93	06-12-95	
	United States	Plate in sheets	10-27-93	04-14-95	
	United States	Plate in sheets	10-28-93	04-18-95	
	United States	Cold rolled sheet	10-28-93	04-14-95	
	Venezuela	Hot rolled sheet	10-27-93	04-17-95	
	Venezuela	Plate in sheets	10-28-93	04-18-95	
	Venezuela	Cold rolled sheet	10-28-93	04-14-95	
New Zealand	Thailand	Sweetened condensed milk	06-30-95		12-19-95-NS
Peru	Argentina	Sweets	12-11-94	01-05-95	

[1] Initiation date codes: R = Review of existing countervailing measure.
[2] Provisional measures codes: NPF = Negative preliminary finding.
[3] Final outcome codes: DD = Definitive duty; NI = No Injury; NS = No subsidy; TRM = Termination.

Source: WTO.

Table A-24
Antidumping cases active in 1995, filed under authority of title VII of the Tariff Act of 1930, by final outcomes and by USITC investigation number

(Affirmative (A); Partial Affirmative (P); Negative (N); Suspension Agreement (S); Terminated (T))

USITC Investigation No.	Product	Country of origin	Date original petition filed	Preliminary determination: Commission	Preliminary determination: ITA[1]	Final determination: ITA[1]	Final determination: Commission	Date of final action[2]
		Affirmative						
731-TA-677	Coumarin	China	Dec. 30, 1993	A	A	A	A	Feb. 1, 1995
731-TA-678	Stainless steel bar	Brazil	Dec. 30, 1993	A	A	A	A	Feb. 10, 1995
731-TA-679	Stainless steel bar	India	Dec. 30, 1993	A	A	A	A	Feb. 10, 1995
731-TA-681	Stainless steel bar	Japan	Dec. 30, 1993	A	A	A	A	Feb. 10, 1995
731-TA-682	Stainless steel bar	Spain	Dec. 30, 1993	A	A	A	A	Feb. 10, 1995
731-TA-702	Ferrovanadium and nitrided vanadium	Russia	May 31, 1994	A	A	A	A	Jun. 30, 1995
731-TA-696	Pure and alloy magnesium	China	Mar. 31, 1994	A	A	A	P	May 5, 1995
731-TA-697	Pure and alloy magnesium	Russia	Mar. 31, 1994	A	A	A	P	May 5, 1995
731-TA-698	Pure and alloy magnesium	Ukraine	Mar. 31, 1994	A	A	P	P	May 5, 1995
731-TA-703	Furfuryl alcohol	China	May 31, 1994	A	A	A	A	Jun. 14, 1995
731-TA-704	Furfuryl alcohol	South Africa	May 31, 1994	A	A	A	A	Jun. 14, 1995
731-TA-705	Furfuryl alcohol	Thailand	May 31, 1994	A	N	A	A	July 18, 1995
731-TA-706	Canned pineapple	Thailand	June 8, 1994	A	A	A	A	July 10, 1995
731-TA-707	Seamless carbon & alloy standard, line & pressure steel pipe	Argentina	June 23, 1994	A	N	A	A	July 26, 1995
731-TA-708	Seamless carbon & alloy standard, line & pressure steel pipe	Brazil	June 23, 1994	A	A	A	A	July 26, 1995
731-TA-709	Seamless carbon & alloy standard, line & pressure steel pipe	Germany	June 23, 1994	A	A	A	A	July 26, 1995
731-TA-710	Seamless carbon & alloy standard, line & pressure steel pipe	Italy	June 23, 1994	A	A	A	A	July 26, 1995
731-TA-711	Oil country tubular goods	Argentina	June 30, 1994	A	A	P	A	Aug. 2, 1995
731-TA-713	Oil country tubular goods	Italy	June 30, 1994	A	A	A	P	Aug. 2, 1995
731-TA-714	Oil country tubular goods	Japan	June 30, 1994	A	A	P	A	Aug. 2, 1995
731-TA-715	Oil country tubular goods	Korea	June 30, 1994	A	A	A	P	Aug. 2, 1995
731-TA-716	Oil country tubular goods	Mexico	June 30, 1994	A	N	A	A	Aug. 2, 1995
731-TA-718	Glycine	China	July 7, 1994	A	A	A	A	Mar. 14, 1995
731-TA-724	Manganese metal	China	Nov. 8, 1994	A	A	A	A	Dec. 15, 1995
		Negative						
731-TA-684	Fresh cut roses	Colombia	Feb. 14, 1994	A	A	A	N	Mar. 13, 1995
731-TA-685	Fresh cut roses	Ecuador	Feb. 14, 1994	A	A	A	N	Mar. 13, 1995
731-TA-688	Certain carbon steel butt-weld pipe fittings	France	Feb. 28, 1994	A	A	A	N	Apr. 3, 1995
731-TA-689	Certain carbon steel butt-weld pipe fittings	India	Feb. 28, 1994	A	A	A	N	Apr. 3, 1995

See footnotes at end of table.

Table A-24—*Continued*
Antidumping cases active in 1995, filed under authority of title VII of the Tariff Act of 1930, by final outcomes and by USITC investigation number

(Affirmative (A); Partial Affirmative (P); Negative (N); Suspension Agreement (S); Terminated (T))

USITC Investigation No.	Product	Country of origin	Date original petition filed	Preliminary determination		Final determination		Date of final action[2]
				Commission	ITA[1]	ITA[1]	Commission	
		Negative						
731-TA-690	Certain carbon steel butt-weld pipe fittings	Israel	Feb. 28, 1994	A	A	A	N	Apr. 3, 1995
731-TA-691	Certain carbon steel butt-weld pipe fittings	Malaysia	Feb. 28, 1994	A	A	A	N	Apr. 3, 1995
731-TA-692	Certain carbon steel butt-weld pipe fittings	Korea	Feb. 28, 1994	A	A	A	N	Apr. 3, 1995
731-TA-693	Certain carbon steel butt-weld pipe fittings	Thailand	Feb. 28, 1994	A	A	A	N	Apr. 3, 1995
731-TA-694	Certain carbon steel butt-weld pipe fittings	United Kingdom	Feb. 28, 1994	A	A	A	N	Apr. 3, 1995
731-TA-695	Certain carbon steel butt-weld pipe fittings	Venezuela	Feb. 28, 1994	A	A	A	N	Apr. 3, 1995
731-TA-699	Stainless steel angles	Japan	Apr. 4, 1994	A	A	A	N	May 10, 1995
731-TA-700	Disposable lighters	China	May 9, 1994	A	A	A	N	Jun. 12, 1995
731-TA-701	Disposable lighters	Thailand	May 10, 1994	A	A	A	N	Apr. 21, 1995
731-TA-712	Oil country tubular goods	Austria	Jun. 30, 1994	A	A	N	N	Aug. 2, 1995
731-TA-717	Oil country tubular goods	Spain	Jun. 30, 1994	A	A	A	N	Aug. 2, 1995
731-TA-725	Manganese sulfate	China	Nov. 30, 1994	A	A	A	N	Nov. 6, 1995
731-TA-730	Light-walled rectangular pipe and tube	Mexico	Mar. 31, 1995	N	N	(3)	(3)	May 30, 1995
		Suspended						
731-TA-722	Honey	China	Nov. 3, 1994	A	A	S	S	Aug. 16, 1995
		Terminated						
731-TA-680	Stainless steel bar	Italy	Dec. 30, 1993	A	A	N	T	Jan. 23, 1995
731-TA-723	Drawer slides	China	Oct. 31, 1994	A	A	A	T	Oct. 19, 1995
		In progress						
731-TA-726	Polyvinyl alcohol	China	Mar. 9, 1995	A	A	(4)	(4)	(4)
731-TA-727	Polyvinyl alcohol	Japan	Mar. 9, 1995	A	A	(4)	(4)	(4)
731-TA-728	Polyvinyl alcohol	Korea	Mar. 9, 1995	A	A	(4)	(4)	(4)
731-TA-729	Polyvinyl alcohol	Taiwan	Mar. 9, 1995	A	A	(4)	(4)	(4)
731-TA-731	Bicycles	China	Apr. 5, 1995	A	A	(4)	(4)	(4)
731-TA-732	Circular welded non-alloy steel pipe	Romania	Apr. 26, 1995	A	A	(4)	(4)	(4)
731-TA-733	Circular welded non-alloy steel pipe	South Africa	Apr. 26, 1995	A	A	(4)	(4)	(4)
731-TA-734	Certain pasta	Italy	May 15, 1995	P	A	(4)	(4)	(4)
731-TA-735	Certain pasta	Turkey	Nay 19, 1995	P	A	(4)	(4)	(4)

See footnotes at end of table.

Table A-24—*Continued*

Antidumping cases active in 1995, filed under authority of title VII of the Tariff Act of 1930, by final outcomes and by USITC investigation number

(Affirmative (A); Partial Affirmative (P); Negative (N); Suspension Agreement (S); Terminated (T))

USITC Investigation No.	Product	Country of origin	Date original petition filed	Preliminary determination: Commission	Preliminary determination: ITA[1]	Final determination: ITA[1]	Final determination: Commission	Date of final action[2]
		In progress						
731-TA-736	Large newspaper printing presses	Germany	Jun. 30, 1995	A	A	A	([4])	([4])
731-TA-737	Large newspaper printing presses	Japan	July 7, 1995	A	A	A	([4])	([4])
731-TA-738	Foam extruded PVC and polystyrene framing stock	United Kingdom	Sept. 8, 1995	A	A	([4])	([4])	([4])
731-TA-739	Clad steel plate	Japan	Sept. 29, 1995	A	A	([4])	([4])	([4])

1 U.S. Department of Commerce, International Trade Administration (ITA)
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
3 Not applicable
4 In progress

Note.—The investigation of alloy magnesium from Ukraine received a negative USITC vote, thus ending the investigation as of May 16, 1994. The pure magnesium investigation received affirmative votes from both the USITC and the ITA and is still in progress.

Table A-25
Antidumping orders and findings in effect as of Dec. 31, 1995

Country and commodity	Effective date of original action[1]
Argentina:	
Oil country tubular goods	Aug. 11, 1995
Seamless Pipe	Aug. 3, 1995
Silicon metal	Sept. 26, 1991
Rectangular tubing	May 26, 1989
Barbed wire	Nov. 13, 1985
Carbon steel wire rods	Nov. 23, 1984
Armenia: Urea	July 14, 1987
Australia:	
Corrosion-resistant carbon steel flat products	Aug. 19, 1993
Canned Bartlett pears	Mar. 23, 1973
Austria: Railway track equipment	Feb. 17, 1978
Azerbaijan: Urea	July 14, 1987
Bangladesh: Shop towels	Mar. 20, 1992
Belarus-Baltic: Urea	July 14, 1987
Belgium:	
Cut-to-length carbon steel plate	Aug. 19, 1993
Phosphoric acid	Aug. 20, 1987
Sugar	June 13, 1979
Brazil:	
Seamless pipe	Aug. 3, 1995
Stainless steel bar	Feb. 21, 1995
Silicomanganese	Dec. 22, 1994
Ferrosilicon	Mar. 14, 1994
Stainless steel wire rods	Jan. 28, 1994
Cut-to-length carbon steel plate	Aug. 19, 1993
Lead and bismuth steel	Mar. 22, 1993
Circular welded non-alloy pipe	Nov. 2, 1992
Silicon metal	July 31, 1991
Nitrocellulose	July 10, 1990
Orange juice	May 5, 1987
Brass sheet and strip	Jan. 12, 1987
Butt-weld pipe fittings	Dec. 17, 1986
Pipe fittings	May 21, 1986
Construction castings	May 9, 1986
Canada:	
Corrosion-resistant carbon steel flat products	Aug. 19, 1993
Cut-to-length carbon steel plate	Aug. 19, 1993
Magnesium	Aug. 31, 1992
Steel rail	Sept. 15, 1989
Color picture tubes	Jan. 7, 1988
Brass sheet and strip	Jan. 12, 1987
Oil country tubular goods	June 16, 1986
Construction castings	Mar. 5, 1986
Raspberries	June 24, 1985
Sugar and syrups	Apr. 9, 1980
Racing plates	Feb. 27, 1974
Elemental sulphur	Dec. 17, 1973
Steel jacks	Sept. 13, 1966
Chile: Standard carnations	Mar. 20, 1987
Colombia: Fresh cut flowers	Mar. 18, 1987
Ecuador: Fresh cut flowers	Mar. 18, 1987
Estonia: Urea	July 14, 1987
Finland:	
Cut-to-length carbon steel plate	Aug. 19, 1993
Vicose rayon staple fiber	Mar. 21, 1979
France:	
Calcium aluminate flux	June 13, 1994
Stainless steel wire rods	Jan. 28, 1994
Corrosion-resistant carbon steel flat products	Aug. 19, 1993
Lead and bismuth steel	Mar. 22, 1993
Ball bearings	May 15, 1989
Cylindrical roller bearings	May 15, 1989
Spherical plain bearings	May 15, 1989

See footnote at end of table.

Table A-25—*Continued*
Antidumping orders and findings in effect as of Dec. 31, 1995

Country and commodity	Effective date of original action[1]
France—Continued:	
Brass sheet and strip	Mar. 6, 1987
Nitrocellulose	Aug. 10, 1983
Sorbitol	Apr. 9, 1982
Anhydrous sodium metasilicate	Jan. 7, 1981
Sugar	June 13, 1979
Large power transformers	June 14, 1972
Georgia:	
Urea	July 14, 1987
Germany:	
Seamless pipe	Aug. 3, 1995
Cold-rolled carbon steel flat products	Aug. 19, 1993
Corrosion-resistant carbon steel flat products	Aug. 19, 1993
Cut-to-length carbon steel plate	Aug. 19, 1993
Lead and bismuth steel	Mar. 22, 1993
Rayon yarn	June 30, 1992
Sodium thiosulfate	Feb. 19, 1991
Nitrocellulose	July 10, 1990
Industrial belts (except synchronous and V-belts)	June 14, 1989
Ball bearings	May 15, 1989
Cylindrical roller bearings	May 15, 1989
Spherical plain bearings	May 15, 1989
Crankshafts	Sept. 23, 1987
Urea	July 14, 1987
Brass sheet and strip	Mar. 6, 1987
Barium carbonate	June 25, 1981
Sugar	June 13, 1979
Animal glue	Dec. 22, 1977
Greece: Electrolytic manganese dioxide	Apr. 17, 1989
Hungary: Tapered roller bearings	June 19, 1987
India:	
Stainless steel bar.	Feb. 21, 1995
Forged stainless steel flanges	Feb. 9, 1994
Stainless steel wire rod	Dec. 1, 1993
Sulfanilic acid	Mar. 2, 1993
Pipes and tubes	May 12, 1986
Iran: Pistachio nuts	July 17, 1986
Israel:	
Phosphoric acid	Aug. 19, 1987
Oil country tubular goods	Mar. 6, 1987
Italy:	
Oil country tubular goods.	Aug. 11, 1995
Seamless pipe	Aug. 3, 1995
Grain-oriented electric steel	Aug. 12, 1994
Synchronous industrial belts and V-belts	June 14, 1989
Ball bearings	May 15, 1989
Cylindrical roller bearings	May 15, 1989
Granular polytetrafluoroethylene resin	Aug. 30, 1988
Tapered roller bearings	Aug. 14, 1987
Brass sheet and strip	Mar. 6, 1987
Brass fire protection equipment	Mar. 1, 1985
Woodwind pads	Sept. 21, 1984
Pressure sensitive tape	Oct. 21, 1977
Large power transformers	June 14, 1972
Japan:	
Oil country tubular goods.	Aug. 11, 1995
Stainless steel bar.	Feb. 21, 1995
Grain-oriented electric steel	June 10, 1994
Defrost timers	Mar. 2, 1994
Corrosion-resistant carbon steel flat products	Aug. 19, 1993
Electric cutting tools	July 12, 1993
Lenses	Apr. 15, 1992
Cement	May 10, 1991
Benzyl paraben	Feb. 13, 1991

See footnote at end of table.

Table A-25—*Continued*
Antidumping orders and findings in effect as of Dec. 31, 1995

Country and commodity	Effective date of original action[1]
Japan—*Continued*:	
Laser light-scattering instruments	Nov. 19, 1990
Nitrocellulose	July 10, 1990
Mechanical transfer presses	Feb. 16, 1990
Drafting machines	Dec. 29, 1989
Small business telephone systems	Dec. 11, 1989
Industrial belts	June 14, 1989
Ball bearings	May 15, 1989
Cylindrical roller bearings	May 15, 1989
Spherical plain bearings	May 15, 1989
Electrolytic manganese dioxide	April 17,1989
Microdisks	April 3, 1989
Granular polytetrafluoroethylene resin	Aug. 24, 1988
Brass sheet and strip	Aug. 12, 1988
Nitrile rubber	June 16, 1988
Forklift trucks	June 7, 1988
Stainless steel butt-weld pipe fittings	March 25 1988
Color picture tubes	Jan. 7, 1988
Tapered roller bearings over 4 inches	Oct. 6, 1987
Cast-iron pipe fittings	July 6, 1987
Butt-weld pipe fittings	Feb. 10, 1987
Cellular mobile telephones	Dec. 19, 1985
Calcium hypochlorite	Apr. 18, 1985
Titanium sponge	Nov. 30, 1984
High powered amplifiers	July 20, 1982
Large electric motors	Dec. 24, 1980
Steel wire strand	Dec. 8, 1978
Impression fabric	May 25, 1978
Melamine	Feb. 2, 1977
Acrylic sheet	Aug. 30, 1976
Tapered roller bearings 4 inches and under	Aug. 8, 1976
Polychloroprene rubber	Dec. 6, 1973
Steel wire rope	Oct. 15, 1973
Synthetic methionine	July 10, 1973
Roller chain	Apr. 12, 1973
Bicycle speedometers	Nov. 22, 1972
Large power transformers	June 14, 1972
Fishnetting	June 9, 1972
Television receiving sets	Mar. 10, 1971
Kazakhstan:	
Titanium sponge	Aug. 28, 1994
Ferrosilicon	Apr. 7, 1993
Urea	July 14, 1987
Kenya: Standard carnations	Apr. 23, 1987
Kyrgyzstan: Urea	July 14, 1987
Latvia-Baltic: Urea	July 14, 1987
Lithuania: Urea	July 14, 1987
Malaysia: Extruded rubber thread	Oct. 7, 1992
Mexico:	
Oil country tubular goods	Aug. 11, 1995
Cut-to-length carbon steel plate	Aug. 19, 1993
Steel wire rope	Mar. 25, 1993
Circular welded non-alloy pipe	Nov. 2, 1992
Cement	Aug. 30, 1990
Fresh cut flowers	Apr. 23, 1987
Cookware	Dec. 2, 1986
Moldova: Urea	July 14, 1987
Netherlands:	
Aramid fiber	June 24, 1994
Cold-rolled carbon steel flat products	Aug. 19, 1993
Brass sheet and strip	Aug. 12, 1988
New Zealand:	
Kiwifruit	June 2, 1992
Brazing copper wire and rod	Dec. 4, 1985

See footnote at end of table.

Table A-25—*Continued*
Antidumping orders and findings in effect as of Dec. 31, 1995

Country and commodity	Effective date of original action[1]
Norway: Atlantic salmon	Apr. 12, 1991
People's Republic of China:	
Furfuryl alcohol	June 21, 1995
Pure magnesium	May 12, 1995
Glycine	Mar. 29, 1995
Coumarin.	Feb. 9, 1995
Cased pencils	Dec. 28, 1994
Silicomanganese	Dec. 22, 1994
Paper clips	Nov. 25, 1994
Garlic	Nov. 16, 1994
Sebacic acid	July 14, 1994
Lock washers	Oct. 19, 1993
Ductile iron fittings	Sept. 7, 1993
Ferrosilicon	Mar. 11, 1993
Sulfanilic acid	Aug. 19, 1992
Butt-weld pipe fittings	July 6, 1992
Tungsten ore concentrates	Nov. 21, 1991
Lug nuts	Sept. 20, 1991
Sparklers	June 18, 1991
Silicon metal	June 10, 1991
Sodium thiosulfate	Feb. 19, 1991
Hammers/sledges	Feb. 19, 1991
Picks/mattocks	Feb. 19, 1991
Bars/wedges	Feb. 19, 1991
Axes/adzes	Feb. 19, 1991
Nitrocellulose	July 10, 1990
Tapered roller bearings	June 15, 1987
Cookware	Dec. 2, 1986
Candles	Aug. 28, 1986
Construction castings	May 9, 1986
Paint brushes	Feb. 14, 1986
Barium chloride	Oct. 17, 1984
Chloropicrin	Mar. 22, 1984
Potassium permanganate	Jan. 31, 1984
Shop towels	Oct. 4, 1983
Printcloth	Sept. 16, 1983
Poland: Cut-to-length carbon steel plate	Aug. 19, 1993
Romania:	
Cut-to-length carbon steel plate	Aug. 19, 1993
Ball bearings	May 15, 1989
Urea	July 14, 1987
Tapered roller bearings	June 19, 1987
Russia:	
Ferrovanadium	July 10, 1995
Pure magnesium	May 12, 1995
Ferrosilicon	June 24, 1993
Urea	July 14, 1987
Titanium sponge	Aug. 28, 1968
Singapore:	
V-belts	June 14, 1989
Ball bearings	May 15, 1989
Color picture tubes	Jan. 7, 1988
Rectangular pipes and tubes	Nov. 13, 1986
South Africa:	
Furfuryl alcohol	June 6, 1995
Brazing copper wire and rod	Jan. 29, 1986
South Korea:	
Oil country tubular goods	Aug. 11, 1995
Cold-rolled carbon steel flat products	Aug. 19, 1993
Corrosion-resistant carbon steel flat products	Aug. 19, 1993
DRAMS	May 10, 1993
Steel wire rope	Mar. 26, 1993
Stainless steel butt-weld pipe fittings	Feb. 23, 1993
Welded stainless steel pipes	Dec. 30, 1992

See footnote at end of table.

Table A-25—*Continued*
Antidumping orders and findings in effect as of Dec. 31, 1995

Country and commodity	Effective date of original action[1]
South Korea—*Continued*:	
Circular welded non-alloy pipe	Nov. 2, 1992
PET film	June 5, 1991
Nitrocellulose	July 10, 1990
Small business telephone systems	Feb. 7, 1990
Color picture tubes	Jan. 7, 1988
Stainless steel cookware	Jan. 20, 1987
Brass sheet and strip	Jan. 12, 1987
Pipe fittings	May 23, 1986
Photo albums	Dec. 16, 1985
Television receiving sets	Apr. 30, 1984
Spain:	
Stainless steel bar	Mar. 2, 1995
Cut-to-length carbon steel plate	Aug. 19, 1993
Potassium permanganate	Jan. 19, 1984
Sweden:	
Cut-to-length carbon steel plate	Aug. 19, 1993
Ball bearings	May 15, 1989
Cylindrical roller bearings	May 15, 1989
Seamless stainless steel hollow products	Dec. 3, 1987
Brass sheet and strip	Mar. 6, 1987
Stainless steel plate	June 8, 1973
Taiwan:	
Forged stainless steel flanges	Feb. 9, 1994
Lockwashers	June 28, 1993
Stainless steel butt-weld pipe fittings	June 16, 1993
Welded stainless steel pipes	Dec. 30, 1992
Circular welded non-alloy pipe	Nov. 2, 1992
Lug nuts	Sept. 20, 1991
Small business telephone systems	Dec. 11, 1989
Rectangular tubing	Mar. 27, 1989
Stainless steel cookware	Jan. 20, 1987
Butt-weld pipe fittings	Dec. 17, 1986
Cookware	Dec. 2, 1986
Oil country tubular goods	June 18, 1986
Pipe fittings	May 23, 1986
Circular pipes and tubes	May 7, 1984
Television receiving sets	Apr. 30, 1984
Carbon steel plate	June 13, 1979
Tajikistan: Urea	July 14, 1987
Thailand:	
Furfuryl alcohol	July 25, 1995
Canned pineapple	July 18, 1995
Butt-weld pipe fittings	July 6, 1992
Ball bearings	May 15, 1989
Pipe fittings	Aug. 20, 1987
Circular welded pipes and tubes	Mar. 11, 1986
Turkey:	
Aspirin	Aug. 25, 1987
Pipes and tubes	May 15, 1986
Turkmenistan: Urea	July 14, 1987
Ukraine:	
Pure magnesium	May 12, 1995
Uranium	Aug. 30, 1993
Ferrosilicon	Apr. 7, 1993
Urea	July 14, 1987
Titanium sponge	Aug. 28, 1968
United Kingdom:	
Cut-to-length carbon steel plate	Aug. 19, 1993
Lead and bismuth steel	Mar. 22, 1993
Sodium thiosulfate	Feb. 19, 1991
Nitrocellulose	July 10, 1990
Ball bearings	May 15, 1989

See footnote at end of table.

Table A-25—*Continued*
Antidumping orders and findings in effect as of Dec. 31, 1995

Country and commodity	Effective date of original action[1]
United Kingdom—*Continued*:	
Cylindrical roller bearings	May 15, 1989
Crankshafts	Sept. 21, 1987
Uzbekistan: Urea	July 14, 1987
Venezuela:	
Ferrosilicon	June 24, 1993
Circular welded non-alloy pipe	Nov. 2, 1992
Yugoslavia:	
Nitrocellulose	Oct. 16, 1990
Suspension agreements in effect:	
Canada: Potassium chloride	Jan. 19, 1988
Hungary: Truck trailer axles	Jan. 4, 1982
Japan:	
Color negative photo paper	Aug. 12, 1994
Erasable programmable read-only memory chips	Aug. 16, 1986
Small motors	Nov. 6, 1980
Kazakhstan: Uranium	Oct. 26, 1992
Kyrgyzstan: Uranium	Oct. 26, 1992
Netherlands: Color negative photo paper	Aug. 12, 1994
People's Republic of China: Honey	Aug. 2, 1995
Russia: Uranium	Oct. 26, 1992
Urkraine: Silicomanganese	Nov. 25, 1994
Uzbekistan: Uranium	Oct. 26, 1992
Venezuela: Cement	Feb. 27, 1992

[1] The U.S. Department of Commerce conducts a periodic review of outstanding antidumping duty orders and suspension agreements, upon request, to determine if the amount of the net margin of underselling has changed. If a change has occurred, the imposed antidumping duties are adjusted accordingly. The results of the periodic review must be published together with a formal notice of any antidumping duty to be assessed, estimated duty to be deposited, or investigation to be resumed.

Source: U.S. Department of Commerce, International Trade Administration.

Table A-26
Countervailing cases active in 1995, filed under authority of section 303 or title VII of the Tariff Act of 1930, by final outcomes and by USITC investigation number

(Affirmative (A); Partial Affirmative (P); Negative (N))

USITC Investigation No.	Product	Country of origin	Date original petition filed	Preliminary determination: Commission	Preliminary determination: ITA[1]	Final determination: ITA[1]	Final determination: Commission	Date of final action[2]
				Affirmative				
701-TA-362	Seamless carbon & alloy standard, line & pressure steel pipe	Italy	June 23, 1994	A	A	A	A	July 26, 1995
701-TA-363	Oil country tubular goods	Austria	June 30, 1994	A	A	A	A	Aug. 2, 1995
701-TA-364	Oil country tubular goods	Italy	June 30, 1994	A	A	A	A	Aug. 2, 1995
				Negative				
701-TA-360	Certain carbon steel butt-weld pipe fittings	India	Feb. 28, 1994	A	A	A	N	April 3, 1995
701-TA-361	Certain carbon steel butt-weld pipe fittings	Israel	Feb. 28, 1994	A	A	A	N	April 3, 1995
				In Progress				
303-TA-25	Disposable lighters	Thailand	May 9, 1994	A	N	N	([3])	([3])
701-TA-365	Certain pasta	Italy	May 19, 1995	P	A	([3])	([3])	([3])
701-TA-366	Certain pasta	Turkey	May 19, 1995	P	A	([3])	([3])	([3])

[1] U.S. Department of Commerce, International Trade Administration (ITA).
[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.
[3] In progress.

Note.—The International Trade Commission (ITC) conducts preliminary and final investigations under section 701 if the imports originate in a country that has signed the GATT Code on Subsidies and Countervailing Duties (formally known as the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade) or has undertaken comparable obligations. Similarly, ITC conducts preliminary and final investigations under section 303 if the imports enter the United States free of duty and the international obligations of the United States so require. With respect to dutiable imports from those countries that have neither signed the Subsidies Code nor undertaken substantially equivalent obligations, countervailing duties may be imposed after an affirmative finding by the Department of Commerce under section 303 of the Tariff Act of 1930 without an injury investigation by the ITC. Exceptions are granted in instances in which the exporting country becomes a signatory to the code or to an equivalent agreement during the investigation.

Source: U.S. International Trade Commission.

Table A-27
Countervailing-duty orders and findings in effect as of Dec. 31, 1995

Country and commodity	Effective date of original action[1]
Argentina:	
Leather	Oct. 2, 1990
Oil country tubular goods	Nov. 22, 1984
Wool	Apr. 4, 1983
Belgium: Cut-to-length carbon steel plate	Aug. 17, 1993
Brazil:	
Cut-to-length carbon steel plate	Aug. 17, 1993
Lead and bismuth steel	Mar. 22, 1993
Brass sheet and strip	Jan. 8, 1987
Construction castings	May 15, 1986
Agricultural tillage tools	Oct. 22, 1985
Pig iron	Apr. 4, 1980
Cotton yarn	Mar. 15, 1977
Certain castor oil products	Mar. 16, 1976
Canada:	
Alloy magnesium	Aug. 31, 1992
Pure magnesium	Aug. 31, 1992
Steel rails	Sept. 22, 1989
Live swine	Aug. 15, 1985
Chile: Standard carnations	Mar. 19, 1987
European Union:[2] Sugar	July 31, 1978
France:	
Corrosion-resistant carbon steel flat products	Aug. 17, 1993
Lead and bismuth steel	Mar. 22, 1993
Brass sheet and strip	Mar. 6, 1987
Germany:	
Cold-rolled carbon steel flat products	Aug. 17, 1993
Corrosion-resistant carbon steel flat products	Aug. 17, 1993
Cut-to-length carbon steel flat products	Aug. 17, 1993
Lead and bismuth steel	Mar. 22, 1993
India:	
Sulfanilic acid	Mar. 2, 1993
Certain iron-metal castings	Oct. 16, 1980
Iran:	
Roasted pistachios	Oct. 7, 1986
Raw pistachios	Mar. 11, 1986
Israel:	
Industrial phosphoric acid	Aug. 19, 1987
Oil country tubular goods	Mar. 6, 1987
Italy:	
Oil country tubular goods	Aug. 4, 1995
Seamless pipe	Aug. 2, 1995
Grain-oriented electric steel	June 7, 1994
Malaysia:	
Extruded rubber thread	Aug. 25, 1992
Mexico:	
Cut-to-length carbon steel flat products	Aug. 17, 1993
Porcelain cookware	Dec. 12, 1986
Netherlands: Standard chrysanthemums	Mar. 12, 1987
Norway: Atlantic salmon	Apr. 12, 1991
Pakistan: Shop towels	Mar. 9, 1984
Peru: Pompon chrysanthemums	Apr. 23, 1987
Singapore:	
Ball bearings	May 3, 1989
Cylindrical roller bearings	May 3, 1989
Needle roller bearings	May 3, 1989
Spherical plane bearings	May 3, 1989
Spherical roller bearings	May 3, 1989
South Korea:	
Cold-rolled carbon steel flat products	Aug. 17, 1993
Corrosion-resistant carbon steel flat products	Aug. 17, 1993
Stainless steel cookware	Jan. 20, 1987
Spain:	
Cut-to-length carbon steel flat products	Aug. 17, 1993
Stainless steel wire rod	Jan. 3, 1983

See footnotes at end of table.

Table A-27—*Continued*
Countervailing-duty orders and findings in effect as of Dec. 31, 1995

Country and commodity	Effective date of original action[1]
Sweden:	
Cut-to-length carbon steel flat products	Aug. 17, 1993
Certain carbon steel products	Oct. 11, 1985
Viscose rayon staple fiber	May 15, 1979
Taiwan: Stainless steel cookware	Jan. 20, 1987
Thailand:	
Steel wire rope	Sept. 11, 1991
Ball bearings	May 3, 1989
Turkey: Pipes and tubes	Mar. 7, 1986
United Kingdom:	
Cut-to-length carbon steel flat products	Aug. 17, 1993
Lead and bismuth steel	Mar. 22, 1993
Venezuela: Ferrosilicon	May 10, 1993
Suspension agreements in effect:	
Argentina: Wire rod	Sept. 27, 1982
Brazil:	
Crankshafts	July 28, 1987
Orange juice	Mar. 2, 1983
Colombia:	
Miniature carnations	Jan. 13, 1987
Cut flowers	Jan. 9, 1986
Textiles	Mar. 12, 1985
Costa Rica: Cut flowers	Jan. 13, 1987
Peru: Shop Towels	Sept. 12, 1984
Singapore: Compressors	Nov. 7, 1983
Thailand: Textiles	Mar. 12, 1985

[1] The U.S. Department of Commerce conducts a periodic review of outstanding countervailing-duty orders and suspension agreements, upon request, to determine if the amount of the net subsidy has changed. If a change has occurred, the imposed countervailing duties are adjusted accordingly.

[2] Includes Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, and the United Kingdom.

Source: U.S. Department of Commerce, International Trade Administration.

Table A-28
Section 337 investigations completed by the U.S. International Trade Commission during 1995 and those pending on Dec. 31, 1995

Status of Investigation	Article	Country[1]	Commission Determination
Completed:			
337-TA-228	Certain Fans With Brushless DC Motors	Japan	Advisory opinion proceeding terminated based on withdrawal of request for advisory opinion.
337-TA-349	Certain Diltiazem Hydrochloride and Diltiazem Preparations	Israel, Italy, Finland	Terminated based on a finding of no violation.
337-TA-358	Certain Recombinantly Produced Human Growth Hormones	Denmark, Israel	Terminated based on dismissal of the complaint with prejudice as a sanction for complainant's misconduct during discovery.
337-TA-361	Certain Portable On-Car Disc Brake Lathes and Components Thereof	Germany	Terminated based on a finding of no violation.
337-TA-364	Certain Curable Fluoroelastomer Compositions and Precursors Thereof	Italy	Issued a limited exclusion order and a cease and desist order.
337-TA-365	Certain Audible Alarm Devices for Divers	Taiwan	Issued a limited exclusion order and a cease and desist order.
337-TA-366	Certain Microsphere Adhesives, Process For Making Same, and Products Containing Same, Including Self-Stick Repositionable Notes	Taiwan	Issued a limited exclusion order.
337-TA-367	Certain Facsimile Machines and Components Thereof	Korea	Terminated based on a settlement agreement.
337-TA-368	Certain Rechargeable Nickel Metal Hydride Anode Materials and Batteries, and Products Containing Same	Japan	Terminated based on a settlement agreement.
337-TA-369	Certain Health and Beauty Aids and Identifying Marks Thereon	Canada	Terminated based on a settlement agreement.
337-TA-373	Certain Low-Power Computer Hard Disk Drive Systems and Products Containing Same	No foreign respondents	Terminated based on a settlement agreement.
337-TA-375	Certain Clog Style Articles of Footwear	No foreign respondents	Terminated based on a consent order.
Pending:			
337-TA-315	Certain Plastic Encapsulated Integrated Circuits	No foreign respondents	Formal enforcement proceeding pending before the Commission.
337-TA-370	Certain Salinomycin Biomass and Preparations Containing Same	Germany	Pending before the Commission.
337-TA-371	Certain Memory Devices With Increased Capacitance and Products Containing Same	Japan, Korea	Pending before the ALJ.

See footnote at end of table.

Table A-28—*Continued*
Section 337 investigations completed by the U.S. International Trade Commission during 1995 and those pending on Dec. 31, 1995

Status of Investigation	Article	Country[1]	Commission Determination
337-TA-372	Certain Neodymium-Iron-Boron Magnets, Magnet Alloys, and Articles Containing Same	People's Republic of China, Hong Kong, Taiwan	Pending before the Commission.
337-TA-374	Certain Electrical Connectors and Products Containing Same	Taiwan	Pending before the ALJ.
337-TA-376	Certain Variable Speed Wind Turbines and Components Thereof	Germany	Pending before the ALJ.
337-TA-377	Certain Microprocessors Having Alignment Checking and Products Containing Same	Hong Kong	Pending before the Commission.
337-TA-378	Certain Asian-Style Kamaboko Fish Cakes	Japan	Pending before the ALJ.
337-TA-379	Certain Starter Kill Vehicle Security Systems	Taiwan	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-29
Outstanding sec. 337 exclusion orders as of Dec. 31, 1995

Investigation No.	Article	Country[1]	Date patent expires[2]
337-TA-55	Certain Novelty Glasses	Hong Kong	Non-patent
337-TA-59	Certain Pump-Top Insulated Containers	Korea, Taiwan	June 6, 1997[3]
337-TA-69	Certain Airtight Cast-Iron Stoves	Taiwan, Korea	Non-patent
337-TA-74	Certain Rotatable Photograph and Card Display Units and Components Thereof	Hong Kong	Non-patent
337-TA-87	Certain Coin-Operated Audio-Visual Games and Components Thereof	Japan, Taiwan	Non-patent
337-TA-105	Certain Coin-Operated Audio-Visual Games and Components Thereof	Japan, Taiwan	Non-patent
337-TA-112	Certain Cube Puzzles	Taiwan, Japan, Canada	Non-patent
337-TA-114	Certain Miniature Plug-In Blade Fuses Taiwan	Non-patent	June 21, 1996[3]
337-TA-118	Certain Sneakers With Fabric Uppers and Rubber Soles	Korea	Non-patent
337-TA-137	Certain Heavy-Duty Staple Gun Tackers	Taiwan, Hong Kong, Korea	Non-patent
337-TA-140	Certain Personal Computers and Components Thereof	Taiwan, Hong Kong, Singapore, Switzerland	Apr. 11, 1997[3] July 14, 1998
337-TA-143	Certain Amorphous Metal Alloys and Amorphous Metal Articles	Japan, West Germany	Sept. 9, 1997
337-TA-146	Certain Canape Makers	No foreign respondents	Mar. 22, 1997
337-TA-152	Certain Plastic Food Storage Containers	Hong Kong, Taiwan	Non-patent
337-TA-161	Certain Trolley Wheel Assemblies	Korea	Mar. 10, 1996[3]
337-TA-167	Certain Single Handle Faucets	Taiwan	Non-patent
337-TA-170	Certain Bag Closure Clips	Israel	Aug. 25, 2000[3] May 26, 2001[3]
337-TA-174	Certain Woodworking Machines	Taiwan, South Africa	Non-patent Mar. 27, 1989[3] Sept. 17, 2001[3]
337-TA-174	Certain Woodworking Machines	Taiwan, South Africa	Non-patent Mar. 27, 1998[3] Sept. 17, 2001[3]
337-TA-195	Certain Cloisonne Jewelry	Taiwan	Non-patent
337-TA-197	Certain Compound Action Metal Cutting Snips and Components Thereof	Taiwan	Non-patent
337-TA-228	Certain Fans With Brushless DC Motors	Japan	Sept. 30, 2002[3]
337-TA-229	Certain Nut Jewelry and Parts Thereof	Philippines, Taiwan	Non-patent
337-TA-231	Certain Soft Sculpture Dolls, Popularly Known as “Cabbage Patch Kids,” Related Literature, and Packaging Therefor	No foreign respondents	Non-patent
337-TA-240	Certain Laser Inscribed Diamonds and the Method of Inscription Thereof	Israel	Dec. 23, 2000[3]
337-TA-242	Certain Dynamic Random Access Memories, Components Thereof, and Products Containing Same	Japan, Korea	Aug. 6, 2002 Sept. 24, 2002
337-TA-254	Certain Small Aluminum Flashlights and Components Thereof	Hong Kong, Taiwan	June 6, 2004[3]
337-TA-266	Certain Reclosable Plastic Bags and Tubing	Singapore, Taiwan, Korea, Thailand, Hong Kong	Non-patent
337-TA-267	Certain Minoxidil Powder, Salts and Compositions for Use in Hair Treatment	Austria, Canada, Finland, Italy, Mexico, Switzerland	Feb. 13, 1996 Feb. 13, 1996
337-TA-276	Certain Erasable Programmable Read Only Memories, Components Thereof, Products Containing Such Memories and Processes for Making Such Memories	Korea	Oct. 1, 1996[3] Feb. 13, 1999[3] Dec. 23, 2000[3] June 17, 2002[3] June 7, 2005[3]

See footnotes at end of table.

Table A-29—*Continued*
Outstanding sec. 337 exclusion orders as of Dec. 31, 1995

Investigation No.	Article	Country[1]	Date patent expires[2]
337-TA-279	Certain Plastic Light Duty Screw Anchors	Taiwan	Non-patent
337-TA-285	Certain Chemiluminescent Compositions and Components Thereof and Methods of Using, and Products Incorporating, the Same.	France.	Non-patent Feb. 2, 1999
337-TA-287	Certain Strip Lights	Taiwan.	Non-patent Apr. 7, 2000[3]
337-TA-293	Certain Crystalline Cefadroxil Monohydrate	Italy, Spain, Switzerland.	Mar. 12, 2002
337-TA-295	Certain Novelty Teleidoscopes.	Hong Kong.	Non-patent
337-TA-308	Certain Key Blanks For Keys of High Security Cylinder Locks.	Korea	Jan. 13, 2004 June 19, 2005[3]
337-TA-314	Certain Battery-Powered Ride-On Toy Vehicles and Components Thereof	Taiwan.	Sept. 22, 2001 Jan. 31, 2003 Dec. 6, 2003[3] Jan. 27, 2004 Sept. 22, 2006[3]
337-TA-319	Certain Automotive Fuel Caps and Radiator Caps and Related Packaging and Promotional Materials	Taiwan.	Non-patent Oct. 4, 1998[3] July 22, 2006[3] June 22, 2006[3]
337-TA-320	Certain Rotary Printing Apparatus Using Heated Ink Composition, Components Thereof, and Systems Containing Said Apparatus and Components .	France, Spain	Apr. 30, 2004[3]
337-TA-321	Certain Soft Drinks and Their Containers .	Colombia	Non-patent
337-TA-324	Certain Acid-Washed Denim Garments and Accessories	Hong Kong, Taiwan, Brazil, Chile	Oct. 22, 2006[3]
337-TA-333	Certain Woodworking Accessories.	Taiwan.	Mar. 2, 2008[3]
337-TA-337	Certain Integrated Circuit Telecommunication Chips and Products Containing Same, Including Dialing Apparatus	Taiwan.	May 18, 2001
337-TA-344	Certain Cutting Tools For Flexible Plastic Conduit and Components Thereof.	Taiwan.	Aug. 1, 2000[3]
337-TA-354	Certain Tape Dispensers	Hong Kong, Taiwan .	Apr. 7, 2001
337-TA-360	Certain Devices For Connecting Computers Via Telephone Lines	Taiwan.	Feb. 13, 2007
337-TA-364	Certain Fluoroelastomer Compositions and Precursors Thereof	Italy	Nov. 1, 1998
337-TA-365	Certain Audible Alarm Devices For Divers	Taiwan.	Aug. 21, 2007[3] Oct. 12, 2008[3]
337-TA-366	Certain Microsphere Adhesives, Process For Making Same, and Products Containing Same, Including Self-Stick Repositionable Notes.	Taiwan.	Aug. 17, 1997[3]

[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 pursuant to 35 U.S.C. § 154(c).

Source: U.S. International Trade Commission, Office of Unfair Import Investigations.

Table A-30
U.S. imports for consumption of leading GSP-duty-free imports, 1995

(1,000 dollars)

HTS Rank	HTS item No.	Description	Total U.S. imports for consumption	Imports of GSP articles	
				GSP-eligible[1]	GSP duty-free[2]
1	8521.10.60	Color, cartridge or cassette magnetic tape-type video	3,036,633	1,188,846	763,282
2	8525.20.50	Cordless handset telephones	1,269,021	546,736	498,274
3	8527.31.40	Reception apparatus for radiotelephony, not capable of recording	974,933	529,403	435,812
4	8527.11.60	Reception apparatus for radiotelephony incorporating optical disc players	680,572	374,840	361,224
5	9403.60.80	Wooden (except bent-wood) furniture, other than seats	1,503,029	409,966	309,207
6	8527.39.00	Radiobroadcast receivers, nesi, including apparatus	518,157	283,814	280,432
7	7202.41.00	Ferrochromium containing > 3 percent of carbon	308,478	286,443	261,619
8	1701.11.10	Raw sugar not containing added flavoring or color, pursuant to provisions	583,050	499,257	259,865
9	8527.11.11	Reception apparatus for radiotelephony incorporating tape players	747,809	259,783	252,710
10	8517.10.00	Telephone sets	1,022,727	322,946	217,274
11	8519.99.00	Other sound reproducing apparatus, nesi	1,527,742	461,584	162,801
12	9401.69.60	Parts of seats of a kind used for motor vehicles	432,988	187,827	160,687
13	2909.19.10	Ethers of monohydric alcohols	815,672	154,823	154,776
14	8517.82.40	Facsimile machines	1,008,787	243,279	154,430
15	8527.21.10	Radio tape player combinations	1,762,611	341,353	152,479
16	8531.20.00	Indicator panels incorporating liquid crystal devices	642,549	200,650	149,847
17	7606.12.30	Aluminum plates, sheets and strip not clad	727,474	172,123	149,422
18	2401.10.40	Oriental or Turkish type cigarette leaf, not stemmed	202,694	154,266	147,553
19	8516.50.00	Microwave ovens	624,890	152,418	146,098
20	4104.31.40	Upholstery leather, of bovine and equine leather	314,372	144,663	141,854
		Total, above items	18,704,188	6,915,020	5,159,646
		Total, all GSP items	255,667,549	28,741,455	18,303,600

[1] These import data show total imports of the top 20 products reported under an HTS subheading that establishes eligibility for duty-free treatment under GSP. For a variety of reasons, all imports from beneficiary countries that are “eligible” for GSP do not always necessarily receive duty-free GSP treatment. Such “eligible” imports may not actually receive GSP duty-free treatment for at least four types of reasons: (1) the importer fails to claim GSP benefits affirmatively; (2) the imports are from a beneficiary country that has lost GSP on that product or category for exceeding the so-called ”competitive need” limits; (3) the imports are from a beneficiary country that has lost GSP on that product because of a petition to remove that country from GSP for that product; and (4) the imports fail to meet the rules of origin or direct shipment requirements in the GSP statute.

[2] These import data show the total imports of the top 20 products that actually received duty-free treatment under the GSP program.

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-31
U.S. imports for consumption and imports eligible for GSP treatment, by import categories under the *Harmonized Tariff Schedule* (HTS), 1995

(Million dollars)

HTS section	Description	Total U.S. imports for consumption[1]	Imports of GSP articles: GSP-eligible[2]	Imports of GSP articles: GSP duty-free[3]
I	Live animals; animal products	10,379	193	122
II	Vegetable products	11,025	690	157
III	Animals or vegetable fats, and waxes	1,506	107	102
IV	Prepared foodstuffs, beverages, and tobacco	13,273	1,527	894
V	Mineral products	60,016	162	111
VI	Products of the chemical and allied industries	36,272	1,139	788
VII	Plastics and rubber, and articles thereof	20,404	1,669	885
VIII	Hides and skins; leather and articles thereof; travel goods, handbags, and similar containers	6,578	568	459
IX	Articles of wood, cork, or plaiting material	10,237	1,109	619
X	Wood pulp; paper, paperboard, and articles thereof	18,884	226	182
XI	Textiles and textile articles	46,643	233	167
XII	Footwear, and headgear, and artificial flowers	13,980	384	148
XIII	Articles of stone or ceramics; glass and glassware	7,352	541	482
XIV	Pearls; precious stones and metals; jewelry; coin	15,615	1,454	482
XV	Base metals and articles of base metal	41,448	2,512	2,026
XVI	Machinery and mechanical appliances; electrical equipment; parts and accessories thereof	231,349	12,215	8,061
XVII	Vehicles, aircraft, and other transport equipment	115,433	936	738
XVIII	Optical, photographic, measuring, and medical apparatus; clocks and watches; musical instruments	25,676	1,390	548
XIX	Arms and ammunition; parts and accessories	657	41	36
XX	Miscellaneous manufactured articles	25,029	1,644	1,297
XXI	Works of art, collectors' pieces and antiques	2,658	0	0
XXII	Special classification provisions	23,096	0	0
	Total, above items	737,510	28,741	18,304

[1] Excludes imports into the U.S. Virgin Islands

[2] These import data show total imports, by sector, that are reported under an HTS provision that establishes eligibility for duty-free entry under GSP. For a variety of reasons, all imports from beneficiary countries under HTS provisions that appear to be "eligible" for GSP do not always necessarily receive duty-free entry under GSP. Such "eligible" imports may not actually receive duty-free entry under GSP for at least four types of reasons: (1) the importer fails to claim GSP benefits affirmatively; (2) the goods are from a beneficiary country that has lost GSP benefits on that product for exceeding the so-called "competitive need" limits; (3) the goods are from a beneficiary country that has lost GSP benefits on that product because of a petition to remove that country from GSP for that product; and (4) the goods fail to meet the rule of origin or direct shipment requirements of the GSP statute.

[3] These import data show the total imports, by sector, that actually received duty-free entry under the GSP.

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-32
U.S. imports for consumption of leading imports under CBERA, 1994-95

(1,000 dollars)

HTS No.	Description	1994	1995
6406.10.65	Footwear uppers, other than formed, of leather	219,360	186,753
7113.19.50	Articles of jewelry and parts of precious metal, nesi	139,224	142,386
1701.11.10	Raw sugar not containing added flavoring or color, pursuant to provisions	([1])	127,475
9018.90.80	Instruments and appliances for electro-medical, surgical, dental and other, nesi	92,555	119,830
2402.10.80	Cigars, cheroots and cigarillos	50,073	74,815
2207.10.60	Undenatured ethyl alcohol of 80 percent volume alcohol, for nonbeverage use	47,450	54,138
0201.30.50	Meat of bovine animals fresh or chilled, boneless	([2])	51,598
0807.10.20	Cantaloupes, fresh, if entered from 9/16-7/31	43,963	51,418
7213.31.30	Bars and rods, hot-rolled, of iron or nonalloy steel	56,032	49,772
0202.30.50	Meat of bovine animals frozen, boneless	([3])	45,292
8516.31.00	Electrothermic hair dryers	28,938	42,922
2905.11.20	Methanol (methyl alcohol), nesi	54,617	40,849
8538.90.80	Molded parts, nesi	31,085	37,200
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates	35,884	35,239
0302.69.40	Fish, nesi, excluding fillets, livers and roes, fresh or chilled	34,989	34,963
8536.20.00	Automatic circuit breakers, for a voltage not exceed	0	34,725
8536.50.80	Electrical apparatus for switching or protecting electrical circuits, nesi	23,916	31,892
0807.10.70	Melons, nesi, fresh, if entered from 12/1-5/31	21,122	25,501
4016.93.50	Articles of vulcanized rubber other than hard rubber	16,210	24,687
9506.69.20	Baseballs and softballs	22,100	21,885
	Total of above items	917,523	1,223,347
	Total, all items entering under CBERA	2,050,158	2,261,407

[1] Prior to January 1, 1995, reported under HTS no. 1701.11.01 part.
[2] Prior to January 1, 1995, reported under HTS no. 0201.30.60 part.
[3] Prior to January 1, 1995, reported under HTS no. 0202.30.60 part.

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-33
U.S. imports for consumption under CBERA provisions, by country, 1991-95

(1,000 dollars)

Rank	Country	1991	1992	1993	1994	1995
1	Dominican Republic	402,507	567,738	657,673	751,028	845,356
2	Costa Rica	249,553	294,937	388,251	478,109	527,715
3	Guatemala	137,157	192,955	208,262	171,381	168,466
4	Honduras	80,464	112,511	127,399	139,838	156,839
5	Trinidad and Tobago	26,542	44,695	44,602	142,901	144,247
6	Jamaica	60,080	48,154	76,496	69,316	87,329
7	Nicaragua	16,849	40,018	74,408	80,554	78,543
8	El Salvador	30,041	27,249	26,530	41,126	68,550
9	Panama	17,417	23,753	38,523	35,141	39,357
10	Haiti	50,053	19,151	33,378	15,770	26,521
11	Barbados	15,728	15,478	20,176	21,313	23,042
12	Bahamas	10,652	93,324	167,110	45,062	22,854
13	St. Kitts and Nevis	5,857	14,172	15,985	17,220	18,776
14	Guyana	506	1,202	1,246	13,100	17,409
15	Belize	5,445	23,733	12,526	13,112	16,676
16	St. Lucia	3,195	3,957	4,463	6,077	6,503
17	Netherlands Antilles	5,241	2,964	3,489	3,214	4,468
18	St. Vincent and Grenadines	140	165	233	1,299	2,527
19	Dominica	1,365	1,008	1,293	2,112	2,200
20	Antigua	548	324	1,110	809	1,683
21	Montserrat	0	41	271	886	1,488
22	Grenada	1,307	1,081	144	768	724
23	Aruba	0	10	21	12	114
24	British Virgin Islands	52	68	17	11	12
	Total	1,120,697	1,528,690	1,903,613	2,050,158	2,261,407

Note.—Figures may not add to the totals given due to rounding.

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

Table A-34
U.S. imports for consumption under ATPA, by country, 1993-95

(1,000 dollars)

Rank	Country	1993	1994	1995
1	Colombia	323,369	411,642	499,261
2	Peru	11,594	107,430	207,568
3	Ecuador	34,335	72,905	147,859
4	Bolivia	32,124	91,840	84,099
	Total	401,421	683,817	938,789

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

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

Table A-35
U.S. imports for consumption of leading imports under ATPA, 1994-95

(1,000 dollars)

HTS No.	Commodity	1994	1995
0603.10.70	Chrysanthemums, standard carnations, anthuriums and orchids	121,036	147,875
0603.10.60	Roses, fresh cut	105,475	126,897
7113.19.10	Rope, curb, etc. in continuous lengths, of precious metal	29,036	101,574
0603.10.80	Cut flowers and flower buds suitable for bouquets, nesi	45,187	64,388
7113.19.50	Articles of jewelry, and parts thereof, nesi, of precious metals	85,205	46,810
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil	13,802	36,524
0603.10.30	Miniature (spray) carnations, fresh cut	24,391	32,360
1701.11.10	Raw sugar not containing added flavoring or color, pursuant to provisions	([1])	31,860
3921.12.11	nonadhesive plates, sheets, film, foil, strip, cellular plastics	28,260	29,967
1701.11.20	Raw sugar not containing added flavoring or color to be used in the production of polyhydric alcohols except distillation	([2])	21,073
0302.69.40	Fish, nesi, excl. fillets, livers and roes, fresh or chilled	17,055	19,174
7113.19.21	Rope necklaces and neck chains of gold	9,351	13,966
7402.00.00	Unrefined copper; copper anodes for electrolytic refining	0	13,395
7801.10.00	Refined lead, unwrought	12,114	12,982
0709.20.90	Asparagus, nesi, fresh or chilled	8,760	12,868
7403.11.00	Cathodes and sections of cathodes of refined copper	8,239	11,995
7113.19.29	Necklaces and neck chains of gold, nesi	10,493	10,926
4421.90.98	Manmade or recomposed wood veneer <= 6mm in thickness nesi	([3])	10,682
4202.91.00	Cases, bags and containers nesi, with outer surface of leather	6,093	9,272
4202.11.00	Trunks, suitcases, vanity cases, occupational luggage, with outer surface of leather	9,431	9,097
	Total of items shown	575,213	763,686
	Total other	108,604	175,103
	Total all commodities	683,817	938,789

[1] Prior to January 1, 1995, reported under HTS no. 1701.11.01 part.
[2] Prior to January 1, 1995, reported under HTS nos. 1701.11.02 part and 1701.11.03 part.
[3] Prior to January 1, 1995, reported under HTS no. 4421.90.92 part.

Note.—Top 20 commodities sorted by imports for consumption, customs value in 1994.

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

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